

# Annual Report

2007 | 2008

Protecting the Environment through Enhanced Productivity

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# Functions of the Council (NPCC)

Strategic Visioning Benchmarking Gemba Kaizen  
 Civic Action Teams Innovation  
 Networking ICT Application 5S  
 Green Productivity

## THE COUNCIL SHALL:

Provide the forum for constant dialogue and consensus building on all matters relating to productivity, quality and competitiveness;

Advise government on the formulation of national policies and strategies on all aspects of productivity, quality and competitiveness;

Promote and develop greater productivity and quality awareness and consciousness amongst the public, and organise awards to recognise individuals, teams and organisations for their outstanding achievements in quality and productivity;

Inculcate new values and attitudes in the country regarding productivity, quality and competitiveness;

Identify constraints to the improvement of productivity, quality and competitiveness and propose remedial measures;

Monitor and coordinate programmes and activities relating to the improvement of productivity, quality and competitiveness;

Collect, analyse, produce and disseminate data on the measurement of, and changes in, productivity, economy-wise and by sector and industry;

Arrange for consultancy services in the areas of productivity and quality management and related fields;

Promote and undertake research, including training, in all aspects of productivity, quality and competitiveness;

Liaise and establish linkages with research institutions and productivity organisations in mauritius and abroad

Serve as focal point on all matters relating to productivity, quality and competitiveness;

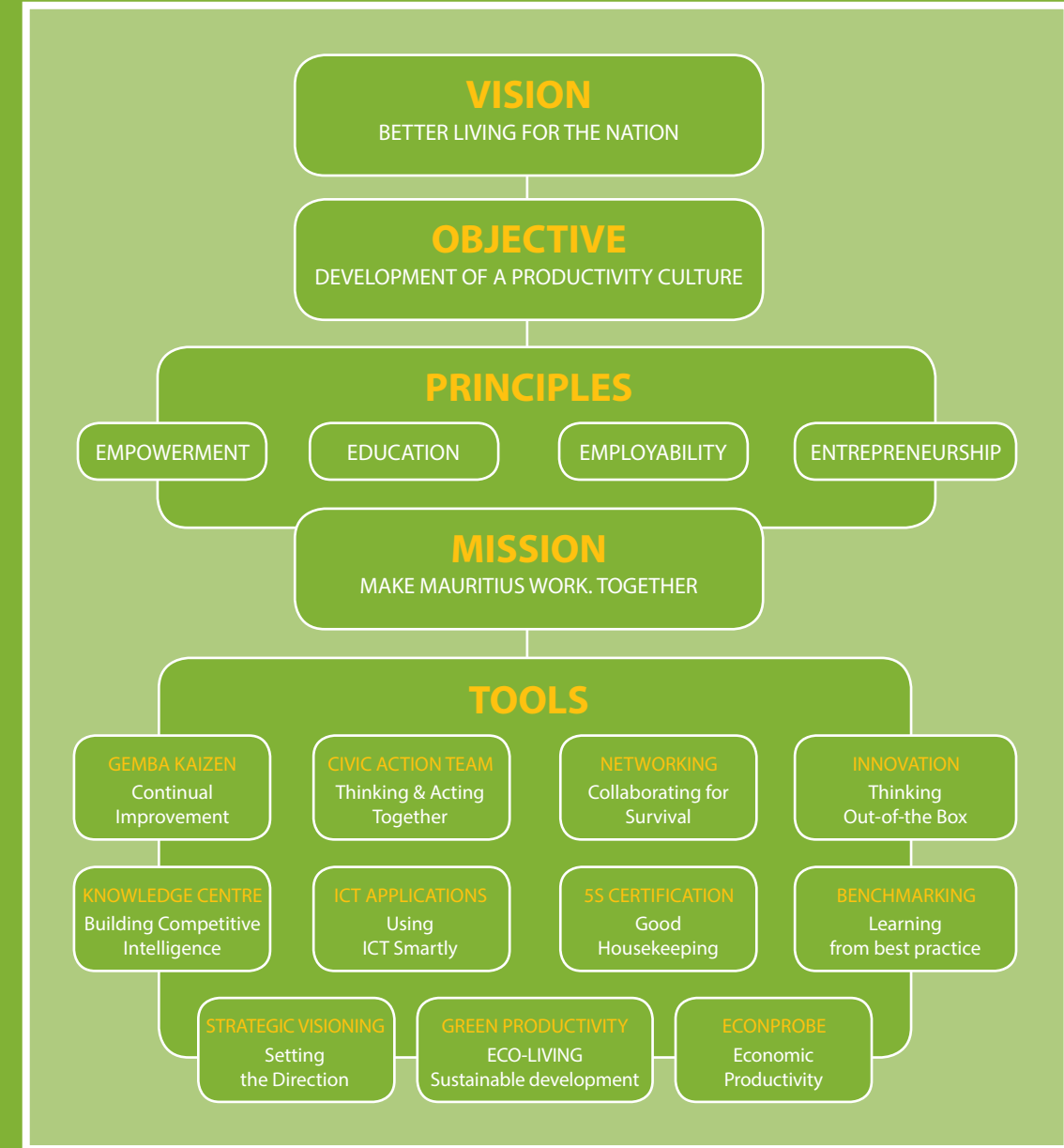
Act as resource centre for published works on productivity, quality and competitiveness issues;

Organise conferences and policy seminars on productivity, quality and competitiveness;

Constitute such productivity committees and co-opt such persons, as it may deem necessary, to such committees, define their objectives, broad terms of reference and the means of their function;

Request the productivity committees to carry out studies, prepare opinion statements, reports and information bulletins within the scope of their powers; and

Do such things as may be incidental to, and consequential upon, the discharge of its functions under this act.



FRAMEWORK  
NPCC

## LETTER FROM THE CHAIRMAN



*"...initiatives are also in alignment with the Government's actions towards 'Maurice, Ile Durable'..."*

## Letter from the Chairman

Honourable V. Bunwaree  
Minister of Education, Human Resources and Culture

Sir,

In accordance with paragraph 18 of the National Productivity and Competitiveness Council (NPCC) Act 1999, I have the honour to submit to you the annual report of the NPCC, which covers the period July 2007- June 2008.

Well aware of the speed and dynamism of globalization, in the year 2007/2008, the NPCC continued to work as per the set vision: "To Make Mauritius Work. Together", with the objective of defining a clear direction for productivity improvement to remain within the focus for actions promoting economic growth.

The vision has been translated into action programs that form the five thrust areas of the NPCC, - namely, innovation, empowerment, best practices, productivity and competitiveness issues and communication. This report reflects the organization's drive for productivity advancement in the year 2007/ 2008. The activities have been centered on the theme of green productivity, indeed, a crucial aspect for achieving sustained economic growth. These initiatives are also in alignment with the Government's actions towards 'Maurice, Ile Durable'.

The NPCC's performance is the result of close cooperation between the public and private sectors and supporting international organization such as the Japan Productivity Centre for Socio-Economic Development (JPC-SED), the Commonwealth of Learning, the Pan African Productivity Association, The Global Knowledge Partnership, the Pan African Competitiveness Council, amongst others. It also reflects the full dedication and commitment of the management team and staff of NPCC which I commend.

Yours Faithfully,

**Avinash RAMTOHUL**  
Chairman



Strategic Visioning Benchmarking Gemba Kaizen  
Civic Action Teams Innovation  
Networking ICT Application 5S  
Green Productivity

# PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR



## Performance Report from the Executive Director

The last financial year 2007/2008 has indeed been challenging for the National Productivity and Competitiveness Council. The organization had to re-orient itself to advance the productivity movement in the changing environment so as to meet its customer's needs.

Ushered by our conviction that productivity will make tomorrow better than today, the NPCC has been on the move to serve as the key catalyst for change. We reaffirmed ourselves as the driver of productivity and quality consciousness in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness.

The NPCC's Competitiveness Report (2004), which called for some sobering reforms, has been inspirational. Since productivity is about maximizing the utilization of all assets for the common good, our activities were shaped to ensure synergistic effects at national level. The "selection and concentration strategy" was propounded to underline the need to be more focused in our activities so that we could achieve the maximum impact with what we do. Our performance was more cost effective and our operations have been based on interactions with local, regional and international organizations.

This report outlines our ongoing dedication and commitment towards promoting all stakeholders to work together to improve the country's productivity level and bring it to higher horizons for a better living.



## Performance Report from the Executive Director (continued)

Some of the key achievements of the NPCC during the period under review include the following:

### Greening Productivity

Social and economic development means bringing a better future to the people. The ultimate goal of productivity improvement as a driving force of economic development is to improve the quality of life of the people. However, economic development cannot subsist upon a deteriorating environmental resource base.

It is in this spirit that the NPCC has embarked on the Green Productivity (GP) Program. GP is a strategy for enhancing productivity and environmental performance for overall socio-economic development. The GP program has been implemented through a three-tiered approach, comprising promotion, demonstration, and dissemination. Under the guidance of Dr P. Modak Consultant at the Environment Management Centre (EMC), India, Professors Ramjeawon and Mohee from the University of Mauritius, we worked on several pilot projects. Our experiences in implementing GP so far have shown that GP works effectively in the industry as well as in communities. Green Productivity will remain one of our key areas of focus in the forthcoming year.

### Enhancing productivity through innovation

Given the competitive challenges facing Mauritius, and with a projected slowdown in the growth of the labor force relative to the total population, Mauritius will need to raise productivity growth rates to maintain current per-capita income growth rates — a key factor in sustaining living standards. Given the limits to labor force growth almost everywhere, innovation will have to drive the growth process.

The promotion of an innovation culture thus remained one of the prime activities of the NPCC in the year 2007/2008. Through programmes like InnovEd (Innovation for the Education Sector) and the Innovator's Mauritius Award, the NPCC is laying the building blocks for an innovative nation. The fourth edition of InnovEd registered a participation rate of more than 15,000 participants. We are currently finalizing the modalities of the Innovator's Mauritius Award (III), which will be launched in July 2008.

### Improving social productivity through empowerment

At a time when our country is going through a phase of economic transition, we need more than ever before to strengthen our social capital to respond to new exigencies. Driven by the productivity spirit for the nation to progress: "Better Living for the Nation", the NPCC has undertaken several community based programmes encompassing the participation and cooperation of people from all social strata.

### Social Entrepreneurship

The NPCC has given a new dimension to the CATs for Community project which it has been undertaking with the Ministry of Social Security, National Solidarity and Senior Citizens Welfare and Reform Institutions since 2002. The "Empowering Community for Social Entrepreneurship" project has been introduced to revitalize the voluntary work done by the civil society for betterment of the community.

The NPCC organized sensitization programmes in different parts of the island — Quartier Militaire, Floreal, Goodlands and Plaine Magnien among others during the month of November. Furthermore trainings on social entrepreneurship were carried out during the months of February to June.



## Performance Report from the Executive Director (continued)

### Lifelong learning (L3) project in Mauritius

Improving productivity in agriculture is critical to addressing the emerging food crisis problem. This necessitates improving agricultural productivity and meeting the requirements of consumers in major markets for product quality and food safety, including the use of production techniques that satisfy social and environmental concerns. Given these strategic imperatives, the NPCC has been actively working with a group of planters at Belle-Mare/ Trou D'Eau Douce to empower them to move to High Value Agricultural Products (HVAPs) targeting high-end markets. The NPCC is working closely with the Commonwealth of Learning (COL) to integrate Life Long Learning (L3) in the process. So far, we managed to regroup about 300 planters of the Belle-Mare region and Trou d'Eau Douce Cooperative.

### Addressing Women's Emerging needs through Empowerment

Taking into account that more than 50% of the population is women, the NPCC has devised the "Addressing of Women's Emerging needs through Empowerment" project in collaboration with the Ministry of Women's Rights, CD & FW. The main objective of the project is to empower women to take a more active role in the developmental process of the country to achieve higher growth. 14 Participatory Advisory Committees (PACs) have been constituted at the level of the Women Centres. The NPCC has been actively supporting them since November 2007 through training and guidance.

In the same line, the NPCC has been working with the National Women's Council to empower women leaders to participate actively in decision making on issues that affect their livelihoods in their locality. Several workshops were conducted by the NPCC starting from June 2008.



# Performance Report from the Executive Director (continued)

## Civic Action Teams (CATs)

The empowerment of students through Civic Action Team based on PDCA(Plan Do Check Act) remains one of the main axes of the NPCC. The NPCC organized the 6<sup>th</sup> CATs Convention in August 2007. 32 schools participated for the Convention and the winning team proceeded to the 10th International Convention for Students Quality Control Circles in Lucknow, India in December 2007, under the full sponsorship of the NPCC. The NPCC also sponsored half the trip of the facilitators of the four next best projects to the International Convention.

## English Literacy Using Information Technology (ELIT)

Launched in April 2007, the ELIT project is taking momentum and adapted to the needs of our stakeholders. So far, more than 100 trainees have benefitted from the programme, including 15 trainees under the Circular Migration Programme and 12 under the SOS Poverty Scheme. Training of trainers was also conducted for 23 youth animators from the Ministry of Youth and Sports.

## Special Programme for Unemployed Women

Following the MoU signed between the NPCC and the UNDP in April 2007 for the setting up of a Project Management Unit (PMU) dedicated to implementing activities under the Special Programme for Unemployed Women (SPUW), assistance and projects were developed in various sectors. A number of projects were launched during March and April, the onion mars project of Grand Sable being one of them. La journée de l'entrepreneuriat was organized on several occasions throughout the period January to June and to follow up presentations and project monitoring were constantly carried out from March to June.

The objective of this programme remains to provide assistance to various categories of vulnerable women, particularly those retrenched from the sugar and textile sector, new entrants in the labour market and vulnerable groups



# Performance Report from the Executive Director (continued)

## Sustaining Economic Productivity through Best Practices

Current economic realities (liberalized and dynamic markets, constantly changing customer preferences, new structure of production and work, etc.) are leading to enterprises rethinking of ways to remain in the market. To be relevant in the dynamic and changing environment, enterprises must focus on ways to enhance their productivity and improve their respective competitive edge. As the driver of productivity and competitiveness in Mauritius, one of our main focus remains improving productivity at industry level- both public and private. The main activities undertaken in this regard are:

## Model Companies

As member of the Pan African Productivity Association (PAPA) I have actively been involved in the development of the productivity culture in Africa. The Japanese authorities are working in close collaboration with the PAPA to boost up the productivity movement in Africa.

One of the initiatives of the Japanese Government is in-plant Productivity Improvement and assessment for the Corporate Sector. In order to create successful show-case examples of Productivity Movements at company level, four countries have been identified, namely: South Africa, Botswana, Kenya and Mauritius to work in cooperation with the Japan Productivity Center for Socio Economic Development (JPC-SED) on a pilot implementation of model companies. The exercise consist of a diagnosis of the company, fact finding research conducted on site, 5S and Kaizen activities, trainings and implementation of corrective measures to improve the general productivity of the enterprises. Five companies in Mauritius have decided to take up the challenge. They are: Precigraph Ltee, CIM Leasing, the Food and Allied group Mauritius Post Ltd and La Laiterie de Curepipe. Two Japanese experts, Mr Toshitsugu Nakai and Mr Koichi Hiratsuka have been designated to closely monitor the progress of each country under the PAPA umbrella and hence conduct regular visits in the respective NPOs. This programme started in August 2007.

The second initiative is capacity building of National Productivity Organisations staff to spread around the productivity movement. Two training programmes have been tailored: the Basic

Course for Productivity Practitioners (BCPP) promoting tools and techniques for productivity improvement at micro and meso levels and The Advanced Course for Productivity Practitioners (ACPP) which rather provides solutions at macro level specifically.

## Muda Free Mauritius (MFM) II

We continue our efforts to promote continuous improvement in order to achieve better living for the Nation through our MFM activities. Under the Muda Free Public Service programme, we initiated a Productivity Improvement Programme in the Civil Status Office in January and at the Subramaniam Bharati Eye Hospital in April. Our activities consisted of identifying and eliminating Muda through in-plant Gemba Kaizen workshops.

In conclusion, the NPCC is confident that as a productivity organization, we will continue to lead in the enhancement of productivity and quality of the country by intensifying activities in green productivity, innovation, empowerment, best practices, research and knowledge dissemination. We will promote activities that will lead to stakeholders to work together based on mutual trust for the common good.

