



National Productivity and Competitiveness Council

# ANNUAL REPORT

## 2021-2022

Working Together  
for a Stronger Resilience



[Inside cover](#)



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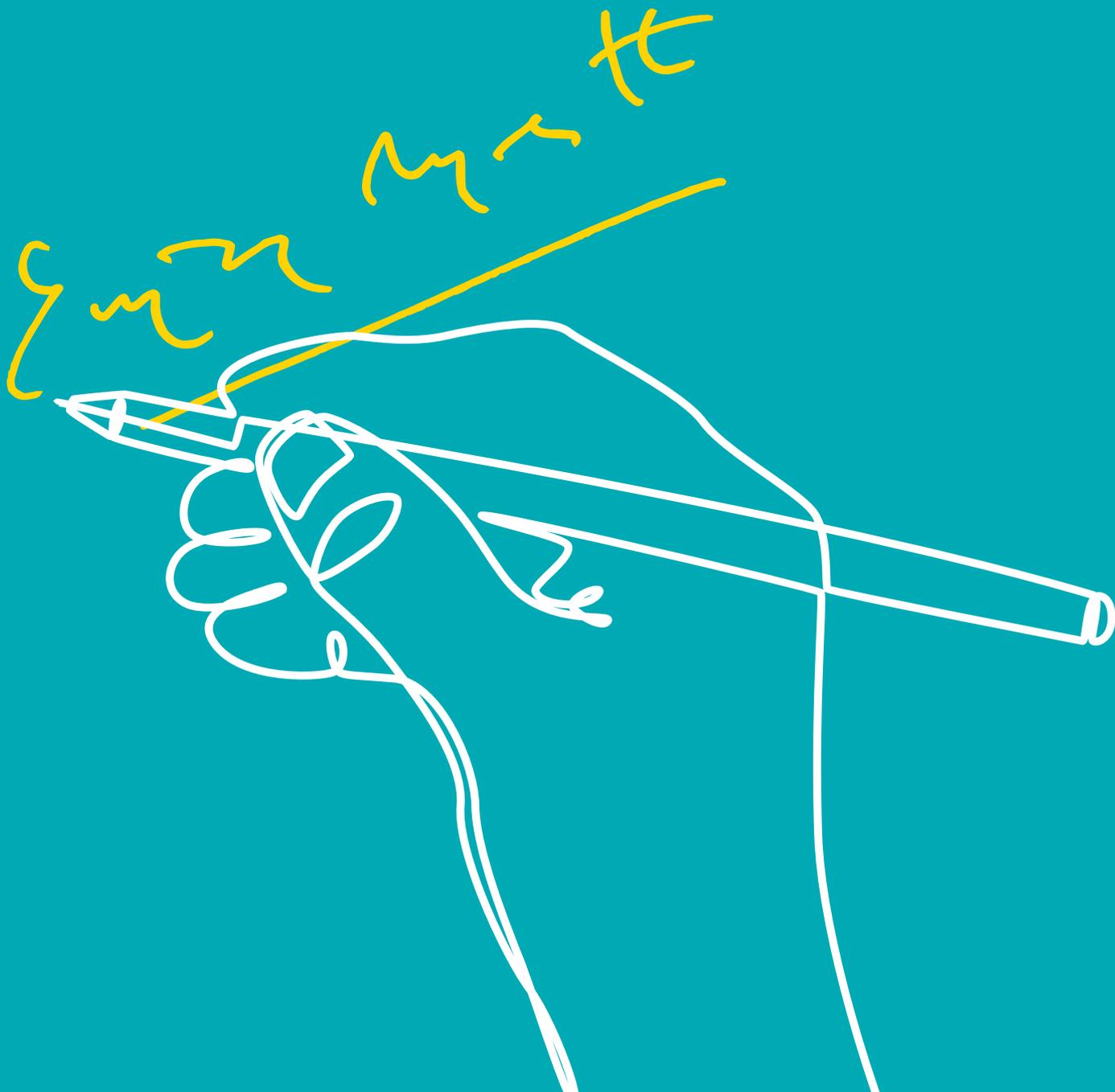


## THE COUNCIL SHALL:

- 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-wide 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.



# LETTER FROM THE CHAIRPERSON



# LETTER FROM THE CHAIRPERSON



**Sujoy Busgeeth**  
Chairperson

Hon. Soomilduth Bholah  
Minister of Industrial Development,  
SMEs and Cooperatives

Dear Minister,

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 for the financial period 1 July 2021 to 30 June 2022.

Yours faithfully,



**S. Busgeeth**  
Chairperson

# PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR





# PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR



*It gives me immense pleasure to present the performance report of the National Productivity and Competitiveness Council (NPCC) for the financial year ending 30 June 2022 as Executive Director of this important organisation that has the mandate to drive the productivity movement of the country to achieve better living for the nation.*

**Ashit Gungah**  
Executive Director

During the financial year under review, activities in different economic sectors started picking up after some 18 months of Covid-19 restrictions imposed by the Government. Particularly, the tourism and hospitality sector, which was one of the most severely affected economic sectors, witnessed an important rebound after the opening of our borders on 1 October 2021. According to Statistics Mauritius, on the basis of policy measures announced in the budget 2022/2023 and taking into account the target set by the authorities to reach 1 million tourist arrivals during the year and considering the easing of sanitary restrictions as from 1 July 2022, GDP at market prices in 2022 is forecasted to grow at a higher rate of 7.2% compared to 3.6% growth in 2021. Moreover, Gross Value Added (GVA) at basic prices is expected to expand by 7.9%, higher than the 4.2% growth in 2021.

On the international level, the World Bank in its Global Economic Prospects released in June 2022, global growth is expected to slow sharply from 5.7% in 2021 to 2.9% in 2022. *"This also reflects a nearly one-third cut to our January 2022 forecast for this year of 4.1%. The surge in energy and food prices, along with the supply and trade disruptions triggered by the war in Ukraine and the necessary interest rate normalization now underway, account for most of the downgrade,"* the report highlights.

As the number of cases relating to Covid-19 has come down thanks to the vaccination campaigns and strict sanitary protocols imposed by governments across the world, business confidence across the globe has gradually picked up in a what has been termed as the new normal.

Despite numerous challenges, mostly due to the pandemic, the NPCC successfully implemented a number of projects during the financial year to build resilience in the public and private sectors and ensure sustainable socioeconomic growth in a local and international landscape characterised by higher volatility and uncertainty.

# PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR

## HIGHLIGHTS 2021/2022

### OPERATION COSHARE

In the same veins, the NPCC, through Operation COSHARE (Covid-19 Occupational Safety & Health and Resource Efficiency), contributed to the strategic national effort to pull out the local tourism industry from a gloomy state, being severely affected by the closing of borders in March 2020. Operation COSHARE not only helped operators in the local tourism value chain get a fresh breath of air with the reopening of borders. It also contributed in fighting against the effects of climate change through projects linked to waste reduction, energy efficiency and sustainable resource management.

Operation COSHARE was officially launched on 2 September 2021 and was implemented with the technical assistance and funding from the International Labour Organisation (ILO) and the Partnership for Action on Green Economy (PAGE). Some 7000 operators from the local tourism value chain were sensitised on the importance of sanitary protocols and resource efficiency. The project reached out to 1160 tourist accommodations, 860 food, beverages and entertainment organisations, 3310 tourist activity places and 1250 commercial pleasure crafts.

Besides training to hotels, restaurants, guest houses, tourist residences and tour operators, training on Covid-19 OSH was also conducted for some 1200 taxi operators based at hotels as well as for 45 companies at the airport.

In the second phase of Operation COSHARE, which started in January 2022, 21 companies implemented resource efficiency and cleaner production projects. The second phase targeted hotels, guest houses and other tourist accommodations as well as restaurants and bars. It helped in improving productivity in the context of resources including materials, energy and water. The second phase also addressed operational excellence leading to enhanced business results and allowed understanding imperatives such as waste elimination including food waste and avoidance of single-use plastics. Through resource efficiency and cleaner production projects, Operation COSHARE also aims to achieve higher productivity in the enterprises.

### ENTERPRISE GO DIGITAL

As an economy relying significantly on the tertiary sector, the need for a higher degree of digitalisation and automation is increasingly being felt, particularly at a time when Mauritius starts facing the phenomenon of an ageing workforce.

The Enterprise Go Digital project works in that direction to assist economic operators in adopting digitalisation as a way to conduct business in the future.

The Enterprise Go Digital project is in line with the NPCC's mandate to increase productivity and strengthen the resilience of Small and Medium Enterprises (SMEs), particularly in the new normal environment marked by the challenges of Covid-19.

The NPCC, through this project, also intends to support participating enterprises in their recovery phase. The first phase consisted of a sensitization campaign that was conducted through a series of webinars in the field of ICT and business. The second phase consisted of a digital maturity assessment and the selection of ten enterprises for the implementation of digitalisation projects. The Enterprise Go Digital project will continue in financial year 2022-2023 whereby digital solutions will be implemented in the ten SMEs.

### SMART (LEAN) PROCESS FOR THE PUBLIC SERVICE

The public service is another sector where the NPCC is engaged in boosting productivity by eliminating non value adding activities and streamlining processes for higher efficiency.

The NPCC signed a Memorandum of Agreement with the Ministry of Public Service, Administrative and Institutional Reforms in October 2021 for the implementation of the Smart (Lean) Process for the Public Service project. The NPCC worked in collaboration with the Kaizen Institute to deliver an online training to 50 public officers as part of capacity building programmes on best practices and methodologies.

The implementation of the Smart (Lean) Process in the Public Service is an integral component of the Public Sector Business Transformation Strategy (PSBTS) adopted in February 2017. The actions and deliverables are to simplify and automate business processes to be forward-thinking, rapid, responsive and efficient; ensure that the process chain, system or network adds value and results in shorter decision cycles; remove unnecessary or poorly designed regulations and develop mechanisms to minimize red tape; use objective-oriented systems and processes that reflect emerging trends and the needs of the public, clients and employees (process becomes goal-oriented, not task-oriented); relentlessly focus on the highest and best use/optimization of process and resources to reduce



overlap and duplication; and continuously review business process to eliminate duplication and low value work so that scarce resources can be reallocated to high priority areas. During financial year 2022-2023, a Smart Process manual for a professional public service committed to excellence is being developed. Business Process Re-engineering (BPR) exercises in public organisations will be undertaken in 2022-2023.

### NATIONAL LEADERSHIP ENGINE

The third edition of the National Leadership Engine (NLE) involved more than 300 youth who followed training on leadership skills delivered in 10 Youth Centres across Mauritius. The aim of the NLE project is to instill a leadership culture among youth to boost productivity. During the training, the participants were regrouped in teams and worked on community based projects to demonstrate their leadership skills and show positive impact of their projects on their community. NLE 2021 garnered 52 community based projects that focused on a range of issues pertaining to the environment, animal rights, mental health amongst others.