I also take the opportunity to thank my council for its support, all our collaborators both locally and internationally, without forgetting the staff members of the NPCC for their hard work and dedication and look forward to another productive year at the NPCC. I would leave you to ponder over this quote: **“Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning, and focused effort.”**

**Dr Krishnalal COONJAN**  
 Executive Director

## CORPORATE GOVERNANCE



### **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2008**

The National Productivity and Competitiveness Council was established as a corporate body as per the NPCC Act no 9 of 1999. Its object is to stimulate and generate productivity and quality consciousness, drive the productivity and quality movement in all sectors of the economy, enhance the country's international competitiveness and raise national output with a view to achieving sustained economic growth. It performs its functions as laid out in the Act.

#### **Compliances and Enforcement**

The NPCC is fully committed to attaining and maintaining the highest standards of corporate governance and is gradually taking action to ensure compliance with the code of corporate governance for Mauritius issued by the National Committee on Corporate Governance as applicable to state owned enterprises.



## Board and Directors

The NPCC Act makes provision for a Council and an Executive Committee.

The Council consists of 20 members and are non-Executive and independent of the NPCC. Members collectively represent the interests of the Government, the employers, the trade unions and industry associations, consumer organizations, professionals & academia.

The Executive Committee emanates from the Council and consists of the Chairman, the Vice Chairman, the Executive Director and three other members of the Council appointed by the Council. The Executive Committee is responsible for:

- the preparation of budget proposals and accounts for approval by the Council,
- the preparation of yearly programmes of work for approval by the Council and
- monitoring the use of manpower and financial resources, including disbursement, acquisition of equipment and selection and hiring of staff.

As such the Executive Committee operates at the operational level and reports to the Council which operates at the policy level.

## Operations of the Board

Meetings of both the Council and the Executive Committee are scheduled in advance and papers are circulated before meetings.

In order to ensure a link between management and the Council, the NPCC Act provides for the Executive Director to act as the Secretary of the Council and the Executive Committee and, in that capacity, attend all meetings of the Council and the Executive Committee.

A brainstorming session with Council members, Management Staff and selected stakeholders is normally held to define a three year strategic plan. Management then prepares an 18 months rolling action plan based on the strategic plan which is discussed and approved by the Council. The Action plan is reviewed every six months.

The roles of the Chairman and the Executive Director are distinctly enunciated under the Act. The Chairman heads the Council while the Executive Director is responsible to the Council for the proper administration and management of the day-to-day business of the Council in accordance with guidelines laid down by the Council. The NPCC operates independently of Government but is accountable to parliament and ultimately to the public through the tabling of its report annually.

### Statement of Attendance at Council/Executive Committee meetings

| N° of Council meetings held: 3   | N° of Meetings Attended |
|--|-------------------------|
| Mr Avinash RAMTOHUL, Chairperson   | 3/3                     |
| Mr Arif CURRIMJEE, Vice-Chairperson (Resigned in August 2007)                                      | Nil                     |
| <b>Members representing the interests of the Government</b>  |                         |
| Mr Swaminathan RAGEN   | 2/3                     |
| Mr A K HOOLASS   | 3/3                     |
| Mr Ramjit IMRIT  | 2/3                     |
| <b>Members representing the interests of the Employers</b>   |                         |
| Mr José PONCINI  | 1/3                     |
| Mr Mukesh GOPAL  | 2/3                     |
| Dr Azad JEETUN   | 1/3                     |
| <b>Members representing the Trade Unions</b>   |                         |
| Mr B C KURREEMAN   | 2/3                     |
| Mr Radhakrishna SADIEN, MSK  | 3/3                     |
| Mr Yusuf SOOKLALL  | 3/3                     |
| <b>Members drawn from Industry Associations, Consumer Organisations Professionals and Academia</b> |                         |
| Mr Suresh Chandra BHURUTH  | 3/3                     |
| Mr Roland DUBOIS   | 2/3                     |
| Mr Jay Komarduth HURRY   | 3/3                     |
| Mr Sanjay G MUNGUR   | 3/3                     |
| Mr Govindasami PILLAY  | 3/3                     |
| Mrs J P Selvam POONOOSAMY MADOORAPEN   | 1/3                     |
| Mr Vivek Gupta RAMNARAIN   | 1/3                     |
| Mr Vijay SOOKAREE  | 3/3                     |
| Mrs Arielle Francois NICOLAS   | 1/3                     |

| N° of Executive Committee meetings held: 5                    | N° of Meetings Attended |
|---|-------------------------|
| Mr Avinash RAMTOHUL, Chairperson                              | 5/5                     |
| Mr Arif CURRIMJEE, Vice Chairperson (Resigned in August 2007) | Nil                     |
| Dr Krishnalall COONJAN,                                       | 5/5                     |
| Dr Azad JEETUN  | 3/5                     |
| Mr Swaminathan RAGEN  | 3/5                     |
| Mr Yusuf SOOKLALL   | 5/5                     |

### Statement of remuneration of Council /Executive Committee members

The Chairman of the Council receives a monthly fee of Rs 15,000 and Other Executive Committee member's fees are set at Rs 5000 per month whereas Council members receive a fee of Rs 1500 per sitting.

The remuneration of members for financial year 2007/2008 is as follows:

| Council Members                | Remuneration |
|--------------------------------|--------------|
| Mr Avinash RAMTOHUL            | 180,000.00   |
| Mr A.CURRIMJEE                 | 20,000.00    |
| Mr S.RAGEN                     | 60,000.00    |
| Mr Y.SOOKLALL                  | 60,000.00    |
| MR A.JEETUN                    | 60,000.00    |
| Mr Suresh Chandra BHURRUTH     | 4,500.00     |
| Mr Roland DUBOIS               | 3,000.00     |
| Mrs Arielle FRANCOIS - NICOLAS | 1,500.00     |
| Mr M.GOPAL                     | 3,000.00     |
| Mr B.C. KUREEMAN               | 3,000.00     |
| Mr Jay Komarduth HURRY         | 4,500.00     |
| Mr Ramjit IMRIT                | 3,000.00     |
| Mr. A.K. HOOLASS               | 4,500.00     |
| Mr Govindasami PILLAY          | 4,500.00     |
| Mr José PONCINI, GOSK          | 1,500.00     |
| Mrs J.P. Selvam P.MADOORAPPEN  | 1,500.00     |
| Mr Vivek Gupta RAMNARAIN       | 1,500.00     |
| Mr Vijay SOOKHAREE             | 4,500.00     |
| Mr Radhakrishna SADIEN         | 4,500.00     |

**Donations**

No donation has been effected during the year.

**Code of Ethics**

Issues such as ethics, employee's involvement and equal opportunity of employment are key to the long term interest of the NPCC to conduct itself as a responsible corporate citizen. Work is on-going to refine internal policies and practices that would enhance the existing practice in these areas.

The Council also provides a safe workplace for its staff together with a medical scheme and a 24-hr Insurance cover.

**Related Party Transaction**

There has not been any related party transaction during the year.

**Statement of Director's Responsibility**

The NPCC acknowledges its responsibilities for:

adequate accounting records and maintenance of effective internal control systems; the preparation of financial statements which fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS); and the selection of appropriate accounting policies supported by reasonable and prudent judgements

The external auditor (i.e the Director of Audit, National Audit Office) is responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

adequate accounting records and an effective system of internal controls have been maintained; appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; applicable accounting standards have been adhered to; and the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Staff turnover amongst the professional cadre represents a potential risk for the Council. The duties being carried out by such staff are in principle quite technical and inability to retain them can result in considerable loss of valuable human resources. In view of the established rules of the public sector, it has unfortunately, not been possible, up to now, to refrain professional staff from leaving the Council.

Signed on behalf of the NPC Council.



**Mr A. Ramtohul**  
 Chairman



**Mr S. RAGEN**  
 Member, Executive Committee

**Directors' Statement for Internal Control**

The NPCC acknowledges its responsibility for the setting up of adequate system of internal controls and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities are closely monitored by the Council. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Council.

The organisation being lean, there is no specific provision for an Internal Controller. However, we have put in place an effective system, which includes:

- Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- Expenditure limits for the Executive Director has been fixed by the Executive Committee and all purchases are duly authorised by the appropriate instances.
- Follow up and implementations of recommendation of the Director of Audit in order to improve the process and ensure proper accountability, is regularly adhered to.
- Adequate supervision of duties performed by staff members by Executive Director.
- The assets of the Council are properly safeguarded.
- All cheques issued by the Council are signed by two authorised signatories.

Signed on behalf of the NPC Council.



**Mr A. Ramtohul**  
 Chairman



**Mr S. RAGEN**  
 Member, Executive Committee



## Highlights- Productivity & Competitiveness Performance of Mauritius (2007-2008)

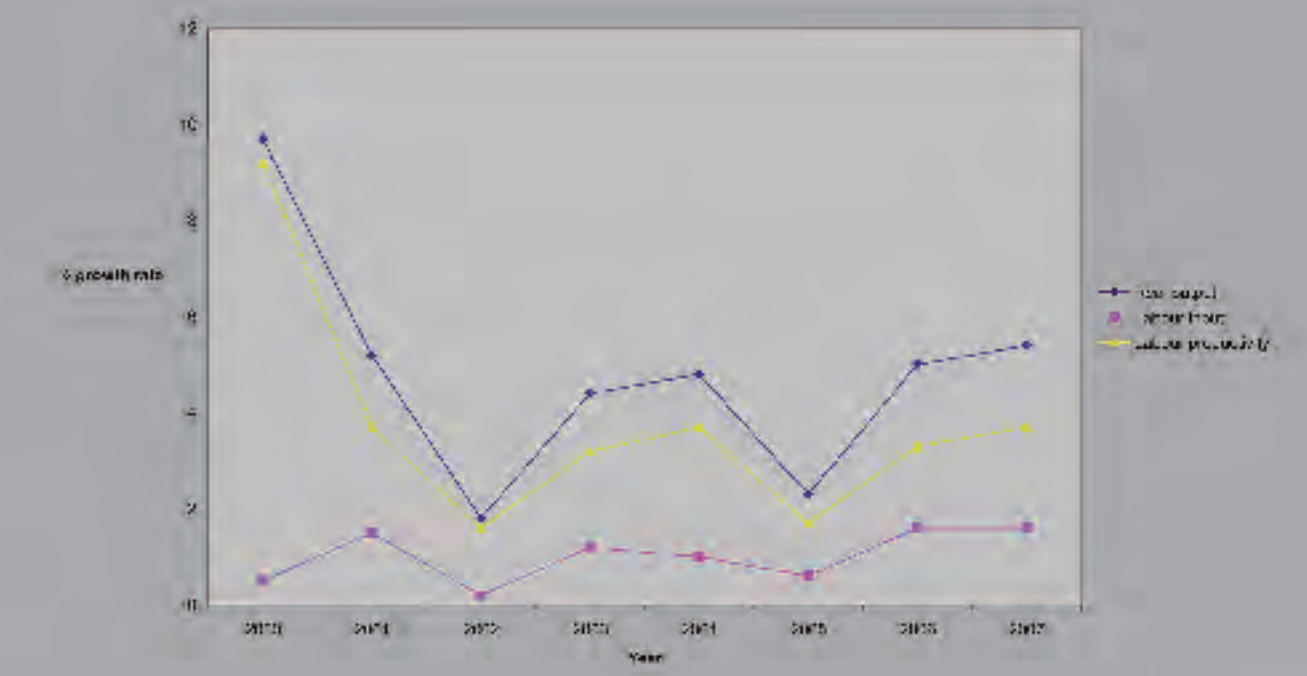
# Highlights- Productivity & Competitiveness Performance of Mauritius (2007)

### LABOUR PRODUCTIVITY

Labour productivity grew at a higher rate of 3.7% compared to 3.3 % in 2006.

(Value added)

Analysis of labour productivity growth rate



## Highlights- Productivity & Competitiveness Performance of Mauritius (2007-2008) (continued)

### CAPITAL PRODUCTIVITY

Capital Productivity registered a fall of 2.3 % in 2007 compared to an increase of 4.1 % in 2006.

(Year 2000)

Analysis of capital productivity growth rate



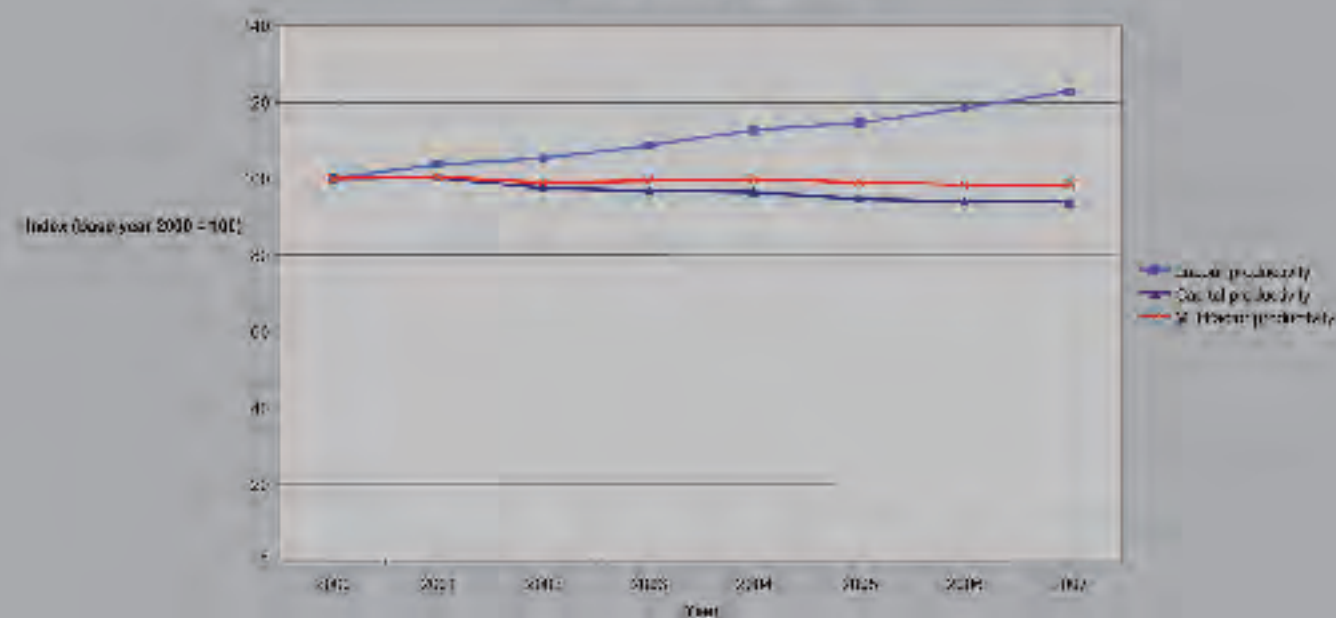
## Highlights- Productivity & Competitiveness Performance of Mauritius (2007-2008) (continued)

### MULTIFACTOR PRODUCTIVITY (MFP)

Year 2007 witnessed an increase of 0.1 % in MFP against a fall of 0.7 % in 2006.

(Year 2000)

Productivity trends (2000 - 2007)



# Highlights- Productivity & Competitiveness

## Performance of Mauritius (2007-2008) (continued)

### COMPETITIVENESS HIGHLIGHTS

According to the Global Competitiveness Index of the World Economic Forum, Mauritius ranks in the top third most competitive countries in Africa.

| Country          | RANK<br>(OUT OF 134) |
|------------------|----------------------|
| Algeria          | 76                   |
| Egypt            | 65                   |
| Libya            | 73                   |
| Morocco          | 72                   |
| Tunisia          | 29                   |
| Angola           | 128                  |
| Benin            | 107                  |
| Botswana         | 83                   |
| Burkina Faso     | 119                  |
| Burundi          | 127                  |
| Cameroon         | 111                  |
| Chad             | 126                  |
| Ethiopia         | 123                  |
| Gambia           | 104                  |
| Kenya            | 97                   |
| Lesotho          | 115                  |
| Madagascar       | 113                  |
| Malawi           | 120                  |
| Mali             | 122                  |
| Mauritania       | 118                  |
| <b>Mauritius</b> | <b>58</b>            |
| Mozambique       | 124                  |
| Namibia          | 88                   |
| Nigeria          | 102                  |
| South Africa     | 46                   |
| Tanzania         | 108                  |
| Uganda           | 116                  |
| Zambia           | 117                  |
| Zimbabwe         | 121                  |

Source- World Competitiveness index

# Highlights- Productivity & Competitiveness

## Performance of Mauritius (2007-2008) (continued)

The World Governance Indicators of the World Bank, which summarize survey opinions on several dimensions of institutional quality: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. It ranks Mauritius high by international standards, outperforming high-growth economies as well as small island states.

The Doing Business Report 2008 named Mauritius the best-performing country in sub-Saharan Africa and ranked it 27th in the world. Compared to other nations, it fares particularly well on institutional variables related to commerce and entrepreneurship, such as starting a business and securing a license.

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## PRODUCTIVITY AND COMPETITIVENESS



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Productivity and Competitiveness

### GREEN PRODUCTIVITY FOR A SUSTAINABLE ISLAND 'MAURICE ILE DURABLE'

The ever increasing concern of Governments worldwide towards achieving sustainable development is becoming more pronounced ;more so in the local context, with the Government of Mauritius spearheading a national initiative towards making Mauritius, through the "Maurice Ile Durable" concept and through making provision for a "Maurice Ile Durable Fund" a sustainable island. This calls for an understanding of the new technologies, the ways to use them and the importance of changing our habits and shifting to renewable energy for our own good, for the welfare of our country and the future generations.

The NPCC is promoting Green Productivity (GP) as a strategy that makes productivity 'sustainable' and leads to gains in profitability through improvements in productivity and environmental performance.

GP is thus a strategy of integrating environmental and social considerations with business and other activities, applicable to all sectors including agriculture, transportation, retail and service establishments, government and schools, as well as the industry.

The overall aim being to improve environmental impact of organization's activities, goods and services and thus attain higher level of productivity through the application of appropriate productivity and management tools ,techniques and technologies which are based on among others, our concern for the ecology. GP transcends adopting clean technology (through technology development and transfer) and further encompasses altering the attitudes of all stakeholders, (both producers and consumers).



# Productivity and Competitiveness (continued)

## PROGRAMME DESIGN

While designing the programme, a stocktaking exercise involving consultations with key stakeholders in the business and the community was carried out in July 2007 to understand the lessons learnt, to avoid duplication and to encourage extension of some of the proven good initiatives of GP-like interventions in Mauritius.

Three pilot projects have been identified and initiated under this programme:

### 1. Green Schools

In February 2008, the NPCC conducted three working sessions with the Royal College of Port –Louis to introduce the Green school concept and identify problems that the school was encountering and possible solutions to these problems. The College subsequently set up a green school committee comprising of the rector, teachers, students and PTA representatives to lead and implement the programme. The students developed an action plan to address several environmental issues identified by them. They currently have a waste segregation and recycling plan that is being adopted in the school. The committee has also developed a sensitization programme whereby they are currently sharing their knowledge with two other schools in their locality. The committee is planning to address the issue of energy efficiency in their respective school in the coming year.

A Green school guidance manual has also been developed by the NPCC with the support of the Environment Management Centre (India) to assist implementation of the green school project and provide necessary support to schools. The manual explains the implementation approach as well as the methodology proposed to be adopted for the programme and provides information about the various tools and techniques which could be used for successful implementation.



Implementing Green School at Royal College Port Louis

# Productivity and Competitiveness (continued)

This project will facilitate the conversion of schools structures to green buildings (institutions that incorporate cleaner / safer materials, practice green procurement, operate keeping energy and resource efficiency in mind and think of ways to minimize / recycle their wastes) and through a learning by doing approach will enhance environmental awareness of the school management, teachers, educationists, students and the community at large.

### 2. Green Productivity (GP) Clinic/Green Productivity Opportunity Assessment (GPOA)

GP Clinic aims at facilitating the conversion of small and medium enterprises (SME) to adopt more environmental friendly practices. The clinic uses Green productivity Opportunity assessment as a tool to identify opportunities to increase productivity and profitability while reducing the environmental impact at its source and associated risk to the enterprise.

Following a series of meetings with SMEs, three pilots were conducted by the NPCC with the collaboration of students from the University of Mauritius .The Green productivity opportunity assessments conducted (GPOA) lead to the identification of opportunities to reduce energy losses and enhance productivity.

The team came up with measures that would result in financial savings through improvements in productivity and environmental performance if implemented.

In a tuna processing enterprise, the measures proposed would result in an annual saving of Rs 1,760,580 by the addition of an economizer on each boiler. Further more, the insulation of the cooking equipments will help minimize fuel consumption and it was demonstrated that with the help of appropriate lagging even higher energy savings could be expected.



## Productivity and Competitiveness (continued)

In a tea making factory, the team identified possibilities of reducing energy losses by 25-50%. They also found opportunity of increasing the boiler efficiency and set up production control parameters for an enhanced productivity.

In a small size hotel the composting of organic wastes and the reduction of electrical consumption through modifications in air conditioning systems, utilization of energy saving bulbs and changes in the setting of a standby generator has demonstrated the need to develop an environmental policy for the hotel.

### 3. National Composting Plan - Development of a Central Compost Development Facility (CCDF) for Mauritius

The CCDF is proposed as a biological waste conversion and compost enrichment facility. The central composting facility, (CCDF) proposed as a public private partnership, will consider the whole process of wastes conversion to composts, enrichment of compost to a homogeneous certified product for the production of organic/bio products and the sale/export of these products, to boost the development of the organic agro business sector, in Mauritius.

A feasibility plan for Central Compost Development Facility (CCDF) has been developed on the basis of existing experiences in Mauritius and other developing / developed countries and then customize by building a suitable institutional and operational model for up-scaling to a national level. The plan proposes mechanisms to standardize techniques / production and disseminate through training, develop collection and transportation network, create an intermediate centre that will ensure quality aspects and carry out enrichment as relevant (in the case of compost it may enhance the 'NPK' ratio), develop markets and create a brand for the products.



Turning organic waste to compost



Strategic Visioning Benchmarking Gemba Kaizen  
Civic Action Teams Innovation  
Networking ICT Application  
Green Productivity 5S

# INNOVATION

Strategic Visioning Benchmarking Gemba Kaizen  
Civic Action Teams Innovation  
Networking ICT Application  
Green Productivity 5S

Since the NPCC started operations in May 2000, innovation has been used as a tool to address resistance to change with a view to improve productivity. The test of time has proven that success in a global economy is increasingly determined by one's ability to respond innovatively to changing views and needs of people and countries.

Our aim ultimately is to make innovation become an integral part of our lives – part of our culture, so that we can stand out as an innovative nation. Two programmes that have been devised to address innovation are: **InnovEd** and the **Innovators Mauritius Award**.

## INNOVED 2008

The InnovEd (Innovation for the Education Sector) project is a joint NPCC and Ministry of Education & Human Resources. It aims at fostering the spirit of creativity and imagination, while at the same time prompting children to think innovatively and having fun.

For the 4<sup>th</sup> edition of InnovEd, **389 schools** and more than **15000 students** from the Republic of Mauritius have participated for the project. The increase in participation witnessed this year as compared to the prior editions is remarkable.

InnovEd 2008 started with a launching ceremony on the 15<sup>th</sup> January 2008, by Hon. Dharam Gokhool, Minister of Education and Human Resources at Queen Elizabeth College. Subsequently all the heads of schools from the pre-primary, primary and secondary sector were sensitized on the need for innovation to unleash the creative potential of our children.

More than 1000 teachers from the participating schools got hands-on experience and training to assist them in implementing creative thinking and problem solving activities in classroom.

Zone exhibition and selection were held throughout the Republic of Mauritius. 92 zone jurors in Mauritius and Rodrigues assessed the projects presented at zone level.

This was followed by the national selection and exhibition and award ceremony which was held from the 26<sup>th</sup> to the 29<sup>th</sup> May 2008 at the Octave Wiehe Auditorium, Réduit. All the projects selected at zone level were displayed and 12 jurors assessed the projects. An open day for members of the public was held on the 28<sup>th</sup> May 2008 and attracted a considerable number of visitors, particularly students and teachers.



## INNOVATOR'S MAURITIUS AWARD 2008

If "We want to be an innovative nation", we have to nurture a culture of creativity and innovation. This is the spirit of the Innovators Mauritius Award which is organised every two years by the NPCC to provide a platform for all Mauritians to innovate through new ideas, products and processes.

Preparation for the launching of the third edition of the Innovator's Mauritius Award started in January 2008. A committee on innovation comprising of representatives from the public/ private sector and members of the trade union was set up. Several brainstorming sessions were held to define the theme for the Award.

The committee consensually agreed on the theme Eco-living: "pour une ile Maurice durable" – everybody can make a difference. A technical committee has worked out the modalities of the Award. The launching of the Innovator's Mauritius Award III has been scheduled in the month for July 2008. A series of workshops/ training and sensitization programmes have also been planned to sustain the campaign. The Barclays Bank will be one of the main sponsors for the Innovator's Mauritius III. The Award Night is scheduled for October 2008.





## EMPOWERMENT FOR DEVELOPMENT

***“As we look ahead  
into the next century,  
leaders will be those  
who empower others.”  
Bill Gates***

Real and long-lasting productivity improvement can not be achieved without the active involvement of all stakeholders. Support by the business community, employees, government, consumers, academia and the general public is a must.

Productivity, however, is a word that is understood differently depending on where you stand. It is necessary for each citizen to realize that he/she can act upon his/her environment to make it better. Often, the individual cannot distinguish the tree from the forest. One must be awakened to one's potential and empowered to take action to better his/ her life.

Empowerment remains one of the main thrust areas of the NPCC. A number of initiatives have been undertaken by the NPCC to empower specific target groups to think and find solutions in their immediate environment through different programmes and techniques with a view to facilitate the development of a productivity culture at community, school and family levels including the workplace.



## Empowerment for development (continued)

### 1. CIVIC ACTION TEAMS (CATS) FOR PRODUCTIVITY IMPROVEMENT IN THE EDUCATION SECTOR

Education is sine qua non to productivity improvement. Built upon the framework of quality circles, which is used at the industry level to enhance productivity, CATs is used by the NPCC to empower the student community to think critically and find solutions to problems in their immediate work environment.

The NPCC organised the 6<sup>th</sup> CATs Convention for the education sector in collaboration with the Ministry of Education and Human Resources. The convention was held on the 30<sup>th</sup> August 2007 at the University of Mauritius.

**255 students from 82 schools** participated in the convention under the guidance of 51 teachers who acted as facilitators. The theme was "Working together to improve our school." The CATs were expected to work together with other students, teachers, administrators, non teaching staff, parents, and people from the community to solve a problem related to their school and thereby bring an improvement in the school environment.

Ten projects across categories (power point, role plays or visual/poster presentation) were selected for the convention at national level.

The jurors were Mrs Maya Soonarane, Assistant Director HRMD Ministry of Education and Human Resources and chairperson of jurors, Mr Christian Lemasson, Director Manpower and Services Provider, Mr David Lai Wai, Lecturer Faculty of Law and Management University of Mauritius.

Ten facilitators who followed the training for facilitation in 2006 received a competence certificate for having set up a CAT in their respective schools.

The CAT of Ebène SSS (Girls) won the jurors' appreciation for the best project. The next four best projects were from Eden College (boys), Ebène SSS (Boys), Port Louis SSS (girls) and Royal College Curepipe.

**CATs**  
 Civic Action Teams  
 thinking & acting  
 together to boost  
 civic responsibility

JOIN US  
 FOR THE  
**6<sup>TH</sup>**  
 CATs' CONVENTION

**g together to improve our school**

## Empowerment for development (continued)

### 10<sup>TH</sup> ICSQCC

The NPCC sponsored the Ebène SSS (Girls) team i.e. a maximum of five members (4 students and one facilitator), to attend the 10<sup>th</sup> International Convention on Student's Quality Control Circles (ICSQCC) organized by City Montessori School and Degree College in Lucknow, India from 28<sup>th</sup> November to 1<sup>st</sup> December 2007.

The NPCC also provided 50% funding (air tickets, registration fees at the convention) to the teachers of Eden College (boys), Ebène SSS (Boys), Port Louis SSS (girls) and Royal College Curepipe.

Mauritius was also represented by the St Mary's team, winners of the 2006 edition who could not attend the 9<sup>th</sup> ICSQCC held in Sri Lanka. The four facilitators from Thanacody College, Royal College Curepipe, Hindu Girls' College and Loreto College Mahebourg also proceeded to Lucknow.

### CASE STUDIES IN THE EDUCATION SECTOR

The NPCC published a CATs booklet with the projects and case studies undertaken by the Civic Action Teams since 2001, when the first CATs Convention was held.

### LAUNCHING OF CATS PROJECT 2008

The launching of the CATs project 2008 was effected on the 15<sup>th</sup> January 2008 at Queen Elizabeth College by the Minister of Education and Human Resources.

Meetings with the heads of schools (primary and secondary) were conducted in January 2008 in the four zone directorates and posters were distributed to all schools to invite the students to participate in the CATs Convention.



St Mary's Civic Action Team, winners of the Juran Award at the 10<sup>th</sup> ICSQCC



Ebène SSS Girls, winners of the 7<sup>th</sup> CATs Convention, Mauritius

## Empowerment for development (continued)

### TRAINING OF FACILITATORS

The NPCC benefited from the support of trainers that have followed the course on the Setting up of CATs and have:

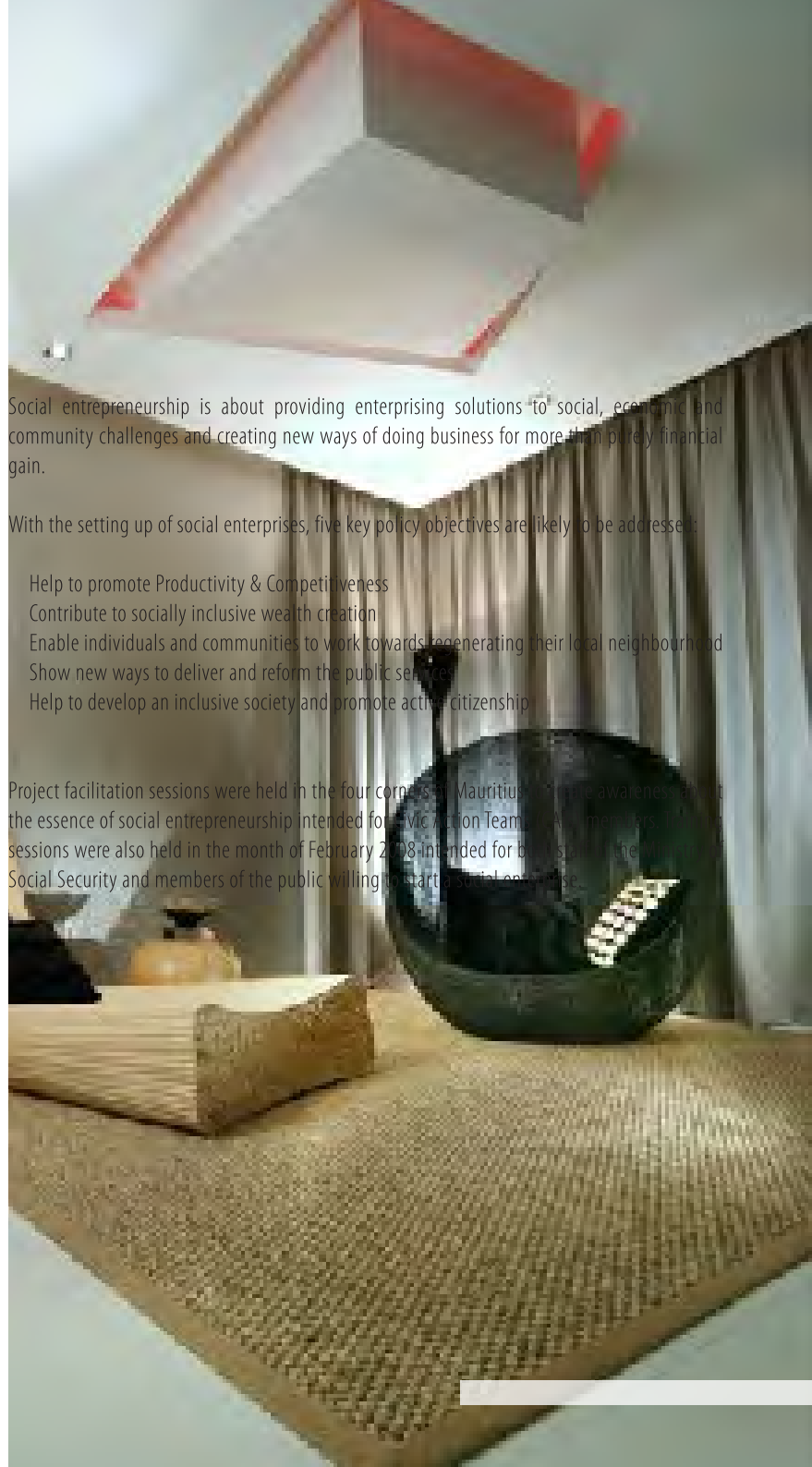
- (i) received a certificate of competence and/or
- (ii) been sponsored by the NPCC to attend an International Convention on Students Quality Control Circle (ICSQCC) to train the facilitators in the four zones in February-March 2008.