### NLEAD

The NLE Action Drivers has become active with more adherents since its inception. At the end of the financial year, there were ten regional associations that had been registered. The core objective of the NLEAD is to enable NLE participants oversee the implementation of community projects started during their NLE training and keep the 'engine' in full motion beyond their participation in NLE. It is worth noting that the NPCC signed an agreement with the ten associations in February 2022 with a view to help them sustain and to provide them training, guidance and support. Each association will benefit from a grant of Rs 15,000 to implement their action plan.

### INNOVED 2021

InnovEd 2021 successfully achieved the objective of instilling a culture of innovation and creativity among young students. A total of 100 teams registered for InnovEd 2021. 56 teams were assessed and 33 were selected for further coaching during the CREATHon.

### PRODUCTIVITY AND QUALITY IMPROVEMENT PROGRAMME AND TRAINING

During the financial year, the NPCC continued to service local enterprises under the Productivity and Quality Improvement Programme (PQIP) as well as training workshops.

The PQIP was conducted both under the Enterprise Productivity Solutions Programme and the Southern African Development Community-Trade Related Facility (SADC-TRF) framework. The SADC-TRF project on Productivity Improvement in Manufacturing Companies ended in June 2021. Some companies had approached the NPCC to continue the implementation of some projects.

### ACKNOWLEDGEMENT

I would like to extend my warmest thanks to the Minister of Industrial Development, SMEs and Cooperatives, Hon Soomilduth Bholah who has provided the necessary support to the Council throughout the year. A special word of appreciation also goes to the Chairman, the Vice Chairman and the Council members. Finally, I would like to place on record the unflinching support and dedication of the staff of the NPCC as well as all our stakeholders and partners both in Mauritius and abroad for their continuous support to the productivity movement.

**Ashit Gungah**  
Executive Director



# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDING 30<sup>TH</sup> JUNE 2022

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the NPCC Act No. 9 of 1999 which was amended by the Economic and Financial Measures (miscellaneous provisions) Act No. 27 of 2012. 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 competitiveness and raise national output with a view to achieving sustained economic growth. The functions are 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 within its ambit 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 OF DIRECTORS

The NPCC Act (amended) makes provision for a Council.

As per the act, the Council shall consist of :-

- (a) A Chairperson;
- (b) A Vice-Chairperson;
- (c) One member representing the interests of Government;
- (d) One member representing the interests of employers;
- (e) One member representing the interests of the federations of trade unions; and
- (f) Not more than 2 members drawn from industry associations and consumer organisations.

## OPERATIONS OF THE COUNCIL

The Council meets at the request of the Chairman. Meetings of the Council and Committees are scheduled in advance. Papers are circulated before each meeting. The NPCC operates in an independent way although it receives funding through the Government budget.

## PROFILE OF COUNCIL MEMBERS July 2021 to June 2022

**Mr. Sujoy BUSGEETH (Chairperson)** was appointed Chairperson of the NPCC in July 2020. He completed his LLB Honours at the University of Wolverhampton, UK, in 2005. He obtained his MBA from the University of Gloucestershire and holds a diploma in health education from the Institute of Health Care Administration in Chennai, India. Mr. Busgeeth has 15 years' experience in the legal field. He also has wide experience in the public sector including the Department of Civil Aviation, the Ministry of Housing and Lands and the Registrar General's Department. From 2010 to 2014, he was advisor to the Attorney General. Presently, he is an Assessor to the Environment and Land Use Appeal Tribunal.

**Mr. Sameer Udin CHITBAHAL (Vice Chairperson)** is a qualified accountant registered with the Mauritius Institute of Professional Accountants (MIPA) and Association of Chartered and Certified Accountants (ACCA) with 18 years experience. He is currently a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and has completed a Certified Compliance Programme on Anti Money Laundering and Combatting the Financing of Terrorism. He started his career at Ernst & Young and moved to the audit and consultancy department at BDO Mauritius. He also has long financial experience in the leasing, agricultural and food sectors. He is currently heading the finance department in a private company and is the chairperson of the Finance & Audit Committee.

## MEMBER, REPRESENTING THE INTERESTS OF GOVERNMENT (MINISTRY OF INDUSTRIAL DEVELOPMENT, SMEs AND COOPERATIVES)

**Dr. Bhesraj Rishi DOMUN** is a Principal Analyst in the Industry Division of the Ministry of Industrial Development, SMEs and Cooperatives.

# CORPORATE GOVERNANCE

## MEMBER REPRESENTING THE INTERESTS OF EMPLOYERS

**Mr. Jocelyn KWOK (As from February 2022)** Mr. Kwok is the Chief Executive Officer of the Association des Hoteliers et Restaurateurs de l'Ile Maurice (AHRIM). Prior to AHRIM, he was the General Secretary of the Mauritius Chamber of Agriculture. He was previously a management consultant at De Chazal Du Mee. Mr. Kwok also had the opportunity to serve as Co-Chair of the first Maurice Ile Durable Fund Committee (2008-2010) and as Councillor at the National Economic and Social Council (2009-2014).

## MEMBER REPRESENTING THE INTERESTS OF THE FEDERATION OF TRADE UNIONS

**Mr. Jugduth SEEGUM (CSK)** is the negotiator of the Government Teachers' Union (GTU), the largest union in the Mauritian education sector. He is also President of the All Civil Service Employees and other unions Federation (ACSEF) and the Confederation of General Trade Unions (CGTU). Mr. Seegum is also an elected Board Member of the Canada-based Comité Syndical Francophone de l'Education et de la Formation (CSFEF), representing six countries in East Africa.

## MEMBERS DRAWN FROM INDUSTRY, ASSOCIATIONS AND CONSUMER ORGANISATIONS

**Mrs. Lilowtee Rajmun-Jooseery (CSK)** is a well-known figure in corporate Mauritius. She is the director of the Mauritius Exports Association (MEXA), one of the largest associations regrouping exporting firms of the island. As the head of the MEXA, Mrs. Rajmun-Jooseery has participated in the formulation of numerous policies in the interest of the exporting community of Mauritius. She was appointed as Council Member in August 2018.

**Mr. Gyandev SEEWOTOHOLL** was appointed Council member in July 2020. He holds a "Diplome Universitaire Supérieur de Technologie (Maintenance et Automatisme Industrielle)" from the University of Limoges and the Technical Management Trust Fund. Mr. Seewotoholl is active in social work as the Vice President of SOS Mother, a Non-Governmental Organisation (NGO).

**Mrs. Anmaid FRANÇOIS** is a co-opted member from Rodrigues. She is the Coordinator and Ag. Head of the Human Resource Development Centre Commission for Training in Rodrigues.

## SUB COMMITTEES OF THE COUNCIL

In line with good corporate governance practices, the Council has set up a Finance Committee and a Human Resource Committee.

## THE FINANCE COMMITTEE

The Finance Committee consisted of four (4) members of the Council as follows:-

- Mr. Sameer CHITBAHAL (Chairperson)
- Dr. Bhesraj Rishi DOMUN
- Mr. Jugduth SEEGUM (CSK)
- Mrs. Lilowtee RAJMUN-JOOSEERY (CSK)

The responsibilities of the Finance Committee are as follows:-

- 1.1 Responsible for procurement and inter alia examine bids above Rs 100,000 and make recommendations to the council for award of contracts;
- 1.2 To examine the annual estimates and to make recommendations to the Council accordingly;
- 1.3 To make any other recommendations of a financial nature to the Council;
- 1.4 Oversees the establishment and implementation of accounting policies and internal controls that promote good financial stewardship;
- 1.5 Inquires into how the business risks of the NPCC are being planned for and managed, for instance, assessing the adequacy of its insurance coverage;
- 1.6 Oversees compliance with regulatory standards;
- 1.7 Examines the final accounts and the annual report to ensure compliance prior to recommending to Council for approval and onward transmission to the external auditors;
- 1.8 Receives and acts upon the results of the external audit and reporting same to the Council.



## THE HUMAN RESOURCE COMMITTEE

The Human Resource Committee consisted of four (4) members of the Council as follows:-

- Mr. Jugduth SEEGUM (CSK) (Chairperson)
- Dr. Bhesraj Rishi DOMUN
- Mr. Sameer CHITBAHAL
- Mr. Gyandev SEEWOTOHOLL

The responsibilities of the Human Resource Committee are as follows:-

- Examine all staff matters in particular relating to recruitment, promotion, allowances, salary review and make recommendations to the Council for approval;
- Advise the Council on matters relating to employment policy/strategies, human resource development, etc;
- Examine employee grievances and make recommendations to the Council.



## Statement of Attendance to Council meetings (July 2021 to June 2022)

NO. OF COUNCIL MEETINGS HELD: 9	NO. OF MEETINGS ATTENDED
Mr. Sujoy BUSGEETH (Chairperson) Mr. Sameer Udhin CHITBAHAL (Vice Chairperson)	9 7
<b>MEMBER REPRESENTING THE INTERESTS OF GOVERNMENT (MINISTRY OF INDUSTRIAL DEVELOPMENT, SMEs AND COOPERATIVES)</b> Dr. Bhesraj Rishi DOMUN	9
<b>MEMBER REPRESENTING THE INTERESTS OF EMPLOYERS</b> Mr. Jocelyn KWOK YIN SIONG YEN (As from February 2022)	3
<b>MEMBER REPRESENTING THE INTEREST OF THE FEDERATION OF TRADE UNIONS</b> Mr. Jugduth SEEGUM (CSK)	9
<b>MEMBERS DRAWN FROM INDUSTRY, ASSOCIATIONS AND CONSUMER ORGANISATIONS</b> Mrs. Lilowtee RAJMUN-JOOSEERY (CSK) Mr. Gyandev SEEWOTOHOLL	8 8
<b>CO-OPTED MEMBER FROM RODRIGUES</b> Mrs. Annmaid FRANÇOIS	1

## Statement of Attendance to Finance and Audit Committee meetings

NO. OF FINANCE AND AUDIT COMMITTEE MEETINGS HELD: 10	NO. OF MEETINGS ATTENDED
Mr. Sameer Udhin CHITBAHAL (Chairperson) Dr. Bhesraj Rishi DOMUN Mr. Jugduth SEEGUM (CSK) Mrs. Lilowtee RAJMUN-JOOSEERY (CSK)	10 9 10 10

# CORPORATE GOVERNANCE

## Statement of Attendance to Human Resource Committee meetings

NO. OF HUMAN RESOURCE COMMITTEE MEETINGS HELD: 5	NO. OF MEETINGS ATTENDED
Mr. Jugduth SEEGUM (CSK) (Chairperson)	5
Dr. Bhesraj Rishi DOMUN	5
Mr. Sameer CHITBAHAL	4
Mr. Gyandev SEEWOTOHOLL	5

## Statement of remuneration of Council members

The Chairperson, Vice Chairperson and Members of the council receive a monthly fee as Council Members. Payment for the Finance and Audit Committee, and the Human Resource Committee are made as per attendance for a maximum of two meetings per month.