The training for teachers in Rodrigues was conducted from 27 to 29 March 2008.

### SOCIAL ENTREPRENEURSHIP TO PROMOTE SOCIAL PRODUCTIVITY

Human capital and social capital are among the main components of productivity development and competitive advantage. With the dynamic changes happening in the social arena, the NPCC reviewed the CATs project for the community, which has been running since 2002 in collaboration with the Ministry of Social Security, National Solidarity and Senior Citizens Welfare & Reform Institutions.

The "Empowering Community for Social Entrepreneurship" was thus launched on Wednesday 7<sup>th</sup> November 2007 at the Riviere Sèche Social Welfare Centre, Floréal. Hon Mrs Sheilabai Bappoo, Minister of Social Security, National Solidarity and Senior Citizens Welfare & Reform Institutions, Hon Marie Joseph Noel Etienne Ghislain Sinatambou, Minister of Information Technology and Telecommunications and His Worship Mr Bhangeerutty Mayor of Curepipe, were present for the event.



Social entrepreneurship is about providing enterprising solutions to social, economic and community challenges and creating new ways of doing business for more than purely financial gain.

With the setting up of social enterprises, five key policy objectives are likely to be addressed:

- Help to promote Productivity & Competitiveness
- Contribute to socially inclusive wealth creation
- Enable individuals and communities to work towards regenerating their local neighbourhood
- Show new ways to deliver and reform the public services
- Help to develop an inclusive society and promote active citizenship

Project facilitation sessions were held in the four corners of Mauritius. The main aim was to capture the essence of social entrepreneurship intended for Civic Action Teams. The project facilitation sessions were also held in the month of February 2008 intended for business owners, members of Social Security and members of the public willing to start social enterprises.

## Empowerment for development (continued)

### GENDER AND PRODUCTIVITY IMPROVEMENT

To accelerate growth and prosperity of the nation, it is very important to create opportunities for socio-economic development of women. It is in this perspective that the NPCC is working closely with the Ministry of Women's Rights, CDFW & CP on the Addressing Women's Emerging needs through Empowerment Projects.

The objectives of this project are to:

- Empower and strengthen the capacity of women-led groups to get organized and take an active part in community based projects for the welfare of the whole society.
- cause socio-economic upliftment of the women through their enhanced participation in community projects and self management of local development activities
- contribute to the personal development of members of women-led groups through providing opportunities to enhance organizational capability, develop communication skills and problem solving capacity and increase confidence and self-esteem.
- To foster the development of a community's sharing of social responsibility through increasing the awareness of members about social issues, and provide a medium through which their sense of social responsibility can be translated into action.

The project was launched on Thursday 29<sup>th</sup> November 2007 at the Rajiv Gandhi Science Centre in the presence of Hon. Indira Seebun, Minister Women's Rights, and CDFW & CP.

More than 100 Participatory Advisory Committee (PAC) members from the 14 Women Centres were present and shared with the audience preliminary information about the status of women in their respective regions and further explained how their needs can be addressed.

Training sessions have been organized for the members of PACs and staff of the Ministry to empower them with the necessary tools and techniques which can be used for project identification, implementation and evaluation for the betterment of the status of women.

The different PACs are in the process of identifying potential community projects which will be shared during a national convention to be organized in the next financial year.



Launching of Participatory Advisory Committee (PAC)



# Empowerment for development (continued)

## SPECIAL PROGRAMME FOR UNEMPLOYED WOMEN (SPUW)

The Government of Mauritius, in its 2007/2008 National Budget made provisions for the setting up of an Empowerment Programme to “galvanise the economy by broadening the circle of opportunities to benefit every Mauritian citizen.”

The NPCC was identified as the Implementing Agency for the Special Programme for Unemployed Women.

The aim of this programme is to promote self-employment and entrepreneurship in various sectors of activity and is specifically dedicated to addressing the plight of retrenched/ unemployed women, and those wishing to be re-skilled or are interested in initiating their own enterprises.

Actions that have already been initiated include a mobilisation database of 8,636 women across the island compiled from April 2007 to May 2008 and 3631 were profiled according to their respective interests.

## CAPACITY BUILDING

534 women were targeted and 188 were trained in sectors such as electricity woodworking, woodcarving, plumbing, Hairdressing, Catering, Pastry, Garment Making, Painting, Interior Decoration, Sales so that they can afterwards group together and assume responsibilities as entrepreneurs.

## PROJECT IMPLEMENTATION PHASE

Group business projects have been approved in Catering, goat and duck rearing, strawberry cultivation, interim services, aromatic herbs, community kitchen, and plantation of fruit cultivation, after-school childcare services targeting 656 women.

As a result, it is expected that the second year of operations would be instrumental in confirming the viability of projects launched and the ability of people trained to benefit from placement opportunities into confirmed jobs. Eventually, the process of women empowerment should lead to concrete actions to bring about changes in policies, in access to resources, addressing social norms, and values that preclude greater women emancipation.



First batch of ELIT Participants at Municipal Council of Vacoas/Phoenix

# Empowerment for development (continued)

## PROMOTING PRODUCTIVITY THROUGH ICT DEVELOPMENT

The English Literacy using IT (ELIT) project was initiated in June 2005 with the support from UNESCO. The ELIT course is primarily targeted at women aged 15 and above with the aim of raising their level of functional English so as to enable them develop their knowledge potential, and assist them in becoming more successful in their day-to-day lives.

The year 2007/2008 has been eventful for the ELIT project with more than 100 women successfully completing the course for this financial year. Scaling up of ELIT was achievable with the collaboration of different stakeholders, namely the:

- (1) Municipal Council of Curepipe
- (2) Municipal Council of Quatre Bornes
- (3) Municipal Council of Vacoas/Phoenix
- (4) Pailles Civic Action Teams
- (5) SOS Poverty
- (6) Ministry of Youth and Sports



# Empowerment for development (continued)

## SCALING UP OF ELIT

In July 2007, the launching of ELIT at Civic Action Team (CATs) Pailles Social Centre gathered an audience of more than 50 women and the course was run with two parallel groups. Working women attended the course during the week-end and the unemployed during the week. However, the ELIT course was made accessible to a larger audience with the agreement from the Municipal Councils of Quatre Bornes and Vacoas/Phoenix for sharing their cybercafés with NPCC to deliver the courses in September 2007. Since then the ELIT course is being organized every 3 months with freelance trainers having being trained earlier by the NPCC. The principle was adopted in January 2008 by the Municipal Council of Curepipe and they agreed to support the ELIT course by sponsoring batches of 20 inhabitants in Curepipe for every 3 months. For each batch of participants, a handing over of certificate ceremony was organized which was graced by the presence of the Minister of Women's Right, CD & FW and the Minister of Education & Human Resources. Scaling up of ELIT has also required the NPCC to modify the contents of the course to cater for the needs of specific target groups, especially to meet the requirements of SMEs.

## ADAPTING ELIT FOR YOUTH

In October 2007, the ELIT course was contextualized based on the needs of young people benefitting from the support of youth centres. A training of trainers' course was conducted for youth animators of the Ministry of Youth and Sports. 23 youth animators successfully completed the course. However, further action by the Ministry of Youth and Sports is still awaited.

## ADAPTING ELIT FOR CIRCULAR MIGRATION PROJECT

The ELIT course was contextualized for the Mauritians migrating to Canada under the Circular Migration project during the months of December 2007 to February 2008 in parallel with the delivery of the course. Prior to their departure to Canada, 15 participants, successfully trained, received their certificates which were handed over on the 7<sup>th</sup> March 2008 by the Hon. Dr Rama Sithanen, Minister of Finance.

## ELIT FOR POVERTY ALLEVIATION

SOS Poverty with the sponsorship of the Australian High Commission and the collaboration of the Muslim Educational Society (MES) signed a Memorandum of Understanding with the NPCC to conduct the ELIT course for its members, mostly women from deprived areas. A training programme of ELIT trainers was conducted by the NPCC and a batch of 10 trainers successfully completed the programme. These trainers will deliver courses to women in the regions of Valle Pitot and Port Louis.



# Empowerment for development (continued)

## BUILDING SECTOR COMPETITIVENESS THROUGH LIFE-LONG LEARNING: CAPACITY BUILDING OF SMALL PLANTERS

In the context of trade liberalization, the agricultural sector is undergoing profound changes. To support the country's new economic agenda, the National Productivity and Competitiveness Council (NPCC) has, since August 2006, initiated pilot network projects to assist farmers in the transition to high value agricultural product development. They aim at defining:

- potentially new avenues of growth in the sector in terms of new products / services which could eventually link with other sectors;
- new business opportunities; and
- export opportunities for products / services of the sector.

Three pilot network projects – one in the north regrouping litchi producers, a second one regrouping vegetable planters of the eastern region, and a third which regroups low-income onion planters of the south-east region – were launched with the objectives to secure and improve the livelihoods of small scale farmers, assist them to move from a high volume, low value agricultural products to a range of product options that will include higher value, more exclusive products, and ultimately help them identify and satisfy niche markets for high value addition.

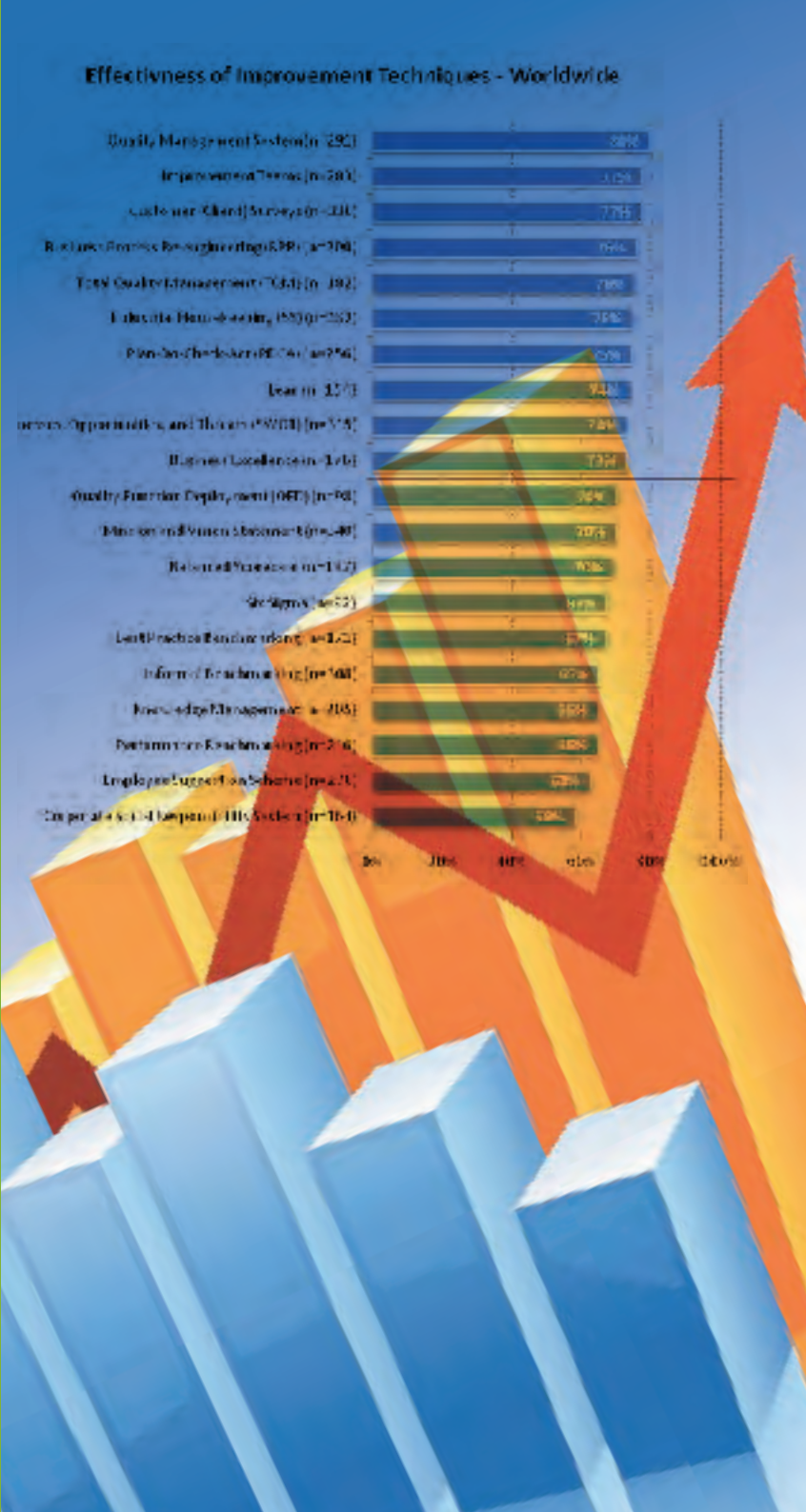
The Commonwealth of Learning (COL), partnered in the project to incorporate the element of learning for livelihoods, that is life-long learning (L3). The COL is an institution that promotes policies and systems to make innovation sustainable and builds models and creates materials to enhance organisational capacity and nurture networks that facilitate learning in support of development goals.

Through the Mauritius Process Oriented Women Entrepreneurship Development (M-POWERED) project, the COL and the NPCC are collaborating to empower the Belle Mare / Trou d'Eau Douce small scale vegetable planters to move to high value agricultural products targeting high-end markets and to adapt technology to effectively design and develop training material to promote self-learning of the small planters as they embark on this new endeavour.

One of the tangible outcomes of the project is the production of a training video on greenhouse construction that captures the essentials of greenhouse construction, greenhouse management and greenhouse crop cultivation that planters can use for self-learning. Other training materials on subjects like basic financial management for farmers are expected to be produced by the farmers themselves to enhance the development of the planters as their businesses grow. Visits abroad to places where planters have successfully adopted the Life-Long Learning (L3) approach to grow their businesses are also scheduled in the course of the project. Such visits promote knowledge sharing and visual appreciation of projects under way.



## BEST PRACTICES



### 1. ENHANCING THE COMPETITIVENESS OF THE MANUFACTURING SECTOR IN MAURITIUS

As part of the Government's support to the manufacturing sector to be more competitive, the NPCC was requested by Enterprise Mauritius to assess 110 manufacturing enterprises including textile and apparel, agro-processing, furniture making, cosmetics and light manufacturing.

The Economic Productivity Benchmarking (EPB) and capability enhancement programme were used for the assessment. The main objective of the economic productivity benchmarking and capability enhancement programme is to develop and/or enhance competitive capabilities of enterprises through continual quantitative measurement and inter-company benchmarking and to identify generic (sector level) and firm-specific initiatives that would enhance the competitiveness of the targeted sectors.

During the assessment, the individual firm's competitive capabilities were mapped to understand the present competitive status of the company and to discuss the way forward. As at the 30th June, 46 enterprises have already undergone the capability assessment and the assessment reports of these companies have already been issued by the NPCC.

### 2. ECONOMIC PRODUCTIVITY ASSESSMENT AS A TOOL TO SELECT BEST PERFORMING ENTERPRISES WITHIN THE CONTEXT OF A "MAURITIUS BUSINESS EXCELLENCE AWARD"

In the context of selecting companies for the "Mauritius Business Excellence Award- 2008", organized by the Ministry of Industry, Small & Medium Enterprises, Commerce and Cooperatives, the NPCC was called upon to assess the 150 applicant enterprises in June 2007 based on the economic productivity assessment tool.

The assessment results were submitted to the Ministry of Industry, Small & Medium Enterprises, Commerce and Cooperatives, where a panel of jury will examine the recommendations of the Technical Assessment Team.



# MAURITIUS POST LTD

## FOOD AND ALLIED INDUSTRIES LTD

## LAITERIE DE CUREPIPE LTD

## CIM LEASING LTD

## PRECIGRAPH LTD



The Consultants from the Japan Productivity Centre for Socio-Economic Development

### Best Practices (continued)

#### 3. MOUNTING BEST PRACTICES- MODEL COMPANIES

Under the guidance of experts from the Japan Productivity Centre for Socio-Economic Development (JPC-SED), the NPCC has initiated the Model Companies Project since August 2007.

This project is part of the technical cooperation support, which the Government of Japan has extended to the African Continent for productivity promotion. Being a member of the Pan African Productivity Association (PAPA), Mauritius is one of the four countries, benefitting from this support.

The NPCC is presently working with five companies. Enterprise improvement tools such as quality circles, 5S, morale survey, TQM, process improvement and employee training, amongst others are being used for this purpose. The aim is to build up showcases for onward replication.

In order to gain better result from the model companies, the Japan Productivity Centre for Socio-Economic Development (JPC-SED) organized an Observational Study Mission to Japan on Productivity Improvement Activities in SMEs between 24<sup>th</sup> May and 6<sup>th</sup> June 2008 to give the opportunity to the model companies to study Japanese SME development model and experience practical implementation of Japanese management and productivity techniques in the workplace. The Kaizen champions of Cim Leasing Ltd. and Laiterie de Curepipe Ltd. as well as the Production Manager of Precigraph Ltd. participated in the Study Mission.

### Best Practices (continued)

#### 4. SHARING BEST PRACTICES- PARTICIPATION IN TICAD (TOKYO INTERNATIONAL CONFERENCE ON AFRICAN DEVELOPMENT) IV

The NPCC was invited by the Japan Productivity Centre for Socio-Economic Development from the 28<sup>th</sup> to the 30<sup>th</sup> May 2008 at the Tokyo International Conference on African Development (TICAD) IV held in Japan, to share results obtained with the implementation of the Pilot Model Companies Project. Kaizen Champions from three of the five selected model companies also participated.



Presenting the Mauritian Case Study at TICAD IV in Japan



## 5. TRAINING, FACILITATION AND INTERVENTIONS

During the July 2007-June 2008 period, the NPCC held a series of workshops and training sessions to sensitise and initiate people on the concepts of productivity:

### 5a. Sensitisation on productivity concepts to staff of Agricultural Marketing Board (AMB), 11<sup>th</sup> July 2007

The AMB requested the support of the NPCC to develop its Productivity Award as part of its restructuring programme which was facilitated by the NPCC in 2006. In this context, training on 5S was organized for the staff of the AMB in the Month of April 2008 with the objective of creating change in mindset through improvement of physical environment and enhancement of team efforts.

General 5S sensitization was conducted for the whole staff, followed by step by step training on 5S implementation and audits.

### 5b. Enhancing collaboration partnership to enhance productivity

Profound changes cannot be achieved without building a shared vision and a consensus on the direction of the change. Productivity is about maximizing the utilization of all assets for the common good. Managerial talent cannot be squandered in turf fighting and working together will ensure synergistic effects that are most needed.

The NPCC was called upon by the Municipality of Curepipe to act as facilitators for the Workshop "Enhancing Collaborative Partnership to Enhance Productivity at Municipal Council of Curepipe". The target groups were the Councillors and the senior management team. The NPCC facilitated brainstorming for the management team and then the councillors team on constraints

to productivity improvement for the Municipal Council of Curepipe. Afterwards the two teams met and discussed and aligned their findings in a common set of well defined action areas to be acted upon so as to enhance the collaborative partnership between Councillors and Senior Management. A report on the compilation of the shared findings was submitted to the council.

### 5c. Facilitation on productivity improvement techniques

The NPCC was called upon by the Decentralised Cooperation Programme to conduct a training (22-26 Oct 07) for its facilitators on productivity improvement techniques and the log frame analysis tool for project cycle management.

The DCP facilitators were able to understand approaches for listening to the needs of their clients, the important relationship between productivity, quality and environment dimensions in developmental efforts, problem solving techniques and tools for devising action plans for project implementation.

The DCP facilitators understood the mechanics and philosophy behind the call for proposal, how to translate developmental needs in project development using the logframe analysis technique.

### 5d. Productivity Improvement through 5S implementation

Aquarelle Ltd requested for training on productivity improvement through implementation of 5S for its shirt making factory in Surinam. 60 heads of department, supervisors and team leaders were trained on the basic concepts of 5S and its potential implementation in the factory.



## 5e. Development of a strategic plan for State Informatics Limited

The newly appointed Board of the State Informatics Limited requested the NPCC to conduct a Visioning Exercise to redefine its strategic orientations.

The exercise for SIL was about (1) developing a sense of direction (vision), clearly define its business purpose (mission), its business objectives, its corporate values, (2) targeting the key strategies that can be adopted to move in that direction - (priority issues, key influences on these issues and the most effective ways of dealing with them) and (3) engaging everyone concerned to carry them out through a new structure that responds more effectively and efficiently to the needs of the market. The resulting strategic planning would determine where the organization would be going over the next 3 years or more, and to define the way forward. The focus, therefore is on the entire organization.

A Strategic Visioning Exercise was conducted on the 27<sup>th</sup> and 28<sup>th</sup> February 2008 at Le Meridien Hotel. The participants comprised of the representatives of SIL Board of Directors, the SIL Senior Management Team and the respective Trade Union representatives.

The specific aims of the exercise were to (1) define a common and shared vision / mission for SIL and (2) translate the new vision / mission into meaningful strategies and objectives and actions (3) eventually to develop performance indicators as well as to (4) review SIL's structure to enhance its capacity to deliver.

The findings were compiled in a strategic plan submitted to State Informatics Limited (SIL). It assesses the current situation, reviews strengths, weaknesses, threats and opportunities; presents a series of statements relating to SIL's vision, mission, values and objectives; and sets out its proposed strategies and goals. It is expected that the Strategic Plan will (1) serve as a framework for decisions or for securing support/approval (2) provide a basis for more detailed planning (3) explain the business to others in order to inform, motivate & involve (4) assist benchmarking & performance monitoring and (5) stimulate change and become building block for next plan.



## Best Practices (continued)

### 5f. Management Consulting Service

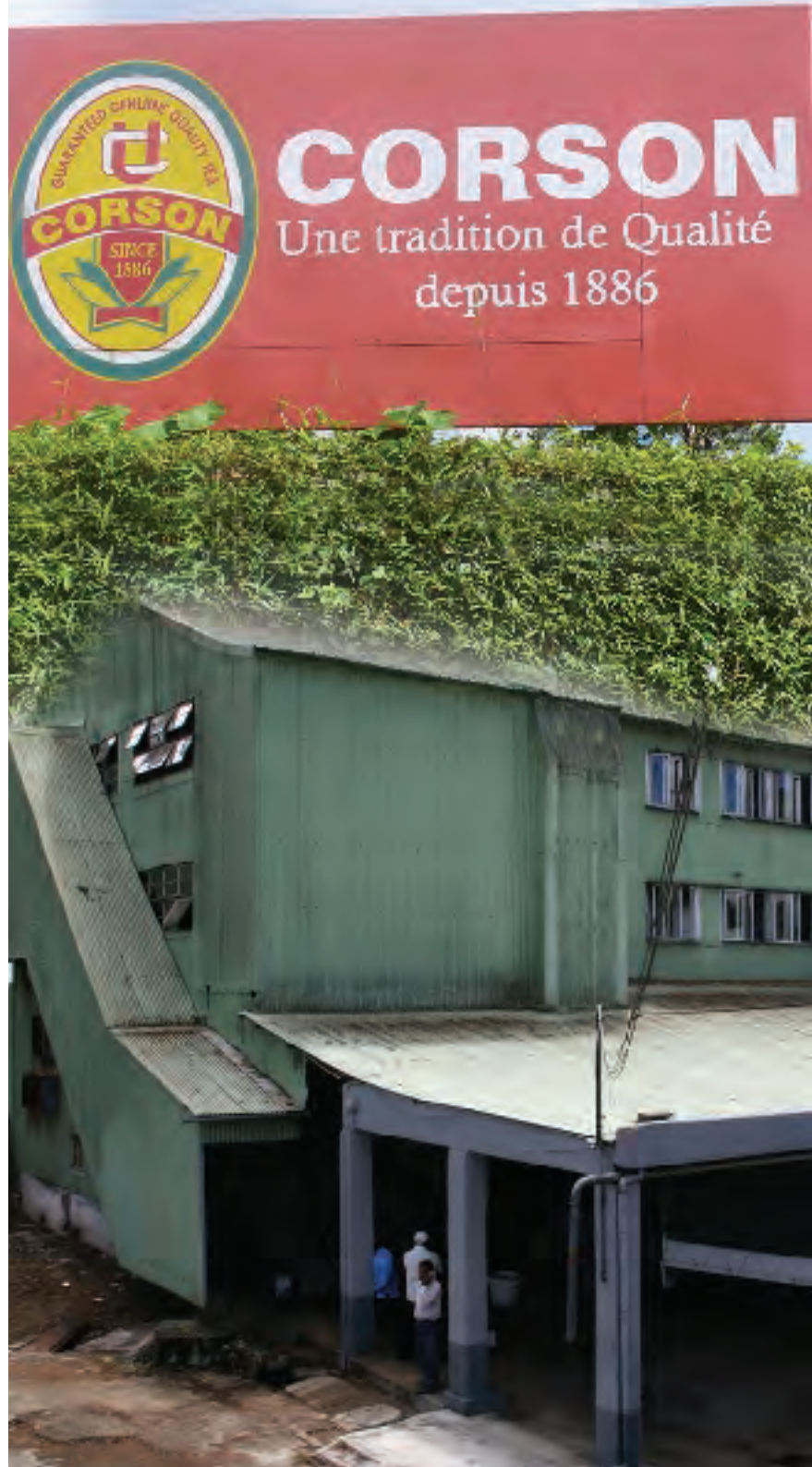
The NPCC carried out a three-day productivity and quality study for Corson Tea Estate on 19, 20, 22 November 2007. The purpose of the study was to identify and investigate problems concerned with policy, organisation, procedures and methods in different areas of the organization and recommending appropriate actions.

The study was also an opportunity for NPCC staff to implement the productivity tools they acquired during the Basic Course for Productivity Practitioners organized by the Asian Productivity Organisation in South Africa in July 2007.

The study focused on problem identification using value added productivity measurement, human resource practices study, evaluation of operations efficiency, 5S audit, Layout and investigation of quality issues.

**The findings included:**

- A SWOT analysis showing the current strengths, weaknesses and opportunities of the company
- Measures to the company to improve its economic productivity
- Measures to improve worker morale through training, communication and productivity and quality awareness
- Opportunities to improve physical workplace and an implementation plan for 5S
- Measures to improve product quality that will have an impact the company's sales and marketing



## Best Practices (continued)

### 5g. Productivity Improvement Programme (PIP) - 5S and process improvement tools

A 5-day PIP workshop was implemented in the label-printing factory of Labelling Industries. The objectives were to train the employees in 5S and process improvement tools and demonstrate implementation of these tools to enhance the productivity of the company.

20 employees were involved and 3 projects were identified:

- Improvement of physical management of raw materials store to reduce searching time loss
- Improvement of flow of materials in flexo paper printing
- Reduction of pre-production lead time from receipt of a customer purchase order to production launching

**The outcomes have been:**

- Improvement of physical layout of raw materials store and enhanced physical management of inventory
- Release of space in store following elimination of obsolete and dormant items and in printing area
- Better management of material flow in printing area
- Reduction of work in process on shopfloor
- Improved physical storage of tools and machine parts for production changeover
- Creation of customer-focused teams for pre-production planning
- Reduction of pre-production time through computerization of process



Before 5S



After 5S



## 5h. Productivity and Process Improvement

Under the Muda Free Public Service programme, a productivity improvement initiative was implemented in the Civil Status Office from 23 to 25 January 2008.

25 employees were trained in the techniques of 5S and process improvement. Preliminary preparations were carried out to identify areas for interventions where the employees, in teams, had to implement what they had learnt.

The selected projects were:

- Records and Query section – Implementation of 5S to improve physical store management and reduce searching time
- Printing section – Process improvement to reduce waiting time and ensure service effectiveness
- Delivery of certificate extracts – Process improvement from application to delivery
- The outcome included:
  - Implementation of the first S to sort out unwanted items and removing them (in all offices)
  - Root cause analysis of misplaced records in order to prevent the disorderly organised records
  - The Complaints Section moved to besides the Delivery Section to reduce the muda of walking (previously 7 floors) in making complaints. This will have the secondary benefit of improving coordination between delivery and complaints section in taking countermeasures in the reported case of dissatisfaction of clients
  - Implementation of different colours of paper for application form to distinguish between birth, death, marriage certificates applications and thus improve traceability
  - Improvement of visual management in Records Section to reduce searching time and the problem of misplaced records
  - Improvement of housekeeping in Delivery Section
  - Improvement of handling customer receipts in Delivery Section
  - Implementation of final inspection to ensure effective delivery of certificates

## 5i. PIP in Subramaniam Bharati Eye Hospital

Another project under the Muda Free Public Service programme for productivity improvement was implemented in the Subramaniam Bharati Eye Hospital from 1 to 4 April 2008.

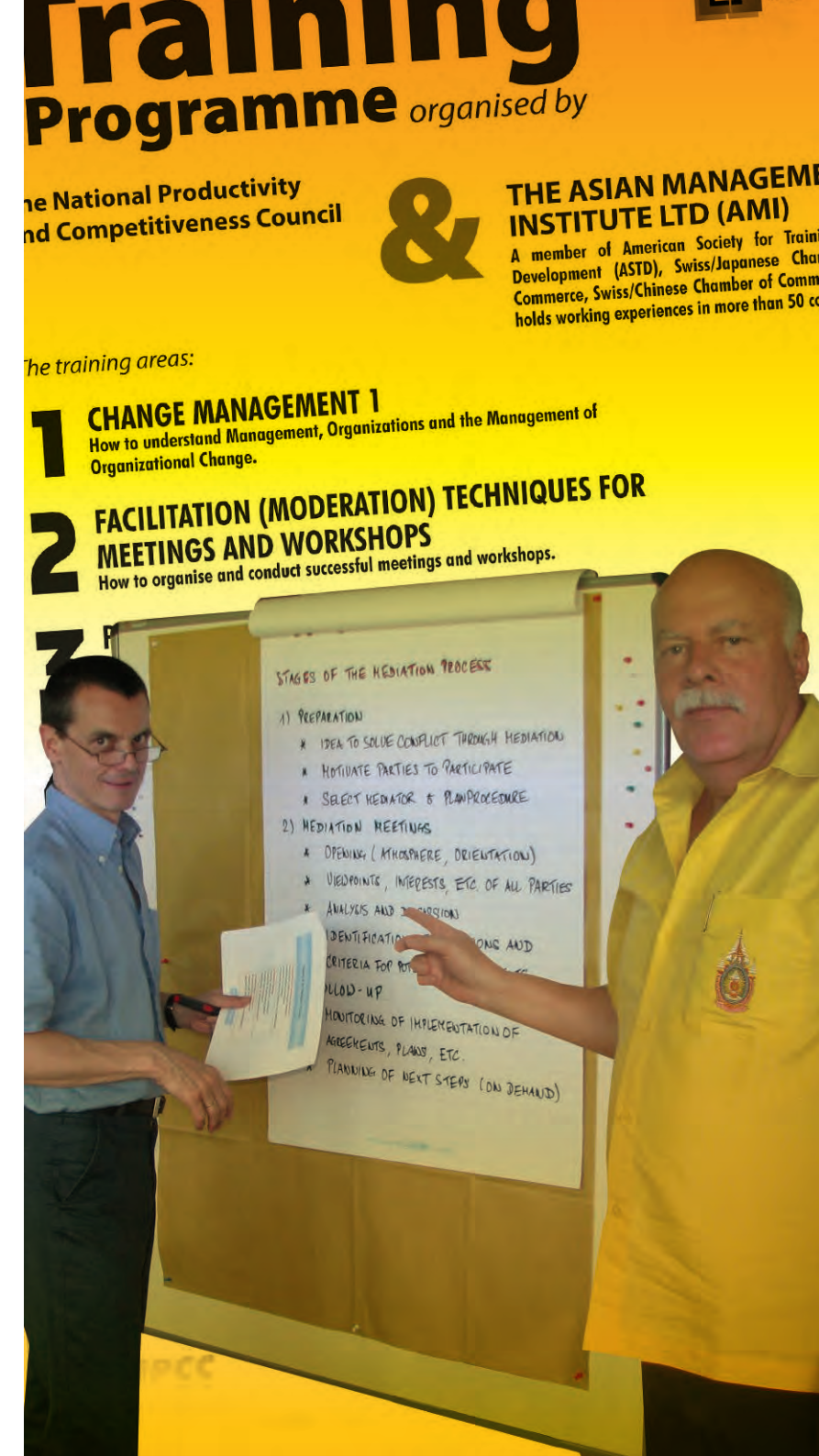
20 employees were trained in the techniques of 5S and process improvement. Preliminary preparations were carried out to identify areas for interventions where the employees, in teams, had to implement what they had learnt.