## Remuneration of Members for Financial Year July 2021 to June 2022

COUNCIL/COMMITTEE MEMBERS	COUNCIL AND COMMITTEE FEES (RS)
Mr. Sujoy BUSGEETH	600,000
Mr. Sameer Udhin CHITBAHAL	365,000
Dr. Bhesraj Rishi DOMUN	225,000
Mr. Jugduth SEEGUM (CSK)	240,000
Mrs. Lilowtee RAJMUN-JOOSEERY (CSK)	210,000
Mr. Gyandev SEEWOTOHOLL	195,000
Mr. Jocelyn KWOK YIN SIONG YEN (as from February 2022)	75,000

## 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.



Good corporate governance is not just about compliance; it is about creating a culture and practices that inspire and enable companies to make better decisions, be more accountable, and ultimately perform better for their shareholders and society as a whole.

Paul Polman



## Statement of Director's Responsibility

The Council acknowledges its responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) 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 Public Sector Accounting Standards (IPSASs); and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgment.

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:

- (i) adequate accounting records and an effective system of internal control has been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- (iii) applicable accounting standards have been adhered to; and
- (iv) the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Signed on behalf of the NPC Council.

Signed on behalf of the NPC Council.



**Mr S. Busgeeth**

Chairperson



**Mr S. Chitbahal**

Vice Chairperson

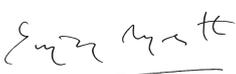
## Directors' Statement for Internal Control

The NPCC acknowledges its responsibility for the setting up of adequate system of internal control 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:

- (i) Proper segregation of duties whereby the different functions in process are crosschecked and verified;
- (ii) Expenditure limits for the Executive Director has been fixed and purchases are duly authorised by the appropriate instances;
- (iii) Follow up and implementation of recommendations of the Director of Audit in order to improve the processes and ensure proper accountability, is regularly adhered to;
- (iv) Adequate supervision of duties performed by staff members by the Executive Director;
- (v) The assets of the Council are properly safeguarded and;
- (vi) All cheques issued by the Council are signed by two authorised signatories.

Signed on behalf of the National Productivity and Competitiveness Council.



**Mr S. Busgeeth**

Chairperson



**Mr S. Chitbahal**

Vice Chairperson

# STRATEGIC PLANNING

## STRATEGIC PLAN 2021-2025

The NPCC developed a four-year strategic plan in June 2021 which provides strategic direction to drive the productivity movement.

Besides desk research, consultations were held with Council members, the Productivity Committee Project Implementation (PCPI) members comprising of key stakeholders from the public and private sector, non-governmental organisations, trade unions and staff of the NPCC in the preparation of the new strategic plan. The plan is aligned to the Government Programme 2020-2024 and the Industrial Policy & Strategic Plan for Mauritius 2020-2025. This Strategic Plan responds to new imperatives to adjust, evolve and maps out courses of action to achieve measurable results.

The Strategic Plan 2021-2025 stresses on the importance to align our resources with our priorities and pursue our goals with a strong sense of collaboration in order to attain meaningful results. A collaborative approach means working closely with the public and private sector, non-governmental and community-based organisation, civil society, trade unions, academia and other stakeholders to support their efforts to innovate and increase productivity. The Strategic Plan will contribute to putting the country on the path to long-term, inclusive growth.



# STRATEGIC PLANNING

The Strategic Plan 2021-2025 is built on the following thrusts:

## **Strategic thrust 1- Build youth capabilities and the workforce of tomorrow- with a particular focus on espousing the values of the National Leadership Brand.**

NPCC will continue focusing on developing youth capabilities with a special focus on honing their leadership potential and thereby espousing the values of a National Leadership Brand. The National Leadership Engine (NLE) project which was launched in 2018, will be given a new dimension with the setting up of the National Leadership Action Drivers (NLEAD) platform.

The InnovEd project which was initiated in 2005 with a view to promote a culture of innovation in the education sector will also be revisited. Polytechnical and other technical and vocational institutions will be roped in to give the opportunity to students in these streams to nurture their innovative talents.

## **Strategic thrust 2- Advocate about the importance of productivity across all segments of society.**

In line with its function to 'inculcate new values and attitudes in the country regarding productivity, quality and competitiveness' NPCC will implement the following projects:

Productivity Starts at Home - New, productive habits will be nurtured to enable the population at large to better adapt to the changing landscape. A special focus will be laid on women and senior citizens.

The English Literacy Using Information Technology (ELIT) project will be continued on a demand basis in partnership with NGOs. Entrepreneurs operating micro and small businesses, particularly women entrepreneurs, will be supported with a view of either creating new business or upscaling existing ones.

## **Strategic thrust 3: Transform our enterprises into the vanguards of high-performing organisations.**

The NPCC will also implement the 'Enterprise Transformation Programme.' The objective of this programme is to provide business and technology advisory services to enterprises to help them reimagine their business and improve their capability and capacity to scale up, produce more quality, value-added products and services, be more resilient, agile and flexible to face uncertainties.

## **Strategic thrust 4: Improve service delivery in public service organisations by streamlining, simplifying and eliminating non-value added activities.**

Given the importance of public sector organisations in catalysing growth, NPCC will work closely with these organisations. NPCC will provide its support to the Ministry of Public Service, Administrative and Institutional Reforms to implement the Smart Process for Public Service. Support will be extended to (i) Develop a Smart Process Framework Manual for Ministry/ Department (ii) Implement BPR exercises in Ministries and Departments (iii) Undertake capacity building programmes on best practices and methodologies (iv) Promote a culture of continuous improvement in the Public Service.

## **Strategic thrust 5: Promote productivity measurement.**

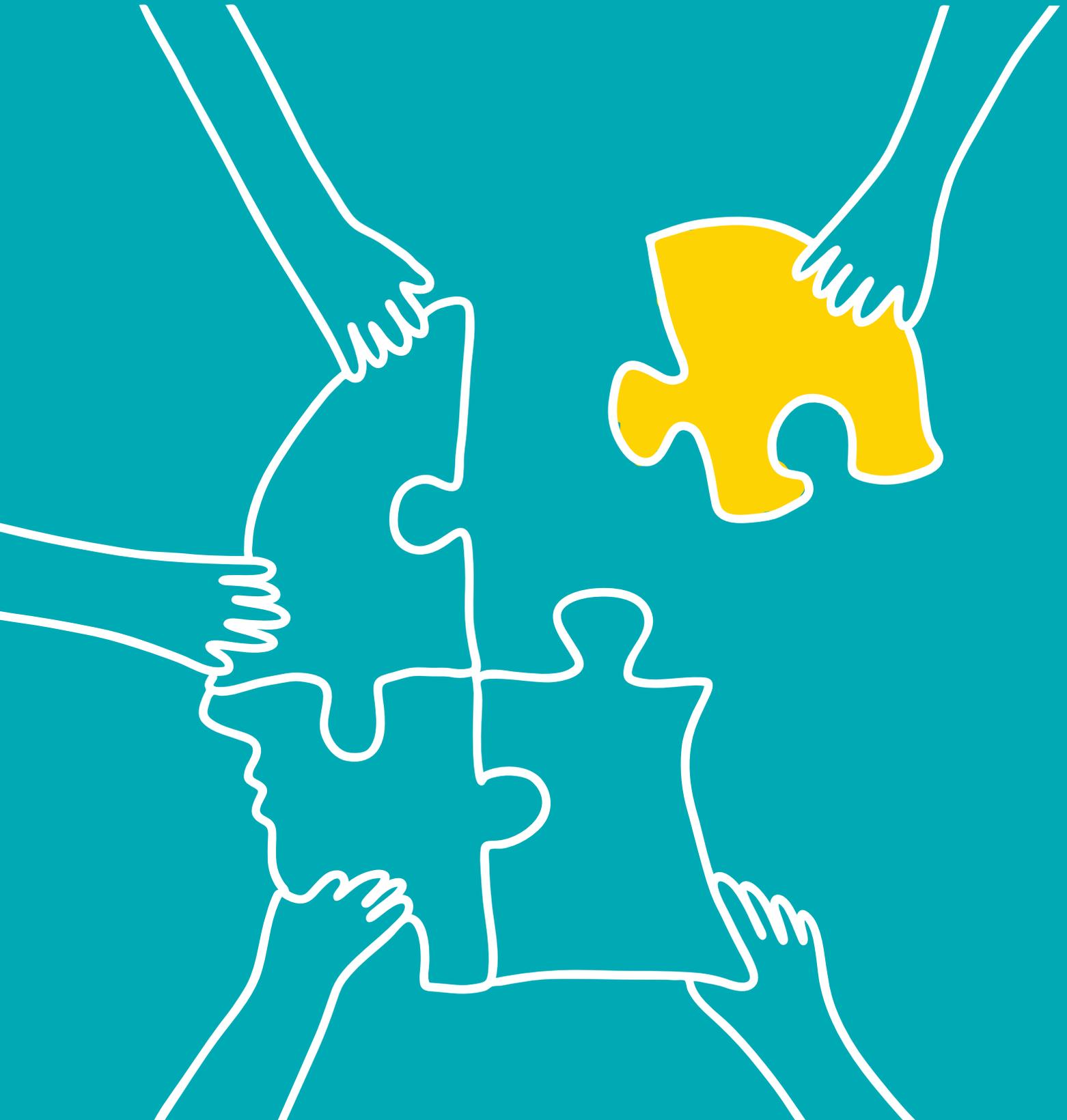
In a bid to embed a culture of productivity measurement at enterprise level the 'Productivity measurement for enterprises' project will be implemented.

View the importance of continuously gathering firm level productivity data to design evidence-based policies, it is envisaged to undertake the second edition of the Enterprise Productivity Survey. NPCC will work closely with the Ministry of Finance and Statistics Mauritius (SM) on the project 'Revisiting national productivity measurement.' While SM regularly provides productivity updates, there is scope for further improvement especially when it comes to measurement of productivity in the service sector.

## **Strategic thrust 6: Adopt a holistic approach to improve productivity at national, sectoral and industrial level**

Despite efforts to improve productivity, Mauritius continues to lag behind many high income economies. Going forward, there is need to shift, from primarily Government driven productivity improvement initiatives at the national level to targeted actions across the public sector, industry players, and individual enterprises, with champions identified to role model change and ensure buy-in across stakeholders. The findings and recommendations of the recently launched research entitled 'Productivity in Mauritius: Status, Trends, and Priorities for Action' will be used as a base to embark on the Mauritius Productivity Blueprint project. The blueprint will serve as a holistic measure to target initiatives to open up potential productivity at national, sectoral and industrial levels.