The selected projects were:

- Out Patient Department (OPD) – Implementation of 5S to reduce waiting
- General office area – implementation of 5S
- Medical and pharmaceutical records – implementation of 5S

The outcomes included:

- Development of plan for area optimisation in OPD, together with a list of visual standards and labels to support smooth flow of patients
- Implementation of first S to sort out broken equipment
- Implementation of first S to sort out unused records
- Initiation of development of procedures for systematic first S



## 5j. Productivity Academy

In the context of the setting up of the Productivity Academy, The National Productivity and Competitiveness Council in collaboration with the Asian Management Institute (AMI), proposed to the business community a first series of proven and practical capacity-building programmes in the field of:

- (1) change management,
- (2) mediation / negotiation,
- (3) train-the-trainers and
- (4) leadership / team building from 17<sup>th</sup> to 24<sup>th</sup> April 2008. The objective was to help organisations reinforce their capabilities to improve productivity and to cope with globalisation.

The programme is in line with the NPCC's strategy to develop competencies for empowerment through knowledge development and sharing and the collaboration was made on a pilot basis in view of NPCC's wish to set up a productivity academy by 2010.

It is to be noted that Mr Helmut Blaufuss of AMI conducted training in facilitation techniques in June /July 2006 and a training on facilitation, Mediation and Conflict resolution techniques for NPCC and MEF staff.

In total forty-seven participants benefited from the programme including ten NPCC staff and four sponsored participants from and at the request of the Ministry for women rights and family welfare.



## DISSEMINATION OF KNOWLEDGE

### Dissemination of Knowledge

During the July 2007-June 2008 period, the NPCC held a series of workshops and training sessions to sensitise and initiate people on the concepts of productivity:

The management and staff of Agricultural Marketing Board were sensitized on productivity concepts, 11<sup>th</sup> July 2007

A facilitation workshop at Municipality of Curepipe, 6<sup>th</sup> – 8<sup>th</sup> August 2007

Gemba Kaizen workshop at Labelling Industries, 13<sup>th</sup> – 17<sup>th</sup> August 2007

ELIT (English Literacy using IT): Training of at Municipality of Curepipe, Municipality of Vacoas / Phoenix & Municipality of Quatre Bornes, September 2007, January & May 2008

Brainstorming sessions with future inhabitants of Terre Nouvelle La Valette, Bambous, 12<sup>th</sup> & 19<sup>th</sup> August and 2<sup>nd</sup> September 2007

Training of staff of SOS Village Bambous on family circles techniques, 4<sup>th</sup> October 2007

Training of staff of SOS Village Bambous on problem-solving techniques, 11<sup>th</sup> & 18<sup>th</sup> October 2007

ELIT (English Literacy using IT): Training of Trainers at Ministry of Youth & Sports, 22<sup>nd</sup> – 26<sup>th</sup>, 29<sup>th</sup> – 31<sup>st</sup> October 2007

Training for DCP facilitators, 22<sup>nd</sup> – 26<sup>th</sup> October 2007

Sensitisation on social entrepreneurship, 6<sup>th</sup> – 8<sup>th</sup>, 16<sup>th</sup> November 2007

5S training at Aquarelle Ltd., 14<sup>th</sup> & 21<sup>st</sup> November 2007

Training in the setting up of quality circles at Mauritius Telecom, 11 December

ELIT (English Literacy using IT) for Circular Migration: training of participants, December 2007 - February 2008

Gemba Kaizen workshop for officials of the Civil Status Office, 23<sup>rd</sup> - 25<sup>th</sup> January 2008.

Sensitisation on InnovEd for Heads of Pre-Primary Schools, 6<sup>th</sup> February 2008

Training for Social Entrepreneurship, 11<sup>th</sup> – 12<sup>th</sup> February 2008

Training of Facilitators for staff of Ministry of Education & Human Resources in the setting up of CATs, Zone 3 & 4 – 25<sup>th</sup> - 26<sup>th</sup> February 2008, Zone 2 – 27<sup>th</sup> - 28<sup>th</sup> February 2008, Zone 1 - 13<sup>th</sup> - 14<sup>th</sup> March 2008

InnovEd Training for staff of Ministry of Education & Human Resources, 27<sup>th</sup> - 28<sup>th</sup> February 2008, 6<sup>th</sup> - 7<sup>th</sup> March 2008

Training of Facilitators for InnovEd and CATs in Rodrigues, 27<sup>th</sup> – 29<sup>th</sup> March 2008

Training on Change Management, 14<sup>th</sup> - 17<sup>th</sup> April 2008

Training on Mediation and Negotiation Techniques, 14<sup>th</sup> - 17<sup>th</sup> April 2008

Training on Train the Trainer, 21<sup>st</sup> - 24<sup>th</sup> April 2008

Training on Leadership Attitudes and Skills, 21<sup>st</sup> - 24<sup>th</sup> April 2008

ELIT (English Literacy using IT): Training of Trainers for SOS Poverty, May 2008

ELIT (English Literacy using IT): Training of 3<sup>rd</sup> Batch of trainees at Municipalities of Vacoas / Phoenix & Quatre Bornes, May 2008

Presentation on Quality Circles and Kaizen to management of Mauritius Telecom, 16<sup>th</sup> May 2008

Training of trainers for capacity building for NGOs, 23<sup>rd</sup> May 2008

Another component of the dissemination of information is the regular publication on a quarterly basis of our newsletter – four issues published (August 2007, December 2007, March 2008 and June 2008). Furthermore, to provide up-to-date information on productivity, quality and competitiveness issues, 267 new resources have been added to the collection of the Knowledge Centre.

# CORPORATE SERVICES

## THE TEAM

The NPCC is a lean organisation with a flat and matrix type of structure.

The total number of staff, as at 30 June 2008, was 18 and included two Office Attendants/Drivers and three support staffs. The size of the establishment is 35

Mr Ram Jutiah, Productivity Specialist, resumed duty after one year leave without pay with effect from 1<sup>st</sup> April 2008.



**CAPACITY BUILDING**

The strength of the NPCC is based on its people – their attitude, commitment, flexibility to adapt to different target groups, their ability to communicate effectively, capacity to innovate and to inspire confidence through their professionalism. Continuous Staff training is therefore high on the NPCC agenda.

To strengthen the capability of its staff, the NPCC sponsors them to attend training programmes, Conferences and workshops both locally and abroad. NPCC staff have participated in workshops/conferences or undergone training during the financial year as follows:

Mrs F M Charlotte, Mrs P B Hurdowar, Mr D Louise, Mr T Marechal and Mr P Buldawa attended the Basic Course for Productivity Practitioners from 2<sup>nd</sup> July to 27<sup>th</sup> July 2007. The programme was specifically funded by the Japanese Government and designed for the Pan African Productivity Association member Countries. It was hosted by the National Productivity Institute, South Africa.

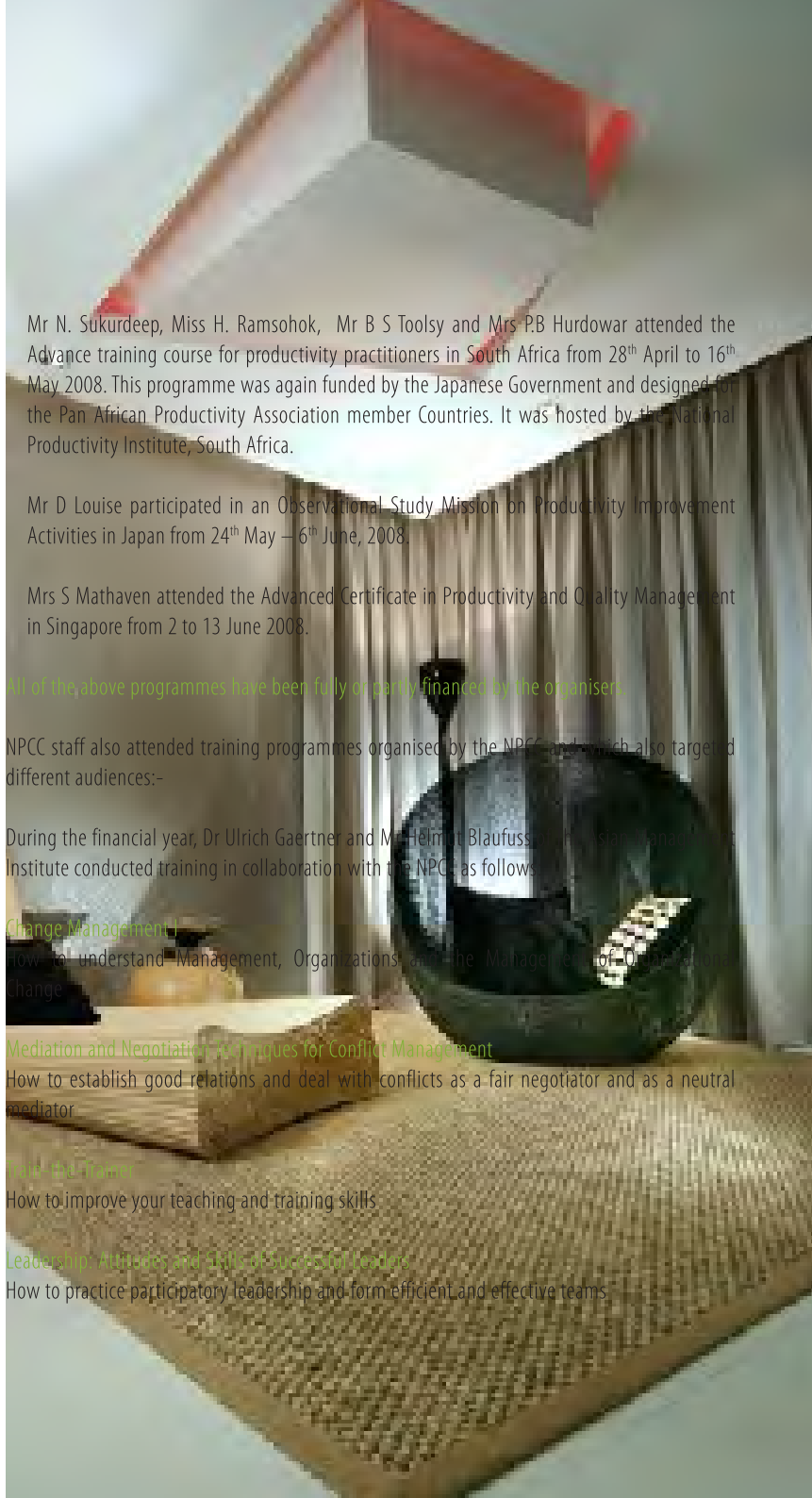
Ms H. Ramsohok, Messrs. D Appalswamy, N Sukurdeep and B.S. Toolsy participated in an Observational Study Mission on Productivity Promotion and Facilitation in Japan from 13<sup>th</sup> to 28<sup>th</sup> October 2007.

Mr N Sukurdeep participated in the Global Knowledge Partnership, 3<sup>rd</sup> Global Knowledge Conference in Kuala Lumpur Malaysia from 11<sup>th</sup> to 13<sup>th</sup> December 2008

Mr T Marechal, attended the 10th International Convention on Students Quality Control Circles in Lucknow, India from 28<sup>th</sup> November to 1<sup>st</sup> December 2007.

Mrs S Matahven attended the course on Facilitating Face-to-Face Learning at the International Training Centre of the International Labour Organisation in Turin, Italy from 3 to 7 December 2007.

Mr B S Toolsy attended the 7<sup>th</sup> Commonwealth-India Small Business Competitiveness Development Programme in India from 5 to 10 December 2007.



Mr N. Sukurdeep, Miss H. Ramsohok, Mr B S Toolsy and Mrs P.B Hurdowar attended the Advance training course for productivity practitioners in South Africa from 28<sup>th</sup> April to 16<sup>th</sup> May 2008. This programme was again funded by the Japanese Government and designed for the Pan African Productivity Association member Countries. It was hosted by the National Productivity Institute, South Africa.

Mr D Louise participated in an Observational Study Mission on Productivity Improvement Activities in Japan from 24<sup>th</sup> May – 6<sup>th</sup> June, 2008.

Mrs S Mathaven attended the Advanced Certificate in Productivity and Quality Management in Singapore from 2 to 13 June 2008.

All of the above programmes have been fully or partly financed by the organisers.

NPCC staff also attended training programmes organised by the NPCC and which also targeted different audiences:-

During the financial year, Dr Ulrich Gaertner and Mr Holmut Blaufuss of the National Productivity Institute conducted training in collaboration with the NPCC as follows:

**Change Management**  
 How to understand Management, Organisations and the Management of Change

**Mediation and Negotiation Techniques for Conflict Management**  
 How to establish good relations and deal with conflicts as a fair negotiator and as a neutral mediator

**Teaching and Training**  
 How to improve your teaching and training skills

**Leadership Methods and 4th Millennium Culture**  
 How to practice participatory leadership and form efficient and effective teams



Basic Training Course for Productivity Practitioners - July 2007



## INTERNATIONAL NETWORKING



9<sup>th</sup> Annual Global Conference and the General Assembly of TCI held under the auspices TCI in Lyon, France

International networking is not only a powerful source of sharing new ideas but also an opportunity to promote the development of quality collaboration in productivity between Mauritius and other countries. The NPCC International Networking objective is to put emphasis on collaborative efforts to develop, share and transfer skills and competencies required to strengthen the Organisation.

In this regard, several networking missions have been undertaken during the financial year:

In October 2006, The Executive Director of the NPCC, as member of The Competitiveness Institute (TCI) participated in the 9<sup>th</sup> Annual Global Conference and the General Assembly of TCI held under the auspices TCI in Lyon, France where Mauritius together with Tanzania, Kenya and Ghana proposed the idea of an African chapter of the TCI given that the economic reality of Africa is quite different from the rest of the world especially compared to Europe and the United States.

The first Innovation and cluster competitiveness symposium was subsequently organized by the TCI in collaboration with the Swedish Governmental Agency for Innovation Systems (VINNOVA), the Swedish International Development Agency (SIDA), the Swedish Trade Council and the Department of Economic Development, Western Cape Government. In Cape Town from 17-18 September 2007. The Executive Director attended the symposium whereby a steering committee for the creation of a Pan African Competitiveness Forum (PACF) was decided and of which he was made a member.





In April 2008, the African Union and the Swedish International Development Agency in collaboration with The Competitiveness Institute launched the 1<sup>st</sup> PACF as a continent-wide competence and action center on innovation and cluster based competitiveness initiatives in Africa. The overall objective of PACF is to enable stakeholders involved in innovation and cluster based competitiveness initiatives to respond more effectively to the challenges and opportunities that African Countries are facing in global competition.

The Executive Director attended the 1<sup>st</sup> PACF which met at the United Nations Conference Centre, Addis Ababa from 14<sup>th</sup> to 16<sup>th</sup> April 2008. The forum ended with the establishment of the General Assembly which elected an Advisory Board comprising 16 African Countries and The Competitiveness Institute. The Executive Director of the NPCC has been elected as a member of the Advisory Board. The Advisory Board elected an Executive Board comprising seven members of which Mr Burton MWamila of Tanzania is the Chairman.