BUILDING YOUTH CAPABILITIES  
AND THE WORKFORCE OF TOMORROW





## NATIONAL LEADERSHIP ENGINE 2021



# National Leadership Engine

The third edition of the National Leadership Engine (NLE) project culminated on 26 February 2022 with a National Convention during which the grand winner and the two runner ups were announced. The event was held online with more than 300 participants as well as former participants part of the NLE Action Drivers (NLEAD) network.

### The winners were as follows:

- **Grand Winner:** Team Algo Plastic (Montagne Blanche Youth Centre)
- **Second Winner:** Team Smart Hands (NPCC, Ebène)
- **Third Winner:** Team Pa Zet Narien (Mahebourg Youth Centre)

NLE 2021 was organised in collaboration with the Ministry of Youth Empowerment, Sports and Recreation. The project aims at creating a pipeline of leaders who will act as agents of positive change in the society. The project aims at enabling the creation and profusion of community projects, which will have a visible and practical impact in the lives of people.

The first phase, launched in April 2021, consisted of the training of co-trainers whereby more than 100 participants were trained to become co-trainers. During the second phase, more than 350 youth enrolled for the training which was delivered online for the following regions namely, Bambous, Barkly, Floréal, Montagne Blanche, Mahebourg, Pamplemousses, Port Louis, Rivière du Rempart, Souillac and Ebène.

During the training, youth aged 16 and above were empowered with personal and social competences which they had to demonstrate by conceptualising and implementing community-based projects in their locality. The training for youth was completed in September 2021, followed by regional assessments of projects and a national assessment that were held in October 2022. A total of 52 community based projects were presented in NLE 2021. The projects focused on a range of issues pertaining to the environment, animal rights, mental health amongst others.

## NLE ACTION DRIVERS (NLEAD)

Former members of the NLE project are now part of the NLE Action Drivers (NLEAD) network. Ten freshly registered associations, which make up the NLEAD network, comprising former participants of the NLE project signed an agreement with the NPCC on 11 February, paving the way towards a solid formal cooperation under which the NPCC will offer them support in terms of management and project implementation.

The purpose of NLEAD is to provide a platform for the participants of NLE to continuously demonstrate their leadership capabilities at community level through the implementation of projects and inspiring other youth to become leaders in a spirit to keep the engine moving. The NLEAD also enables the members to constantly develop their Teachable Point of View (TPOV), that is making their knowledge available to others.



A follow-up meeting was held with trainers on 11 March 2022 at the NPCC. The agenda included feedback on NLE 2021 and a presentation of the implementation plan for NLE 2022. Trophies and certificates for participants of NLE 2021 were handed over to trainers and they were requested to assist the respective LEADs to organise an event for distribution of the certificates and trophies.

The NPCC has offered each association a grant of Rs 15,000 that will help them fund their initiatives.

## INNOVED 2021



InnovEd (Innovation for the Education Sector) 2021 was organized under six topics, namely:

- Green Productivity
- Healthy Food
- Good Health & Well Being
- Poverty
- Life Below Water and
- Coding or Robotics.

Above 90 facilitators from 48 educational institutions (including Polytechnics Mauritius, MITD, Colleges in Rodrigues) enrolled for the workshops on each of the topics.

The first level assessment was conducted online during early November 2021 by Subject Matter Experts (SMEs) to select a maximum of six projects per theme. Out of the 100 teams registered, 89 teams submitted a project title. For the final assessment, 56 out of the 89 teams delivered a presentation online for assessment by the SMEs. Out of the 56 teams, 33 projects were selected for further coaching during the CREAThon conducted during the end of November 2021.

The final assessments were conducted online on 24 and 26 November 2021. The teams made a pitch presentation to a panel of jurors consisting of representatives from the Mauritius Innovation and Research Council (MIRC), Made In Moris and Ceridian.

During the Innovation and Creativity Webinar and Award Ceremony which took place on 10 February 2022, the best projects in five different categories were announced. The event which was held online was attended by students from more than 40 secondary schools.

The best project in each category were as follows:

### Performing arts

**Winner:** Lycée Labourdonnais, Project: I'm Green

**Runner Up:** Lycée De Beau-Bassin, Project: Mwa

### Visual arts

**Winner:** Queen Elizabeth College, Project: From Scraps To Crafts

**Runner Up:** Lycée Labourdonnais, Project: The Mauritius Artour

### Design

**Winner:** Queen Elizabeth College, Project: Multipurpose Storage Unit Using Recycled Material

**Runner Up:** Sir Abdool Razack Mohamed SSS, Project: Retractable Bed

### Interactive Media

**Winner:** John Kennedy College, Project: Local Parking Tracker

**Runner Up:** Polytechnics Mauritius Limited, Project: Hand Sign Translator App (Mauritius Sign Language)

### Languages And Publishing

**Winner:** Triolet SSS, Project: Bay

**Runner Up:** Royal College Curepipe, Project: A Greener Future

### Cultural Heritage

**Winner:** Lycée Labourdonnais, Project: Poverty

**Runner Up:** Royal College Curepipe, Project: Matka

The winners and runner up in each category were awarded a cash prize of Rs 20,000 and Rs 10,000 respectively.

InnovEd is a joint project of the NPCC and the Ministry of Education, Tertiary Education, Science and Technology and aims at instilling a culture of innovation and creativity among students. InnovEd also aims at equipping students with the skills necessary to identify and handle problems as well as to produce creative and practical solutions to real-world problems. More than 50,000 students and 2,000 educators have participated in InnovEd with more than 2000 innovative projects since it was launched in 2005.



## MAKE LEARNING FUN CHALLENGE

The Make Learning Fun Challenge project was implemented in March 2022 targeting students between 13 and 18 years old during school holidays. The objective of this challenge was to instill a culture of innovation in learning among young students. Among a total of 44 registrations, 31 projects were submitted. The assessors of the challenge were Dr. Hans Ramduth from the Mahatma Gandhi Institute (MGI), Mr. Francois Mark from iGFXStudio and Mr. Neerunjun Beegun from the Ministry of Education, Tertiary Education, Science and Technology.

### The winners of the Challenge were:

1. Bhuvi Mohiputloll for making a quiz board game which lights up when a question is linked to the correct answer.
2. Desire Hughes Justin Speville from Rodrigues who worked on a Family Integrative and Interactive Time Table.
3. Aditi Vanshika Kodai who used performing arts to make learning music fun in different ways.
4. Deshna Ramasawmy for putting up a competition between two teams as a game to make learning fun.
5. Noushika Dewlaul for her project titled 'Bullhorn and eyes game', where Grade 10 students are divided in two teams to classify organisms.

The top five winners were awarded a scholarship to participate in the online workshop relating to the United Nations Sustainable Development Goal #4 (SDG4 - Education For All), with international students from the institutions in the Invent Future Global (IGF) network. The winners participated in the online workshop in July 2022 and contributed actively in the discussions.

TRANSFORMING OUR ENTERPRISES  
INTO THE VANGUARDS OF HIGH-  
PERFORMING ORGANISATIONS





## OPERATION COSHARE



Operation COSHARE (Covid-19 Occupational Safety & Health and Resource Efficiency), launched on 2 September 2021, was successfully implemented with the technical assistance and funding from the International Labour Organisation (ILO) and the Partnership for Action on Green Economy (PAGE).

The project was implemented in two phases. The first phase dealt with implementing Covid-19 Occupational Health and Safety (OSH) while the second part focused on the implementation of resource efficiency projects. Operation COSHARE targeted all operators in the Mauritian tourism and hospitality sector, which witnessed severe setbacks from Covid-19.

In the first phase of the project, a total of 2023 companies were sensitised to put in place safety measures for the prevention of the spread of Covid-19. Another 1342 companies were trained on health protocols and followed formal training. A total of 1458 companies committed to improvements. A total of 1022 projects were completed and documented.

Some 7000 operators from the local tourism value chain were sensitised on the importance of sanitary protocols and resource efficiency. The project reached out to 1160 tourist accommodations, 860 food, beverages and entertainment organisations, 3310 tourist activity places and 1250 commercial pleasure crafts.

Moreover, some 1200 taxi operators based at hotels were trained on Covid 19-OSH in September 2022. Another training on Covid-19 OSH was delivered for 45 companies operating in the airport complex.

During the second phase of Operation COSHARE, 21 companies implemented resource efficiency and cleaner production projects.

Operation COSHARE is an initiative of the NPCC in collaboration with the Ministry of Tourism and the Tourism Authority (TA). An agreement was signed between the NPCC and the TA for the implementation of the project. The NPCC had approached the ILO for its assistance. The project aimed at supporting a reopening of borders that gives priority to the health and safety of workers, travelers and host communities and at the same time helps the tourism sector to safely continue in business. In the build-up of the project, the NPCC had focused meetings with stakeholders including the TA, Airports of Mauritius Limited, l'Association des Hoteliers et Restaurateurs de l'île Maurice (AHRIM) and l'Association des hôtels de charme amongst others.



## PRODUCTIVITY AND QUALITY IMPROVEMENT PROGRAMME

The NPCC completed the Productivity and Quality Improvement Programme under the Enterprise Productivity Solutions Framework in the following companies:

- Airline Travel and Tours
- Lavan Furniture Ltd
- Andinarayen Ltd

### The PQIP was started in the following companies:

- BrandActiv
- Logidis
- Casting World

## SADC - FOLLOW UP IN COMPANIES AFTER THE IMPLEMENTATION OF THE SADC PROJECT

The Southern African Development Community – Trade Related Facility (SADC-TRF) project on Productivity Improvement in Manufacturing Companies ended in June 2021. Some companies approached the NPCC to continue the implementation of the PQIP. The follow up with the companies was completed by November 2021.

**ASII:** Standard Operating Procedures (SOPs) and checklists were prepared on a daily production report template. A checklist was also prepared before production along with defined job responsibilities for the production supervisor.

**Maurilait Ltd:** A process improvement and a new layout with 5S were implemented in the Extrusion Section of the company. It was noted that the work was not shared equally among the workers with some employees waiting for 10-15 minutes in a process. A meeting was done with the workers so that they can handle some additional functions, thus eliminating the waiting time of 10-15 minutes per employee.

**Stone Specialist Ltd:** Improvements were identified in the areas of sales and marketing to boost productivity. Stone Specialist has unique products but the company had no product portfolio to boost its sales on social media. The customers (mainly hotels) were contacted to collaborate on a video to be shot on site to better promote the products of the company. Stone Specialist from then would have a standard procedure to capture information for future marketing purposes.

**ATS Manufacturing Ltd:** A preventive maintenance system was put in place for the dyeing machine. Cleaning and inspection schedules and checklists were developed to facilitate employees' tasks. The company developed SOPs for each machine with pictures to reduce variation in the process.

**Mashov Ltd:** It was proposed to work on a website to boost visibility on social media and to start E-commerce activities. The planning for the website was completed and included the following: layouts and site infrastructure design, payment and delivery option, among others.

**Andinarayen Co Ltd:** A follow up was done with the team for the review of the processes in the pastry department as the company was transitioning to an Enterprise Resource Planning (ERP) system. A bill of materials was mapped.

**Soge International:** To boost the marketing efforts of the company, the product database was updated and standardised to promote better communication with customers.



## ENTERPRISE GO DIGITAL

The Enterprise Go Digital project was officially launched on 4 March 2022 as part of the NPCC's mandate to increase productivity and strengthen the resilience of Small and Medium Enterprises (SMEs), particularly in the new normal environment marked by the challenges of the Covid-19. The NPCC, through this project, also intends to support participating enterprises in their recovery phase.

The project was rolled out in two phases. The first phase covered an extensive awareness campaign to sensitise Mauritian organisations about the importance of digitalisation in the present era. A series of webinars as part of this campaign was conducted to show why digitalisation is the way to go for strong business resilience and sustainability.

In the second phase, a call for participation was made to attract SMEs among which 10 were selected for the implementation of digitalisation projects.

Enterprise Go Digital was spearheaded by the NPCC with financial assistance from the United Nations Development Programme (UNDP) and the Government of Japan. The project focuses on the creation of a level playing field for the SME ecosystem and bringing the right information to aid decision making. It also aims at empowering human resources to boost business velocity.

The Enterprise Go Digital project has been developed keeping in mind that SMEs have a leading role to play in meeting the Sustainable Development Goal (SDG) to promote inclusive and sustainable economic growth, employment, and decent work for all (goal 8) as well as promoting sustainable industrialisation and fostering innovation (goal 9).

The following webinars were organised in the first phase to raise awareness on the importance of digitalisation:

**Translating Digital Prowess into Tangible ROI: Why digitalisation is the only way to go?** by Dr. Ashveen Kissoonah, the consultant for the Enterprise Go Digital project and Mr. Vincent Bourelly, Chief Operating Officer at Elytis on 28 March 2022.

The webinar focused on digital transformation initiatives that address goals such as revenue increase, customer experience improvement, cost reduction and employee productivity gain. Ultimately, these goals translate into raising profits and a better return on investment. 58 persons attended the webinar.

**The digital ecosystem: How to bridge the gap to make way for higher productivity and excellence** by Mr. James Pennington, company director and ICT consultant in the UK and Mr. Sandeep Chagger, country director of Peach Payments on 01 April 2022.

The experts discussed about the digital ecosystem as a group of interconnected information technology resources that function as a unit. Digital ecosystems efficiently link suppliers, customers, trading partners, applications, service providers and respective technologies into a complete functional business unit. 59 participants attended the webinar.

**Enhancing competitiveness by embracing technology and innovation** by Mr. Clarel Constance, Chief Operations Officer at FRCI and Mr. Dasa Padachi, ICT Consultant on 13 April 2022.

The webinar focused on embracing technology and innovation that enhance competitiveness by improving efficiency and increasing productivity which is vital to achieve business success. Digital technology helps to improve communication, collaboration, content management, access to data analytics and social networking as well as better staff and customer experience. The webinar registered 66 participants.

**How going digital can uphold sustainability in business?** by Mr. Mahen Govinda, Chief Executive Officer of Mauritius Network Services and Mr. Bhavish Jugurnath, global financial services professional on 28 April 2022.

The experts explained how going digital upholds sustainability by improving efficiency and productivity, enhance customer services relations, lead to data-driven decisions, eliminate redundancy and save costs of processes.



## MAPPING MANUFACTURING SKILLS FOR THE FUTURE

The NPCC partnered with the Ministry of Industrial Development, SMEs and Cooperatives to organise a workshop on the theme “Mapping Manufacturing Skills for the Future” on 11 November 2021. This workshop provided an opportunity to disseminate the findings of the ‘Mauritius Productivity Study and Report 2021’ to some 125 stakeholders from public institutions, academia and manufacturing enterprises and to chart out future activities for skills and productivity improvement. The Mauritius Productivity Study and Report 2021 highlights key issues about skills and the labour market in Mauritius and also maps productivity trends in different sectors, including the manufacturing sector.

The main objective of the workshop was to identify current and future skills needs of the manufacturing sector and to come up with concrete actions to address skills requirements to service the sector with a pool of qualified labour force.

## NATIONAL PRODUCTIVITY AND QUALITY CONVENTION

The Grand Winners of the National Productivity and Quality Convention (NPQC) 2020-2021 were announced on 21 July 2021 during an award ceremony at the NPCC, marking a culmination of the third edition of this Convention that started in financial year 2020-2021.

The Grand Winners were selected among eight Gold winners in three distinct categories by a panel of international jurors and were as follows:

- **Small and Medium private enterprises including micro enterprises:** Nabridas and Box Manufacturing Ltd
- **Large private enterprises:** Archemics Ltd
- **Government departments, parastatals and registered associations:** Rajiv Gandhi Science Centre Trust Fund

The NPQC has as objective to encourage organisations to share their best operational practices, processes, systems, and initiatives and learn from the experience of others. It provides an opportunity to celebrate the achievements of teams that have been responsible for creating and/or managing productivity and quality improvements at their workplace.

NPQC 2020-2021 considered projects implemented in 2019 and 2020. The theme for NPQC 2020-2021 was “Pursuing Productivity and Quality amidst Covid-19” and was organised online owing to the sanitary restrictions then in force. A total of 51 local organisations, including 27 Small and Medium Enterprises (SMEs), 11 large private enterprises and 13 Government departments, parastatals and registered associations presented their productivity and quality projects for assessment by local jurors from 8 to 11 June 2021.

The 51 entries were assessed by a panel of international jurors on 29 June. The international jury was composed of Mr. D.K.Srivastava, Executive Director of the Quality Circle Forum of India (QCFI), Mr. Kimiaki Jin, Senior Assistant Director, Ogata Sadako Peace and Development Research Institute, Japan and Mr. Getahun Tadesse Mekonen, Founder of the Ethiopian Kaizen Institute.

The projects focused on business continuity, business reengineering, process improvement, new marketing strategies, new technology & digital transformation, innovation, eco-projects and lean management.

The Grand Winners were given the opportunity to participate virtually to the 46<sup>th</sup> International Convention on Quality Control Circles (ICQCC), that was held in Hyderabad, India in September 2021.



**NPQC 20/21**  
NATIONAL PRODUCTIVITY AND QUALITY CONVENTION  
MAURITIUS



## FOCUS

The NPCC launched FOCUS in December 2021 following recommendations proposed by Mr. Ezaki, expert at the Japan Productivity Centre (JPC) to set up 'Multi-Industrial Working Groups' during the Southern Africa Development Community – Trade Related Facility (SADC-TRF) project implemented from January to May 2021 by the JPC with the NPCC as counterpart.

The Multi-Industrial Working Groups are regularly organised in Japan to:

- Discuss cross-cutting issues faced by companies (issues in production, HR, marketing, industrial issues, etc.)
- Overcome the problem of sharing of knowledge with a 'competitor'
- Increase the sharing of knowledge on specific issues, good practices and mutual understanding among companies from different sectors, and/or across the supply chain

FOCUS makes an attempt in the same direction and endeavors to tap into the vast knowledge and experience present within Mauritian companies. It provides a platform needed for companies with common goals and objectives or facing similar problems to discuss and assist each other in learning, improving and growing.

The first FOCUS was held online on 02 December 2021 and regrouped local experts who had an insightful discussion on 'How 5S is effective in helping control and limiting the spread of Covid -19 in enterprises'.

The participants were:

- Mr. Arnaud Albert, Continuous Improvement Manager, ENL Corporate Services Limited
- Mrs. Nidhi Ramlogun, Quality & Sustainability Manager, Archemics
- Mr. Vinay Kanhye, Director, VKanhye Health Foods Ltd
- Mrs. Urvashi Rajiah, Marketing Director, Hampa Ltd
- Mr. Atma Nundoosing, HR Consultant, Toyota Mauritius

The panelists discussed about the importance of the 5S method, particularly in a context where businesses have to adhere to strict sanitary protocols to protect both their employees and customers.

The second FOCUS was held on 4 February 2022 on the theme 'Responding to Supply chain disruptions amidst Covid-19'.

The panelists were:

- Mr. Norbert Soobraydoo, Head of Supply Chain & Logistics, BrandActiv
- Mr. Dev Santchurn, Director, Manisa Co Ltd
- Mr. Shyam Bheenick, Part-time Lecturer, UOM and UTM
- Ms. Diroubinee M. Narrainen, Senior Academic, UTM

The panelists discussed how the supply chain across the world has been affected by the pandemic and how the global supply chain could evolve in the new normal.

The third FOCUS on the theme 'Business Continuity Plan - A mere plan or tool to be more resilient in difficult times?' was held on 8 April 2022.

The panelists were:

- Mr. Chetty, Managing Director Life Continuity Ltd
- Mrs. Sita Saminden, SS Business School
- Mr. Kanhye, V Kanhye Health Food
- Mr. Ganesh, ILO Trainer

The panelists centered their discussions around the importance of Business Continuity in the context of the pandemic and how a business continuity plan will prove to be a vital tool during any disruption in the future.



## AFRICA KAIZEN AWARD 2021

The NPCC officially nominated two local organisations, namely Froid Des Mascareignes (IBL Seafood) and the Coronary Unit of A.G Jeetoo Hospital to participate in the Africa Kaizen Award (AKA) that took place on 25 August 2021 in Tanzania. Both companies were Gold Winners of the National Productivity and Quality Convention (NPQC) 2019. The ceremony was held in a hybrid way - with physical attendance in Tanzania where the African Kaizen Annual Conference was being held and online.



Froid des Mascareignes won the Excellent Award in the “Small & Medium Organisation” category. The results were announced by Dr. AKP Mochtan, Director General, Asian Productivity Organization (APO) and member of the AKA Examination Committee.

Froid Des Mascareignes won a Trophy and Certificate as well as exclusive online lectures by experts from the Examination Committee on Kaizen practices, behavioural change of leaders and workers and good practices in the recent changing environment of global businesses.

The Ambassador Extraordinary and Plenipotentiary of Japan, His Excellency Mr. Kawaguchi Shuichiro, in collaboration with the NPCC organised an Award Ceremony for the 2020 and 2021 AKA participants and winners on 21 October 2021 at his residence in Floréal.