The Executive Director attended the Uganda National Productivity Conference on 8<sup>th</sup> and 9<sup>th</sup> July 2008 in Kampala, at the invitation of the National Planning Authority of Uganda. The conference was organized with a view to setting up a National Productivity Organisation (NPO) in Uganda. The establishment of an NPO in Uganda is an initiative of the Southern African Development Community and the East African Community regional grouping of National Productivity Organisations of which the Botswana National Productivity Centre is the coordinator and the NPCC is a key member. It should be noted that a team from the Botswana National Productivity Centre and the NPCC conducted a needs assessment study, funded by the Commonwealth Secretariat, on capacity building for National Productivity Organisations (NPO) in the SADC and East African Regions in October 2005.

## International Networking (continued)

The Executive Director attended the Regional Workshop on Information and Communication Technologies Regulation and Public and Community Based Access, for East, Southern and West Anglophone African Countries on 24 & 30 October 2007 in Kigali, Rwanda on the invitation of the Economic Commission for Africa.

In the context of the Lifelong Learning for Farmers (L3) project, funded by the Commonwealth of Learning, Mr N Sukurdeep, Productivity Consultant, proceeded to India from 9<sup>th</sup> to 20<sup>th</sup> June 2008 to visit L3 villages and to meet and discuss with their representatives. The L3 project is the direct result of participation in the Fourth Commonwealth-India Small Business Competitiveness Development Programme in New Delhi India in April 2006.

The Executive Director was made a fellow of the World Academy of Productivity Science in 2006. The Fellowship was conferred by Shri Ashwani Kumar, Honourable Minister of State for Department of Industrial Policy and Promotion, Ministry of Commerce & Industry and President of the National Productivity Council, India at a special function organised by the Indian Productivity Council held in Delhi in October 2007.



NPCC Executive Director being made Fellow of the World Academy of Productivity Science



The General Assembly of the PAPA took place in Mauritius from 23<sup>rd</sup> to 24<sup>th</sup> August 2007. Delegates from six member countries: Botswana, Kenya, South Africa, Tanzania, Zambia and Mauritius were present at the assembly. The Nigerian delegation could not attend due to a last minute visa problem.

The main aim of the assembly was to discuss and finalise the PAPA business plan for 2007-2010 and to elect the new Executive Board for the next four years.

The General Assembly culminated with the election of the Executive Board through ballot and with the following results:

Mr Thembo Lebang, Executive Director, Botswana National Productivity Centre (BNPC) was elected President of the PAPA.

Dr. Krishnalall Coonjan, Executive Director, National Productivity & Competitiveness Council (NPCC) was elected Vice President.

Ms Yvonne Dladla, Executive Director, National Productivity Institute (NPI), South Africa was elected Secretary General.

Kenya and South Africa were elected on the governing Council.

The first meeting of the newly elected Executive Board took place after the General Assembly held in Mauritius and with a view to strengthen regional co-operation for supporting the productivity movement in the region, the Executive Board decided to co-opt Nigeria and Zambia.



Members of the PAPA Executive Board with Minister V. Bunwaree

## International Networking (continued)

During the Financial year, the NPCC had representatives in the following task forces/ boards/ committees/ organization:

### Local

The Executive Director of the NPCC is a Council member of the Human Resource Development Council.

The Republic of Mauritius is selected as one of the pilot countries for the Development of a National Programme on Sustainable Consumption and Production (SCP). Five potential areas has been selected and task forces set. The Executive Director has been appointed Chairman of the Task Force on Sustainable Public Service.

### Regional

The Executive Director of the NPCC is the 1<sup>st</sup> Vice President of the Pan African Productivity Association and a member of the Advisory Board of the Pan African Competitiveness Forum.

### International

NPCC is a member of :

- GBN (Global Benchmarking Network)
- The Clustering Alliance
- Clusters Asia Pacific
- The Competitiveness Institute
- Public Sector Benchmarking Service
- GKP (Global Knowledge Partnership)



Strategic Visioning Benchmarking Gemba Kaizen  
 Civic Action Teams Innovation  
 Networking ICT Application  
 Green Productivity 5S

Strategic Visioning Benchmarking Gemba Kaizen  
 Civic Action Teams Innovation  
 Networking ICT Application  
 Financial Report Productivity 5S

# FINANCIAL REPORT



Green Productivity and Innovation was again high on the NPCC Agenda for 2007/2008. A contract was signed with Dr Modak of Environment Management Centre, India, in July 2007 for pilot implementations of Green Productivity Programmes in Enterprises / Communities and Schools in Mauritius. The project was 90 % completed towards the end of the financial year.

The Innovators Mauritius Award has become a regular feature taking place every two years. A Committee was set up in January 2008 to work out the theme for the third edition of the award Eco-living: 'pour une ile Maurice durable' – Everybody can make a difference, the chosen theme was in line with Government's vision of making Mauritius a sustainable island. The Launching was scheduled for July 2008 and the Award Nite to be held in October 2008. The Barclays Bank has shown a very keen interest in the project and confirmed it partnership.

During the financial year the NPCC has consolidated existing projects for the Education Sector, Corporate Sector, Women and also developed new projects for the community and other stake holders.

## Income

For the financial year under review, an amount of Rs 15.5M was voted and released as government grant compared to Rs 15M voted and Rs 12.9M released for 2006/2007. The grant is released by the ministry on a monthly basis. The Ministry of Finance and Economic Development has also released an amount of Rs 6M to cover expenditure for the Special Programme for Unemployed Women of the Empowerment Programme for which the NPCC is the implementing agency,

The NPCC also generated income amounting to Rs 2.9M from activities during the year. A deficit of Rs 3.8M has been recorded which has been financed from the reserves.

## Expenditure

Total Expenditure for financial year 2007/2008 amounted to Rs 28.3M (excluding depreciation) compared to Rs21.3M for the previous financial year. Both staff and projects costs were 40% while capital expenditure was 1%. Expenditure for administration stood at 19%.

The following table shows the details of expenditure together with percentage increases and share in total Expenditure.

## Financial Report (continued)

### EXPENDITURE

|  | 2006 / 2007       | 2007 / 2008       | % Increase  | 2007 / 2008<br>% of Total Expenditure |
|--|-------------------|-------------------|-------------|---------------------------------------|
|  | Rs                | Rs                |             |                                       |
| <b>Staff Costs</b>   | <b>10,645,530</b> | <b>11,114,832</b> | <b>4</b>    | <b>40</b>                             |
| <b>Administrative Costs</b>                                    | <b>5,923,232</b>  | <b>5,425,532</b>  | <b>(8)</b>  | <b>19</b>                             |
| <b>Projects</b>  |                   |                   |             |                                       |
| Promotion,Communication& Sensitisation                         | 1,085,767         | 585,011           |             |                                       |
| International Networking                                       | 313,464           | 415,912           |             |                                       |
| Capacity Building  | 412,389           | 261,252           |             |                                       |
| Knowledge Centre   | 165,728           | 200,936           |             |                                       |
| Training & Consultancy   | 230,459           | 927,022           |             |                                       |
| Networking & Clustering  | 268,717           | -                 |             |                                       |
| Innovation & Creativity Project                                | 483,422           | 312,496           |             |                                       |
| Green Productivity   | -                 | 1,932,584         |             |                                       |
| CATs   | 70,279            | 373,261           |             |                                       |
| English Literacy using Information Technology                  | 323,392           | 114,450           |             |                                       |
| Empowerment Programme – Special Programme for Unemployed Women | -                 | 6,229,553         |             |                                       |
| <b>Total Project Costs</b>                                     | <b>3,353,617</b>  | <b>11,352,477</b> | <b>239</b>  | <b>40</b>                             |
| <b>Equipment , Furniture &amp; M.Vehicle</b>                   | <b>1,399,005</b>  | <b>358,381</b>    | <b>(74)</b> | <b>1</b>                              |
| <b>Total Expenditure</b>                                       | <b>21,321,384</b> | <b>28,251,222</b> |             |                                       |



# REPORT OF THE DIRECTOR OF AUDIT 2007-2008

## Report of the Director of Audit 2007-2008

### TO THE CHAIRPERSON OF THE NPCC

I have audited the accompanying financial statements of the National Productivity and Competitiveness Council, which comprise the Balance Sheet as at 30 June 2008 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall statement presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the National Productivity and Competitiveness Council as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Statutory Bodies (Accounts and Audit) Act 1972.

### Report on Other Legal and Regulatory Requirements

#### The Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). My responsibility is to report on these disclosures.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the "Code".



(Dr R. JUGURNATH)  
Director of Audit

National Audit Office  
Level 14, Air Mauritius Centre  
Port Louis  
Republic Of Mauritius

7 November 2008

## Balance Sheet as at 30 June 2008

|                                | NOTES | JUNE 30 2008<br>Rs | JUNE 30 2007<br>(Restated)<br>Rs |
|--------------------------------|-------|--------------------|----------------------------------|
| <b>ASSETS</b>                  |       |                    |                                  |
| <b>Non-current assets</b>      |       |                    |                                  |
| Plant and Equipment            | 4     | 2,555,579          | 3,409,979                        |
| <b>Current assets</b>          |       |                    |                                  |
| Trade and Other Receivables    | 5     | 2,865,801          | 1,569,882                        |
| Cash & Bank Balances           |       | 10,425,577         | 11,907,137                       |
|                                |       | 13,291,378         | 13,477,019                       |
| <b>Total assets</b>            |       | <b>15,846,957</b>  | <b>16,886,998</b>                |
| <b>FUNDS AND LIABILITIES</b>   |       |                    |                                  |
| General Fund                   | 6     | 8,012,326          | 12,688,828                       |
| <b>Non Current liabilities</b> | 7     | 4,306,176          | 3,014,873                        |
| <b>Current liabilities</b>     |       |                    |                                  |
| Trade & Other Payables         |       | 3,528,455          | 1,183,297                        |
|                                |       | 15,846,957         | 16,886,998                       |

  
A. RAMTOHUL  
Chairman

  
Dr. K. COONJAN  
Executive Director

## Income and Expenditure Statement for the year ended 30 June 2008

|                          | NOTES | JUNE 30 2008<br>Rs | JUNE 30 2007<br>(Restated)<br>Rs |
|--------------------------|-------|--------------------|----------------------------------|
| Income                   | 8     | 1,692,296          | 279,940                          |
| Government Grant         | 9     | 14,936,342         | 11,520,029                       |
| Other Income             | 10    | 8,671,058          | 2,483,000                        |
|                          |       | 25,299,696         | 14,282,969                       |
| Operating Expenditure    | 11    | (29,121,798)       | (21,213,849)                     |
| Net Deficit for the year |       | (3,822,102)        | (6,930,880)                      |
| Adjustments              |       |                    | (2,060,779)                      |
| Surplus brought forward  |       | 9,278,850          | 18,270,509                       |
|                          |       | 5,456,748          | 9,278,850                        |
| Surplus carried forward  |       |                    |                                  |



# Statement of Changes in Equity

|  | CAPITAL FUND            | RESERVES                | TOTAL                   |
|--|-------------------------|-------------------------|-------------------------|
| <b>As at 1 July 2006</b>                                 |                         |                         |                         |
| As previously reported                                   | 3,313,905               | 18,270,509              | 21,584,414              |
| Effects of adopting IFRS                                 |                         | (2,060,779)             | (2,060,779)             |
| As Restated (At 1 July 2006)                             | <u>3,313,905</u>        | <u>16,209,730</u>       | <u>19,523,635</u>       |
| Transfer from Government Grant                           | 1,399,005               |                         | 1,399,005               |
| Deferred income<br>- transferred to Income & Expenditure | (1,291,470)             |                         | (1,291,470)             |
| Assets Written off                                       | (11,462)                |                         | (11,462)                |
| Deficit for the year                                     |                         | (6,930,880)             | (6,930,880)             |
| <b>As restated at 30 June 2007</b>                       | <u>3,409,978</u>        | <u>9,278,850</u>        | <u>12,688,828</u>       |
| <b>As at 1 July 2007</b>                                 | 3,409,978               | 9,278,850               | 12,688,828              |
| Transfer from Government Grant                           | 358,380                 |                         | 358,380                 |
| Deferred income<br>- transferred to Income & Expenditure | (1,212,780)             |                         | (1,212,780)             |
| Deficit for the year                                     |                         | (3,822,102)             | (3,822,102)             |
| <b>As at 30 June 2008</b>                                | <u><u>2,555,578</u></u> | <u><u>5,456,748</u></u> | <u><u>8,012,326</u></u> |

# Cash Flow Statement for the year ended 30 June 2008

|   | JUNE 30 2008             | JUNE 30 2007<br>(Restated) |
|---|--------------------------|----------------------------|
| <b>A. Cash flow from operating activities</b>           |                          |                            |
| Deficit for the year                                    | (3,822,102)              | (6,930,880)                |
| <b>Adjustments for:</b>                                 |                          |                            |
| Depreciation  | 1,112,964                | 1,291,470                  |
| Retirement and Other Benefits                           | 247,009                  | 522,854                    |
| Amortisation of capital grant                           | (1,212,780)              | (1,291,470)                |
| Profit on disposal of assets                            | (25,183)                 |                            |
| Operating Deficit before working capital changes        | <u>(3,700,092)</u>       | <u>(6,408,026)</u>         |
| Decrease in Receivables                                 | 82,244                   | 83,519                     |
| Increase/ (Decrease) in Payables                        | 2,011,288                | (1,001,388)                |
| <i>Net cash flow from operating activities</i>          | <u>(1,606,560)</u>       | <u>(7,325,895)</u>         |
| <b>B. Investing activities</b>                          |                          |                            |
| Purchase of Property, plant and equipment               | <u>(358,381)</u>         | <u>(1,399,005)</u>         |
| <b>C. Financing activities</b>                          |                          |                            |
| Capital grant   | 358,381                  | 1,399,005                  |
| Proceeds from sale of asset                             | 125,000                  | -                          |
|   | <u>483,381</u>           | <u>1,399,005</u>           |
| Decrease in cash and cash equivalent                    | (1,481,560)              | (7,325,895)                |
| Cash and cash equivalent at the beginning of the period | 11,907,137               | 19,233,032                 |
| Cash and cash equivalent at the end of the period       | <u><u>10,425,577</u></u> | <u><u>11,907,137</u></u>   |

# Notes for the year ended 30 June 2008

## 1. PRINCIPAL ACTIVITIES

The object of the Council as stipulated by the NPCC Act 1999 is to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness. The Council therefore undertakes a series of activities such as Promotion/Sensitisation, Research & Analysis, Documentation, Operations (Productivity improvement programme, training, consultancy, benchmarking, clustering and promotion of innovation), Advisory, and Networking to achieve its objective.

## 2. First time adoption of International Financial Reporting Standards ( IFRS )

The accounting policies were changed on 1 July 2007 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards with 1 July 2006 as the date of transition. The changes in accounting policies as a consequence of the transition to IFRS are described below, and the reconciliations of the effects of the transition to IFRS are presented in the notes.

The transition to IFRS resulted in the following changes in accounting policies:

### *(i) Staff Pension Fund*

Under IAS 19 – Employee Benefits, retirement benefits are now accounted for as a legal obligation under the terms of the pension plan. The effect of this change is that a liability of Rs 1,310,191 (Rs 1,234,110 at 1 July 2006) has been recognized at 30 June 2007 and General Fund has been decreased by the same amount at that date.

### *(ii) Accumulated Sick Leave / Vacation Leaves*

Under IAS 19, the Council now accrues accumulated sick leave and vacation leaves of employees. The amount of sick leaves accrued at 30 June 2007 was Rs 714,829 (Rs 472,976 at 1 July 2006). Accumulated vacation leaves accrued at 30 June 2007 were Rs 558,613 (Rs 353,693 at 1 July 2006). The effect of this change is that a liability of Rs 1,273,442 (Rs 826,669 at 1 July 2006) has been recognized at 30 June 2007, and General Fund has been decreased by the same amount at that date.

# Notes for the year ended 30 June 2008 (continued)

## 3. ACCOUNTING POLICIES

### **Basis of Accounting**

The Accounts have been prepared in accordance with the IFRS for the first time. The comparative figures for June 2007 have been re-stated along the same line.