The AKA is an initiative of the New Partnership for Africa’s Development (NEPAD) Agency and the Japan International Cooperation Agency (JICA) to accelerate momentum, integrate knowledge and mobilize resources for further Kaizen dissemination in Africa.

The AKA aims at promoting and upgrading Kaizen activities in Africa to facilitate its development objectives and the implementation of TICAD and Agenda 2063 objectives.

The AKA Conference’s specific objectives are:

- A mutual learning process on the know-how and practical experiences of Kaizen activities in Africa and around the world;
- Strengthening and expanding the network among Kaizen practitioners, promoters and researchers at the global level, and;
- Understanding and conveying key messages from Kaizen or quality and productivity improvement promoters and practitioners to African heads of states and policy makers.

These awards aim at giving nominators and nominees opportunities to review their own practices, appraise their achievements, and raise awareness about Kaizen among policymakers, business people and practitioners.



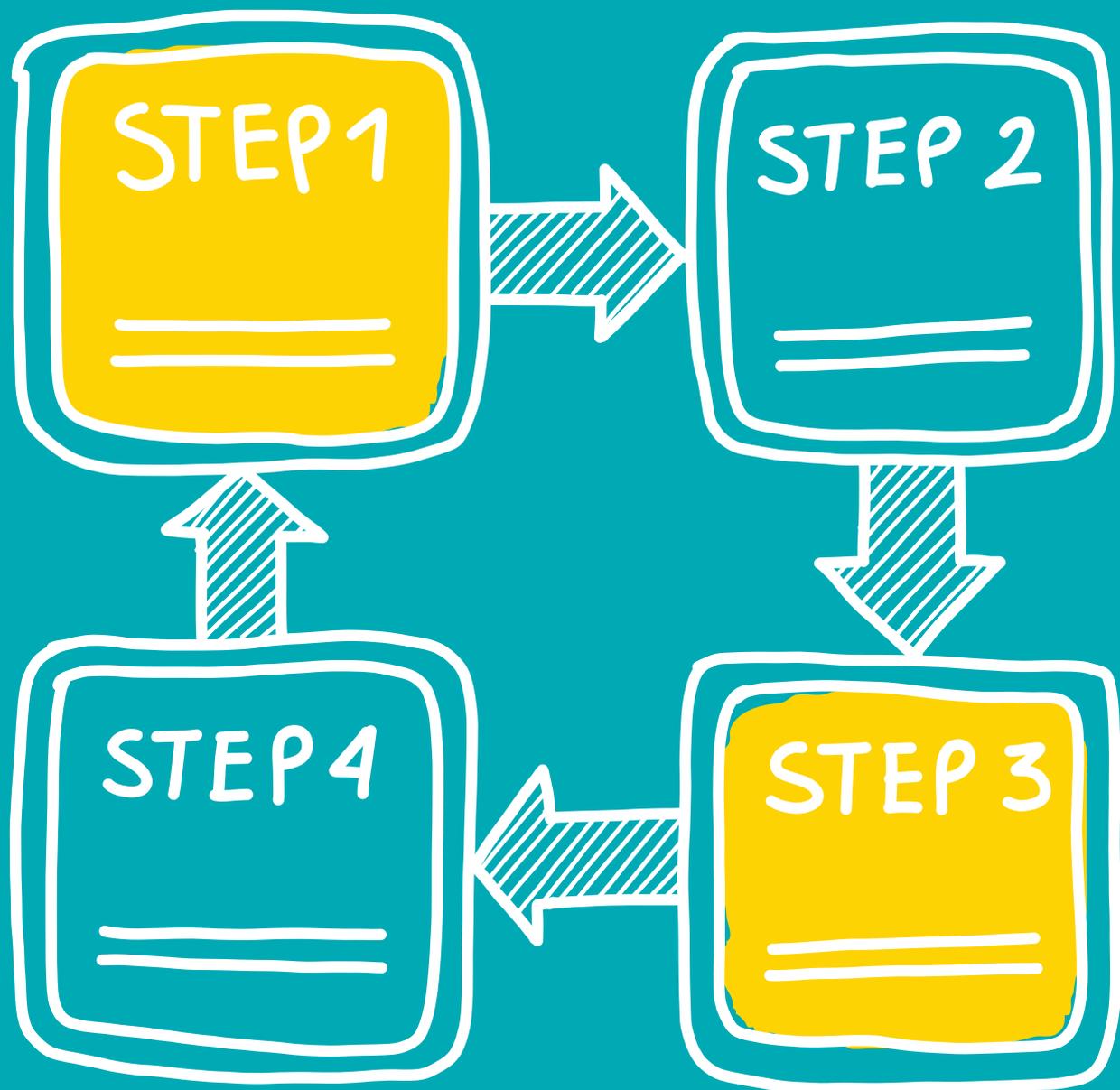
Productivity is not  
just about doing  
more.

It is about creating  
more impact with  
less work.

Tara Mohr



IMPROVING SERVICE DELIVERY IN PUBLIC  
SERVICE ORGANISATIONS BY STREAMLINING,  
SIMPLIFYING AND ELIMINATING NON-VALUE  
ADDED ACTIVITIES





## SMART (LEAN) PROCESS FOR THE PUBLIC SERVICE

The NPCC signed a Memorandum of Agreement with the Ministry of Public Service, Administrative and Institutional Reforms on 25 October 2021 for the implementation of the Smart (Lean) Process for the Public Service.

A well-functioning public sector that delivers quality public services consistent with citizen preferences and that fosters private market-led growth while managing fiscal resources prudently is a sine qua non to foster inclusive, sustained growth and competitiveness. Significant improvements in public sector performance are being evidenced across the world today.

The Government has approved the implementation of the Public Sector Business Transformation Strategy (PSBTS) in February 2017 following technical and financial assistance obtained from the Commonwealth Secretariat.

The Smart (Lean) Process project is one of the initiations under the PSBTS. It aims primarily at simplifying and automating business processes to be rapid, responsive and efficient. It also has as objective to allow for process chains, systems or networks add value and result in shorter decision cycles.

The Smart (Lean) Process will also work towards removing unnecessary or poorly designed regulations and develop mechanisms to minimise red tape.

As part of the Memorandum of Agreement, the NPCC agreed to undertake the following:

- Develop a Smart Process Framework Manual for Ministries/ Departments;
- Implement Business Process Engineering exercises in Ministries and Departments;
- Undertake capacity building programmes on best practices and methodologies; and
- Promote a culture of continuous improvement in the Public Service.

The NPCC worked in collaboration with the Kaizen Institute to deliver an online training to 50 public officers as part of capacity building programmes on best practices and methodologies.

The NPCC is currently undertaking Business Process Re-engineering (BPR) exercises at the Emergency Response Service (ERS) and PMS Unit of the Ministry of Civil Service.



# PROMOTING PRODUCTIVITY MEASUREMENT





## MAURITIUS PRODUCTIVITY STUDY

The flagship report 'Mauritius Productivity Study' was released officially in August 2021. This report provides a strong insight into the challenges faced by the country in terms of productivity and serves as a guide to policy and decision makers. The report is based on the work of a diverse team of experts and practitioners in the business environment. It draws on extensive surveys of a representative sample of firms by firm size, region, and sector. A total of 732 firms, of varying sizes and sectors, were surveyed between February and November 2020. The NPCC obtained the technical collaboration of the World Bank to conduct the survey and draft the flagship report.

The Mauritius Productivity Study scrutinises the experience of businesses in conjunction with concrete outcomes such as productivity and employment with direct linkages to the economic wellbeing of the population of Mauritius.

Incorporating firm-level data and self-reported experiences of firms with statistical analysis to pinpoint the relationships among variables, the report surfaces revealing patterns in the data with important policy implications.

Some of the findings of the report pertain to the trends in productivity and innovation. The report concluded that the country generally performs in line with its peers in terms of innovation as measured by the Global Innovation Index, but there are weaknesses in regards to private innovation, e.g. the low Research and Development intensity, and policymaking is hindered by the absence of data on private innovation.

The chapters focus on 3 key areas of policy-relevant research:

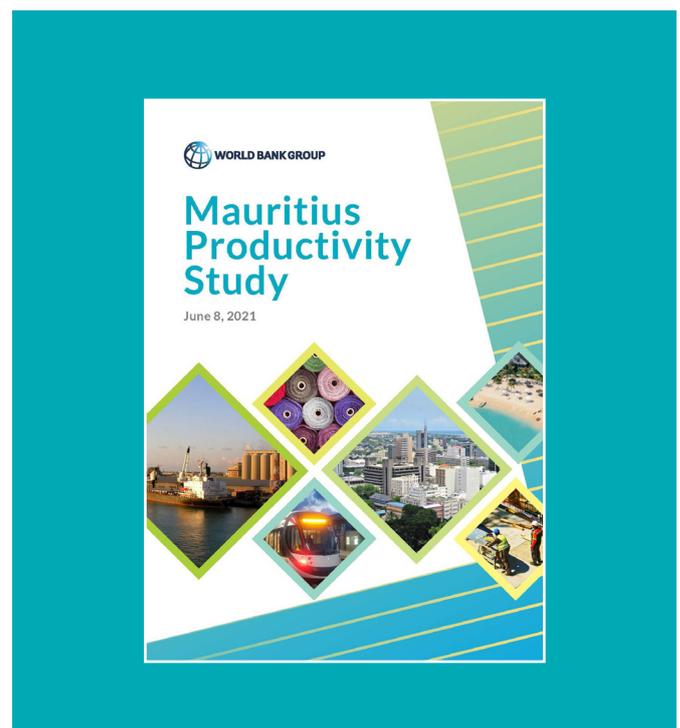
- **Chapter 1:** Productivity trends by sector and the role of structural transformation as well as innovation in productivity.
- **Chapter 2:** The business-enabling environment for productivity—including competition and targeted government support—as well as its firm-level determinants—such as innovating, training, and adopting good management practices.
- **Chapter 3:** Skills gaps and other labor market determinants of productivity—including the role of regulations, active programs and migration

According to the report, Mauritian manufacturing appears to generally remain on a flat or declining trajectory however, food manufacturing stands out both in terms of productivity, growth, and investment.

It further highlights that the accommodation and food services sector - consisting of hotels, villas, room rentals, restaurants and bars, as well as several other services - is central to the Mauritian economy.

The report also underlines that to continue to drive productivity growth, focus should be on opening cross-sectoral support linkages, supporting broad investment in education programs that prepare people for work, as well as fostering outward orientation across all sectors in the economy.