### **Depreciation**

Depreciation is calculated to write off the cost of the fixed assets on a straight-line basis over the expected useful lives of the assets. A full year depreciation is provided in the year of purchase. The estimated economic useful life of plant and equipment are as follows:

|                               |            |
|-------------------------------|------------|
| Furniture Fixtures & Fittings | 10 years   |
| Office Equipment              | 6.67 years |
| Computer Equipment            | 4 years    |
| Motor Vehicles                | 5 years    |



## Notes for the year ended 30 June 2008 (continued)

### 4. NON CURRENT ASSETS

|                        | Furniture<br>Fixtures & Fittings<br>Rs | Office<br>Equipment<br>Rs | IT Equipment<br>Rs | Motor Vehicles<br>Rs | Total<br>Rs      |
|------------------------|--|---------------------------|--------------------|----------------------|------------------|
| <b>COST</b>            |  |                           |                    |                      |                  |
| At 1 July 2007         | 1,594,129                              | 1,060,491                 | 2,825,822          | 2,845,200            | 8,325,642        |
| Additions              |  |                           | 358,381            |                      | 358,381          |
| Disposal               |  |                           |                    | (598,900)            | (598,900)        |
| <b>At 30 June 2008</b> | <b>1,594,129</b>                       | <b>1,060,491</b>          | <b>3,184,203</b>   | <b>2,246,300</b>     | <b>8,085,123</b> |
| <b>DEPRECIATION</b>    |  |                           |                    |                      |                  |
| At 1 July 2007         | 874,529                                | 587,747                   | 2,205,244          | 1,248,143            | 4,915,663        |
| Disposal               |  |                           |                    | (499,083)            | (499,083)        |
| Charge for the year    | 159,413                                | 141,366                   | 362,925            | 449,260              | 1,112,964        |
| <b>At 30 June 2008</b> | <b>1,033,942</b>                       | <b>729,113</b>            | <b>2,568,169</b>   | <b>1,198,320</b>     | <b>5,529,544</b> |
| <b>NET BOOK VALUES</b> |  |                           |                    |                      |                  |
| <b>At 30 June 2008</b> | <b>560,187</b>                         | <b>331,378</b>            | <b>616,034</b>     | <b>1,047,980</b>     | <b>2,555,579</b> |

## Notes for the year ended 30 June 2008 (continued)

### 5. DEBTORS & ADVANCES

|  | 2008<br>Rs       | 2007<br>Rs<br>(Restated) |
|--|------------------|--------------------------|
| Debtors & Prepayments                                | 259,124          | 325,868                  |
| Deposits   | 776,540          | 792,040                  |
| Advances ( Car loan granted by government to Staff ) | 1,830,137        | 451,974                  |
|  | <b>2,865,801</b> | <b>1,569,882</b>         |

### 6. GENERAL FUND

|                                   |                  |                   |
|-----------------------------------|------------------|-------------------|
| Capital Fund "see note 12"        | 2,555,578        | 3,409,978         |
| Surplus of income carried forward | 5,456,748        | 9,278,850         |
|                                   | <b>8,012,326</b> | <b>12,688,828</b> |

### 7. NON CURRENT LIABILITIES

|   |                  |                  |
|---|------------------|------------------|
| Retirement benefit obligation – " see note 14 " | 1,219,196        | 1,310,191        |
| Car loan - refundable by staff                  | 1,325,534        | 255,293          |
| Provision for Leaves refund                     | 1,611,446        | 1,273,442        |
| Provision for Passage Benefit                   | 150,000          | 175,947          |
|   | <b>4,306,176</b> | <b>3,014,873</b> |

### 8. INCOME

Income derived is from training & consultancy services.

## Notes for the year ended 30 June 2008 (continued)

|  | 2008<br>Rs               | 2007<br>Rs<br>(Restated) |
|--|--------------------------|--------------------------|
| <b>9. GOVERNMENT GRANT</b>   |                          |                          |
| Grant Received   | 15,500,000               | 12,919,034               |
| Less Grant devoted to Capital Expenditure  | <u>7,578</u>             | <u>1,399,005</u>         |
|  | 15,492,422               | 11,520,029               |
| Provision for CATs convention July 08  | (556,080)                | -                        |
| Income & Expenditure Account   | <u><b>14,936,342</b></u> | <u><b>11,520,029</b></u> |
| <p>The amount of Rs 7,578 has been credited to the capital grant account and will be amortised over the useful life of the assets purchased.</p> |                          |                          |
| <b>10. OTHER INCOME</b>  |                          |                          |
| Interest received  | 1,200,729                | 1,009,107                |
| Administrative Support fees  | -                        | 137,500                  |
| Gain on disposal of van  | 25,183                   | -                        |
| Gain on foreign exchange   | -                        | 26,473                   |
| Miscellaneous income   | 55,749                   | 18,450                   |
| <b>Contribution from other organisation</b>  |                          |                          |
| Ministry of Finance  | 6,000,000                |                          |
| Less amount used for capital expenditure   | (350,802)                |                          |
| Deferred Income in respect of Government Grant   | 1,125,080                | 1,291,470                |
| Deferred Income - Empowerment Programme  | 87,700                   |                          |
| United Nation Development Programme - UNDP   | 527,419                  |                          |
|  | <u><b>8,671,058</b></u>  | <u><b>2,483,000</b></u>  |

## Notes for the year ended 30 June 2008 (continued)

|  | 2008<br>Rs               | 2007<br>Rs<br>(Restated) |
|--|--------------------------|--------------------------|
| <b>11. OPERATING EXPENDITURE</b>                               |                          |                          |
| Personnel Costs  | 11,114,832               | 10,645,530               |
| Administrative Costs   | 5,425,532                | 5,923,232                |
| Promotion, Communication & Sensitisation                       | 585,011                  | 1,085,767                |
| International Networking                                       | 415,912                  | 313,464                  |
| Capacity Building  | 261,252                  | 412,389                  |
| Knowledge Centre   | 200,936                  | 165,728                  |
| Training and Consultancy                                       | 927,022                  | 230,459                  |
| Cluster Projects   | -                        | 268,717                  |
| Innovation & Creativity Project                                | 312,496                  | 483,422                  |
| Green Productivity   | 1,932,584                | -                        |
| CATs   | 373,261                  | 70,279                   |
| English Literacy using Information Technology                  | 114,450                  | 323,392                  |
| Empowerment Programme – Special Programme for Unemployed Women | 6,229,553                | -                        |
| Difference on foreign exchange                                 | 115,993                  | -                        |
| Depreciation   | 1,112,964                | 1,291,470                |
|  | <u><b>29,121,798</b></u> | <u><b>21,213,849</b></u> |



# Notes for the year ended 30 June 2008 (continued)

|   | 2008<br>Rs              | 2007<br>Rs<br>(Restated) |
|---|-------------------------|--------------------------|
| <b>12. CAPITAL FUND</b>   |                         |                          |
| Balance b/f   | 3,409,978               | 3,313,905                |
| Transfer from government grant  | 7,578                   | 1,399,005                |
| Less Deferred Income  | (1,125,080)             | (1,291,470)              |
| Transfer from grant received from Ministry of Finance – “ see note 10 ” | 350,802                 | -                        |
| Less Deferred Income  | (87,700)                | -                        |
| Less Written off  |                         | (11,462)                 |
|   | <b><u>2,555,578</u></b> | <b><u>3,409,978</u></b>  |

## 13. SPECIAL PROGRAMME FOR UNEMPLOYED WOMEN UNDER EMPOWERMENT PROGRAMME

The National Productivity and Competitiveness Council is the implementing agency for the Special Programme for Unemployed Women under the Empowerment Programme. The Ministry of Finance has released an amount of Rs 6 million to the NPCC for financing of projects. The United Nation Development Programme “UNDP” has directly financed two staff of the Project Monitoring Unit “PMU” to the tune of Rs 514,886/-. The UNDP has also put a van at the disposal of the PMU for field visits.

# Notes for the year ended 30 June 2008 (continued)

|   | JUNE 30                 |                         |
|---|-------------------------|-------------------------|
|   | 2008<br>Rs              | 2007<br>Rs              |
| <b>14. RETIREMENT BENEFIT OBLIGATION</b>                    |                         |                         |
| <b>Amounts recognised in balance sheet at end of year:</b>  |                         |                         |
| Present value of funded obligation                          | 2,173,654               | 2,300,633               |
| (Fair value of plan assets)                                 | (2,090,435)             | (897,531)               |
|   | <u>83,219</u>           | <u>1,403,102</u>        |
| Present value of unfunded obligation                        | -                       | -                       |
| Unrecognised actuarial gain/(loss)                          | 1,135,977               | (92,911)                |
| Unrecognised transition amount                              | -                       | -                       |
| <b>Liability recognised in balance sheet at end of year</b> | <b><u>1,219,196</u></b> | <b><u>1,310,191</u></b> |
| <b>Amounts recognised in income statement:</b>              |                         |                         |
| Current service cost  | 283,435                 | 264,920                 |
| Fund expenses   | 35,036                  | 6,227                   |
| Interest cost   | 253,070                 | 190,449                 |
| (Expected return on plan assets)                            | (160,748)               | (74,152)                |
| Actuarial loss/(gain) recognised                            | -                       | -                       |
| Past service cost recognised                                | -                       | -                       |
| Transition effect of adopting IAS 19                        | -                       | -                       |
| Total, included in staff costs                              | <u>410,793</u>          | <u>387,444</u>          |
| <b>Movements in liability recognised in balance sheet:</b>  |                         |                         |
| At start of year  | 1,310,191               | 1,234,110               |
| Total staff cost as above                                   | 410,793                 | 387,444                 |
| (Contributions paid)  | (501,788)               | (311,363)               |
| At end of year  | <u>1,219,196</u>        | <u>1,310,191</u>        |
| <b>Actual return on plan assets:</b>                        | <b>192,347</b>          | <b>105,179</b>          |
| <b>Main actuarial assumptions at end of year:</b>           |                         |                         |
| Discount rate   | 11.00%                  | 11.00%                  |
| Expected rate of return on plan assets                      | 11.50%                  | 11.50%                  |
| Future salary increases                                     | 8.00%                   | 8.00%                   |
| Future pension increases                                    | 6.00%                   | 6.00%                   |

# Notes for the year ended 30 June 2008 (continued)

| 14. RETIREMENT BENEFIT OBLIGATION (continued)                             | JUNE 30          |                  |
|---|------------------|------------------|
|   | 2008             | 2007             |
|   | Rs               | Rs               |
| <b>Reconciliation of the present value of defined benefits obligation</b> |                  |                  |
| Present value of obligation at start of period                            | 2,300,633        | 1,731,350        |
| Current service cost  | 283,435          | 264,920          |
| Employee contributions  | 555,215          | -                |
| Interest cost   | 253,070          | 190,449          |
| (Benefits paid)   | (21,410)         | (10,024)         |
| Liability (gain)/loss   | (1,197,289)      | 123,938          |
| Present value of obligation at end of period                              | <u>2,173,654</u> | <u>2,300,633</u> |
| <b>Reconciliation of fair value of plan assets</b>                        |                  |                  |
| Fair value of plan assets at start of period                              | 897,531          | 497,240          |
| Expected return on plan assets  | 160,748          | 74,152           |
| Employer contributions  | 501,788          | 311,363          |
| Employee contributions  | 555,215          | -                |
| (Benefits paid + other outgo)   | (56,446)         | (16,251)         |
| Asset gain/(loss)   | 31,599           | 31,027           |
| Fair value of plan assets at end of period                                | <u>2,090,435</u> | <u>897,531</u>   |
| <b>Distribution of plan assets at end of period</b>                       |                  |                  |
| <i>Percentage of assets at end of year</i>                                | <b>2008</b>      | <b>2007</b>      |
| Government securities and cash  | 46.80%           | 54.50%           |
| Loans   | 8.20%            | 9.00%            |
| Local equities  | 30.20%           | 17.60%           |
| Overseas bonds and equities   | 13.80%           | 17.90%           |
| Property  | 1.00%            | 1.00%            |
| Debenture stocks  | 0.00%            | 0.00%            |
| <b>Total</b>  | <u>100%</u>      | <u>100%</u>      |

# Notes for the year ended 30 June 2008 (continued)

## 15. (a) RECONCILIATION OF EQUITY UNDER PREVIOUS GAAP TO IFRS

|  | 30 JUNE 2007      | 1 JULY 2006       |
|--|-------------------|-------------------|
|  | Rs                | Rs                |
| Equity under Previous GAAP   | 15,272,461        | 21,584,414        |
| Retirement Benefits accounted for under IAS 19                                 | (1,310,191)       | (1,234,110)       |
| Employee Benefits other than Retirement Benefits<br>Accounted for Under IAS 19 | (1,273,442)       | (826,669)         |
|  | <u>12,688,828</u> | <u>19,523,635</u> |



## Notes for the year ended 30 June 2008 (continued)

### 15. (b) RECONCILIATION OF DEFICIT FOR YEAR ENDED 30 JUNE 2007 UNDER PREVIOUS GAAP TO DEFICIT UNDER IFRS FOR SAME PERIOD

|                    | Under Previous GAAP       | Effect of Transition    | Under IFRS                |
|--------------------|---------------------------|-------------------------|---------------------------|
|                    | Rs                        | Rs                      | Rs                        |
| Income             | 279,940                   | -                       | 279,940                   |
| Government Grant   | 12,811,499                | -                       | 12,811,499                |
| Other Income       | 1,191,530                 | -                       | 1,191,530                 |
|                    | <u>14,282,969</u>         | <u>-</u>                | <u>14,282,969</u>         |
| Operating Expenses | (20,690,995)              | (522,854)               | (21,213,849)              |
|                    | <u><b>(6,408,026)</b></u> | <u><b>(522,854)</b></u> | <u><b>(6,930,880)</b></u> |

## Notes for the year ended 30 June 2008 (continued)

### 16. EFFECTS OF ADOPTING IFRS ON BALANCE SHEETS AS AT 30 JUNE 2007 AND AT 1 JULY 2006 (DATE OF TRANSITION)

|                                | AT 30 JUNE 2007     |                      |                   | AT 1 JULY 2006 (Date of Transition) |                      |                   |
|--------------------------------|---------------------|----------------------|-------------------|-------------------------------------|----------------------|-------------------|
|                                | Under Previous Gaap | Effect of transition | Under IFRS        | Under Previous Gaap                 | Effect of transition | Under IFRS        |
|                                | Rs                  | Rs                   | Rs                | Rs                                  | Rs                   | Rs                |
| <b>ASSETS</b>                  |                     |                      |                   |                                     |                      |                   |
| <b>Non-current assets</b>      |                     |                      |                   |                                     |                      |                   |
| Plant and Equipment            | <u>3,409,979</u>    | <u>-</u>             | <u>3,409,979</u>  | <u>3,313,905</u>                    | <u>-</u>             | <u>3,313,905</u>  |
| <b>Current assets</b>          |                     |                      |                   |                                     |                      |                   |
| Debtors & Advances             | 1,569,882           | -                    | 1,569,882         | 1,950,368                           | -                    | 1,950,368         |
| Cash & Cash Equivalents        | 11,907,137          | -                    | 11,907,137        | 19,233,032                          | -                    | 19,233,032        |
|                                | <u>13,477,019</u>   | <u>-</u>             | <u>13,477,019</u> | <u>21,183,400</u>                   | <u>-</u>             | <u>21,183,400</u> |
| <b>Total assets</b>            | <u>16,886,998</u>   | <u>-</u>             | <u>16,886,998</u> | <u>24,497,305</u>                   | <u>-</u>             | <u>24,497,305</u> |
| <b>FUNDS AND LIABILITIES</b>   |                     |                      |                   |                                     |                      |                   |
| General Fund                   | 15,272,461          | (2,583,633)          | 12,688,828        | 21,584,414                          | (2,060,779)          | 19,523,635        |
| <b>Non Current liabilities</b> | 255,293             | 2,759,580            | 3,014,873         | 451,974                             | 2,060,779            | 2,512,753         |
| <b>Current liabilities</b>     |                     |                      |                   |                                     |                      |                   |
| Trade & Other Payables         | 1,359,244           | (175,947)            | 1,183,297         | 2,460,917                           | -                    | 2,460,917         |
|                                | <u>16,886,998</u>   | <u>-</u>             | <u>16,886,998</u> | <u>24,497,305</u>                   | <u>-</u>             | <u>24,497,305</u> |



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CT Application Green Productivity 5S

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n Teams Innovation  
g ICT Application 5S  
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