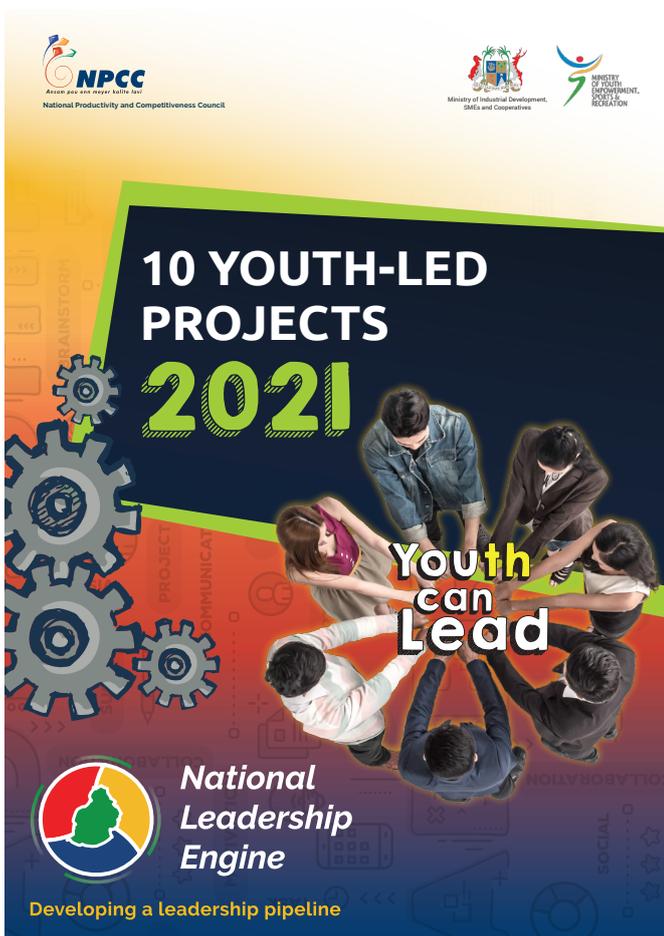
The Mauritius Productivity Study was conducted under the supervision of Joshua S. Wimpey (Enterprise Surveys DECEA, World Bank Group) by a core team of authors from both the World Bank and Mauritius.



## 10 YOUTH LED PROJECTS



# National Leadership Engine



The NPCC launched the 10 Youth Led Projects, a document which focuses on projects implemented in the National Leadership Engine (NLE) 2020. The document highlights the experiences of 10 teams that implemented community projects when they were participating in NLE 2020. It also tells the stories about the young people who were groomed and are taking actions to better their communities. These projects were short-listed at the regional level and reached the national level selection in NLE 2020. These stories have the objective to inspire, motivate and empower youth.

## STRENGTHENING BUSINESS RESILIENCE OF ENTERPRISES (SMES) IN THE FACE OF DISASTERS

The 'Strengthening Business Resilience of Enterprises (SMEs) in the Face of Disasters' was launched in January 2022. The case study highlights the projects undertaken in eleven companies that participated in the Business Continuity and Resilience Planning (BCRP) pilot project which was implemented with the financial support of the British High Commission in 2020. This document also highlights key insights gained from this pilot phase by the eleven enterprises which participated in the project.

## TRAINING FOR HAREL MALLAC GROUP

The NPCC delivered a training on Innovation and Quality to 37 employees of the Business Units of Harel Mallac Group on 22 February, 2 March, 9 March and 22 March 2022. The training was delivered in line with the Group's commitment to 13 Sustainability Goals to be achieved by 2025. According to the nature of the businesses of the units of the Group and their relevance to the Mauritian context, five main themes were identified namely Trade Ethically, Rethink Energy, Manage Waste, Save Water and Advance Diversity.





Productivity is  
never an accident.  
It is always  
the result of a  
commitment  
to excellence,  
intelligent  
planning, and  
focused effort.

Paul J. Meyer



## WORKPLACE MANAGEMENT AND 5S TRAINING FOR ENL GROUP OF COMPANIES

The NPCC provided training to three companies part of the ENL group during the financial year to implement Workplace Management and 5S.

They were:

- Nabridas Ltd
- Grewals Ltd
- JMD Ltd

The training allowed the companies to understand the critical aspects of workplace management and the importance of adopting 5S principles to increase their operational performance.

## PROJECT MANAGEMENT AND KPI

Some 10 staff of Non-Governmental Organisation (NGO) *Kinouete* participated in the training on Project Management and KPI on 6 and 7 July 2021. The training helped the participants understand how to manage a project and the different yardsticks to measure the performance of projects.

## DESIGN THINKING TRAINING

The training on Design Thinking took place in October 2021 for 10 employees of Ceridian and in November 2021 for 15 staff of Poivre Corporate Services. The training helped them understand how to challenge assumptions, redefine problems and create innovative solutions.

## SELF CONFIDENCE AND GROOMING

A total of 25 staff of the Ministry of Youth Empowerment, Sports and Recreation followed the course on Self Confidence and Grooming on 16 and 18 March 2022. The training allowed the participants understand the importance of self-confidence and how they can develop their self-confidence at their workplace.

## TRAIN THE TRAINER

The NPCC delivered the Train the Trainer programme to nine employees of the Natec group in May 2022. The training programme allowed the participants to develop training skills to deliver on-the-job training and to create structured on-the-job training sessions. It also helped them adapt training based on the level of competency of learners and to deliver dynamic training sessions.





Productivity is the deliberate, strategic investment of your time, talent, intelligence, energy, resources, and opportunities in a manner calculated to move you measurably closer to meaningful goals.

Dan S. Kennedy



# CORPORATE SERVICES AND STAFFING



# CORPORATE SERVICES AND STAFFING

## THE TEAM

The total personnel strength at the end of the period under review was 29. A total of 28 staff were on establishment including one Head Driver Messenger/Office Attendant, one Driver Messenger/Office Attendant and two General/Handy Workers and one Support staff.

Financial Year 2021-2022	NUMBER OF OFFICERS ON:			
	Pensionable and Permanent Establishment (PPE)	Probation	Contract	Total
	28	0	1	29

## INTERNSHIPS

- Mr. Hritik Gunesh, university student, served as intern from 13 October 2021 to 25 January 2022.
- Mr. Pratik Armaandev Sheebujun, university student, served as intern from 13 October 2021 to 25 January 2022.
- Mr. Luvlesh Rughoonauth, university student, served as intern from 24 March to 29 April 2022.
- Ms. Fanny Marie Jamie Angelique, university student, served as intern under the Youth Empowerment Programme (YEP) from 18 October to 31 December 2021.
- Mr. Meetranand Ramkhalawon, university student, served as intern under the YEP from 18 October 2021 to 20 June 2022.
- Ms. Krishtika Koyal Soomaree, university student, served as intern under the YEP from 18 October to 31 December 2021.
- Ms. Lakeesha Beedasse, student, joined the NPCC as intern under the YEP on 18 October 2021.
- Mr. Devesh Dusowoth, university student, joined the NPCC as intern on 21 March 2022.

## CAPACITY BUILDING

During the period under review, NPCC staff have undergone training as follows:

- Mr. Deodass Appalswamy, Director Capacity Development Corporate Services and Operations attended a Master Class on Neuroscience of Leadership on 26 August 2021.
- Ms. Selvanaigee Parianen, Productivity Executive, attended the Conference on Circular Economy on the theme Financing Circularity on 27 May 2022.
- Mrs. Awantee Guckhool, Administrative and Procurement Officer, followed the Registry Procedures training organised by the Civil Service College Mauritius on 14 April 2022.
- Mrs. Vijayelaksmee Goorah, Lead Innovation, Advocacy and Entrepreneurship, attended the workshop on Visual Merchandising on 28 June 2022.
- Ms. Deeksha Jagroop Namah attended a webinar on IP and Youth: Innovating for a better future organised by the Mauritius Research and Innovation Council (MRIC) on 26 April 2022.
- Mr. Avishay Lallah Ramduth, Productivity Executive, attended a webinar on Health Log organised by the MRIC on 1 December 2021.

# INTERNATIONAL NETWORKING



# INTERNATIONAL NETWORKING

**During the financial year, the NPCC has been a member of the following boards/committees/organisations: -**

- Pan African Productivity Association (PAPA)
- International Convention on Quality Control Circle

## **Participation to ICQCC 2021**

The Executive Director of the NPCC, Mr. Ashit Gungah, participated virtually to the Core Country Meeting of the International Convention on Quality Control Circles (ICQCC) 2021, which took place in the city of Hyderabad in India from 24 to 27 November 2021. The theme of ICQCC 2021 was Quality Concepts Facilitating Societal and Economic Turnaround.

During the Core Country Meeting, participants discussed about various issues relating to productivity and quality and the finalisation of ICQCC venues for the next six years.

The Executive Director of the NPCC was also invited to present the country report at the Core Country Meeting, during which he provided an overview of recent and present NPCC projects and participated in the deliberations of the meeting.

# REPORT OF THE DIRECTOR OF AUDIT



# REPORT OF THE DIRECTOR OF AUDIT

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

I have audited the financial statements of the National Productivity and Competitiveness Council, which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In my opinion, the accompanying financial statements give a true and fair view of the financial position of the National Productivity and Competitiveness Council as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the financial Statements' section of my report. I am independent of the National Productivity and Competitiveness Council in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the National Productivity and Competitiveness Council, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the National Productivity and Competitiveness Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the National Productivity and Competitiveness Council's financial reporting process.

# REPORT OF THE DIRECTOR OF AUDIT

## Auditor's Responsibilities for the Audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 National Productivity and Competitiveness Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Productivity and Competitiveness Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the National Productivity and Competitiveness Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with the governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with the governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the National Productivity and Competitiveness Council's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

### Auditor's Responsibilities

In addition to the responsibility to express an opinion of the financial statements described above, I am also responsible to report to the Council whether:

- a). I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit:
- b). The Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with:
- c). In my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence:
- d). In my opinion, the National Productivity and Competitiveness Council has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- e). The provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

### Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- a). The National Productivity and Competitiveness Council has complied with the Statutory Bodies (Accounts and Audit) Act; and
- b). No direction relating to the accounts has been issued by the responsible Minister to the National Productivity and Competitiveness Council.

Based on my examination of the records of the National Productivity and Competitiveness Council, nothing has come to my attention that causes me to believe that:

- a). expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- b). the Council has not applied its resources and carried out its operations economically, efficiently and effectively.

### Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

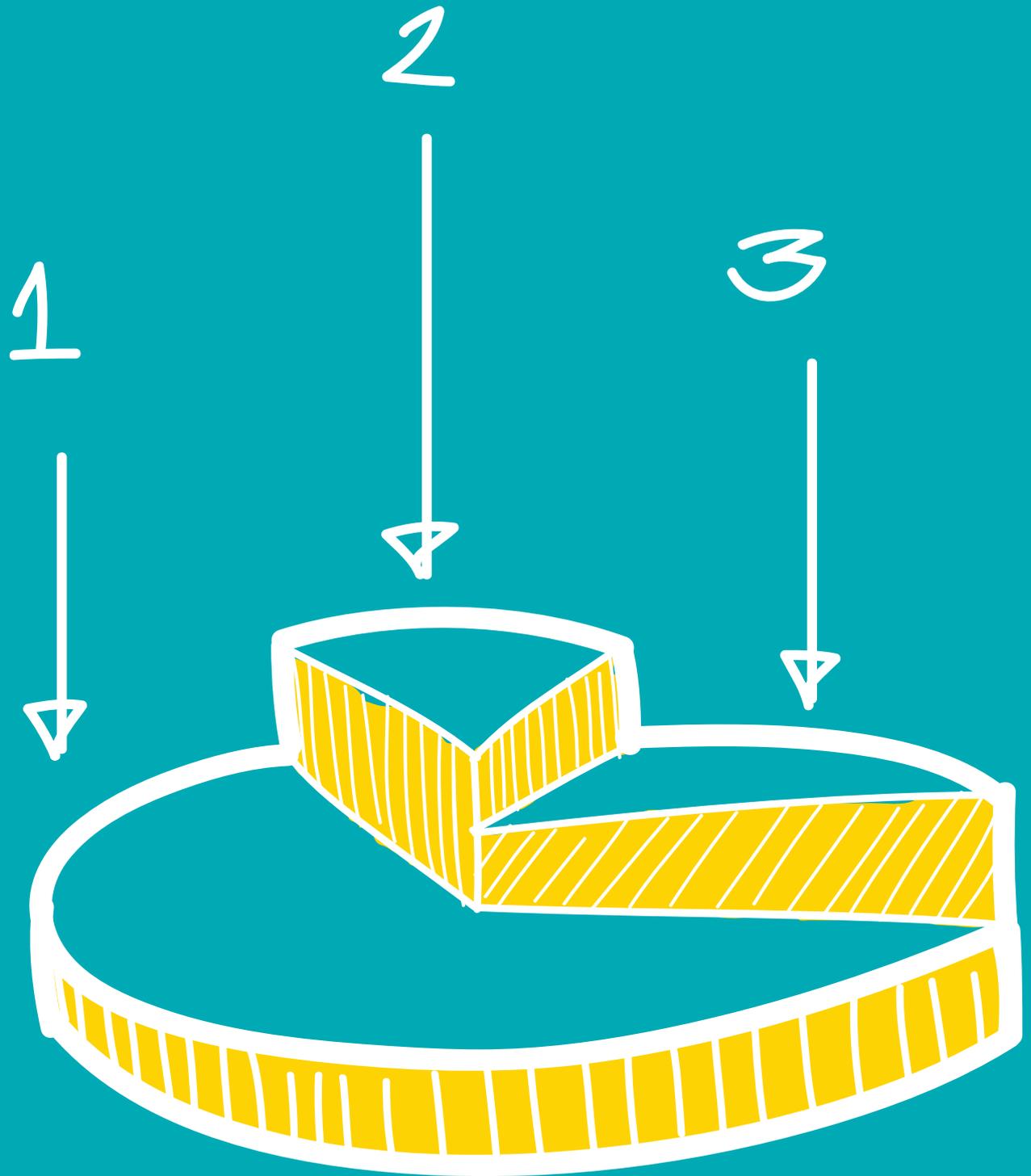


### C. ROMOOAH Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
Port-Louis

13 April 2023

# FINAL ACCOUNTS



# Statement of Financial Position as at 30 June 2022

	NOTES	30 June 2022	30 June 2021
<b>ASSETS</b>		<b>Rs</b>	<b>Rs</b>
<b>Current assets</b>			
Cash and cash equivalents	5	14,091,271	13,837,030
Receivables from exchange transactions	6	1,144,317	680,504
Car loans advance to staff	7	1,340,466	1,244,105
Held-to-Maturity Investments	18	6,000,000	9,000,000
		<b>22,576,054</b>	<b>24,761,639</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	8	2,643,654	2,113,983
Intangible assets	9	208,837	607,594
Car loans advance to staff	7	3,228,866	3,482,603
Receivables from exchange transactions	6	1,059,324	1,063,324
		<b>7,140,681</b>	<b>7,267,504</b>
<b>Total assets</b>		<b>29,716,735</b>	<b>32,029,143</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	10	5,778,400	9,125,954
Car loans advance repayable	7	1,340,466	1,244,105
Employee benefit Obligations	11a	6,656,077	134,441
		<b>13,774,943</b>	<b>10,504,500</b>
<b>Non Current liabilities</b>			
Car loans advance repayable	7	3,228,866	3,482,603
Employee benefit obligations	11	16,301,750	15,669,182
Retirement benefit obligations	19	19,312,189	14,075,528
		<b>38,842,805</b>	<b>33,227,313</b>
<b>Total liabilities</b>		<b>52,617,748</b>	<b>43,731,813</b>
<b>Net Assets</b>		<b>(22,901,013)</b>	<b>(11,702,670)</b>
<b>NET ASSETS/EQUITY</b>			
General Fund	12	(23,401,013)	(11,702,670)
Revaluation reserve	12	500,000	-
		<b>(22,901,013)</b>	<b>(11,702,670)</b>

The financial statements were approved by the Council by circulation.

The Notes from pages 54 to 67 form part of the Financial Statements.



**Mr S. Busgeeth**  
Chairman



**Mr S. Chitbahal**  
Vice Chairman

Date: 10.04.2023

# Statement of Financial Performance for the Year Ended 30 June 2022

	NOTES	30 June 2022	30 June 2021
		Rs	Rs
<b>REVENUE</b>			
Non -Exchange Transactions	13	49,091,142	47,369,921
Exchange Transactions	14	4,564,725	1,892,627
<b>Total Revenue</b>		<b>53,655,867</b>	<b>49,262,548</b>
<b>EXPENSES</b>			
Staff costs	15	44,253,450	37,953,189
Administrative costs	16	9,368,850	10,579,100
Other expenses	17	4,540,068	7,811,736
Depreciation	8&9	1,394,544	1,242,914
<b>Total Expenses</b>		<b>59,556,912</b>	<b>57,586,939</b>
<b>Deficit for the year</b>		<b>(5,901,045)</b>	<b>(8,324,391)</b>

The Notes from pages 54 to 67 form part of the Financial Statements.

# Statement of Changes in Net Assets/ Equity for the Year Ended 30 June 2022

	<b>GENERAL FUND Rs</b>	<b>REVALUATION RESERVE Rs</b>	<b>TOTAL Rs</b>
As at 01 July 2020	179,561	-	179,561
<b>Deficit for the year</b>	(8,324,391)	-	(8,324,391)
Remeasurement Loss (Pension-Defined Benefit Obligation)	(3,557,840)	-	(3,557,840)
As at 30 June 2021	<u>(11,702,670)</u>	<u>-</u>	<u>(11,702,670)</u>
Deficit for the year	(5,901,045)	-	(5,901,045)
Remeasurement Loss (Pension-Defined Benefit Obligation)	(5,797,298)	-	(5,797,298)
Revaluation of motor vehicle	-	500,000	500,000
<b>As at 30 June 2022</b>	<b><u><u>(23,401,013)</u></u></b>	<b><u><u>500,000</u></u></b>	<b><u><u>(22,901,013)</u></u></b>

The Notes from pages 54 to 67 form part of the Financial Statements.

# Cash Flows Statement for the Year Ended 30 June 2022

	30 June 2022	30 June 2021
	Rs	Rs
<b>A. Cash flows from operating activities</b>		
<b>Receipts</b>		
Government Grant	48,906,943	48,084,736
Fees from training and consultancy	630,000	1,125,950
Grant from other organisations	5,264,125	450,000
Interest received	112,500	337,558
Consultancy fees received in advance	-	2,000,000
Other receipts	10,002	17,751
<b>Payments</b>		
Compensation of employees	(33,347,937)	(31,260,012)
Social benefits	(4,695,978)	(3,478,611)
Council fees	(2,076,200)	(2,236,000)
Suppliers	(16,421,749)	(10,768,004)
<b>Net cash flow from operating activities</b>	<b>(1,618,294)</b>	<b>4,273,368</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(1,165,775)	(102,921)
Proceeds from sale of property, plant and equipment	38,310	45,468
Investment in Fixed Deposit	(6,000,000)	(9,000,000)
Maturity of Fixed Deposit	9,000,000	9,000,000
<b>Net cash flow from investing activities</b>	<b>1,872,535</b>	<b>(57,453)</b>
<b>C. Cash flows from financing activities</b>		
Car loan received from Ministry	1,521,400	1,830,250
Car loan paid to Staff	(1,521,400)	(1,830,250)
Car loan reimbursed by Staff	1,678,776	1,865,564
Car loan refunded to Ministry	(1,678,776)	(1,865,564)
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>254,241</b>	<b>4,215,915</b>
Cash and cash equivalents at the beginning of the year	13,837,030	9,621,115
Cash and cash equivalents at the end of the year	<b>14,091,271</b>	<b>13,837,030</b>

## Notes to Cash Flow Statement:

### a. Components of Cash and Cash Equivalents

	Rs	Rs
Cash balances with bank	14,086,271	13,832,030
Cash in hand	5,000	5,000
	<b>14,091,271</b>	<b>13,837,030</b>

### b. Property, Plant and Equipment

During the year the Council acquired Property, Plant and Equipment for an aggregate cost of Rs 1,165,775 through capital grant.

The Notes from pages 54 to 67 form part of the Financial Statements.

# Cash Flows Statement for the Year Ended 30 June 2022 (continued)

	30 June 2022	30 June 2021
	Rs	Rs
<b>Reconciliation of net cash flows from operating activities to deficit</b>		
Deficit for the year	(5,901,045)	(8,324,391)
<b>Non cash movements</b>		
Depreciation	1,394,543	1,242,914
Retirement Benefits Obligation	(560,637)	409,065
Loss on disposal of Property, plant and equipment	102,008	224,960
Operating Deficit before working capital changes	<b>(4,965,131)</b>	<b>(6,447,452)</b>
(Increase) in Receivables	(459,813)	(163,701)
Increase in Payables	3,806,650	10,884,521
<b>Net cash flow from operating activities</b>	<b>(1,618,294)</b>	<b>4,273,368</b>

# Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022

Details	Budgeted Amount		Actual	Difference between Revised Budget and Actual	Notes
	Original	Revised			
	Rs	Rs			
Salaries and Allowances	29,546,000	37,533,559	30,144,170	7,389,389	20.1
Travelling & Transport	2,991,000	3,020,570	3,028,470	(7,900)	
Overtime	80,000	63,232	53,935	9,297	
Staff Welfare	120,000	50,775	36,207	14,568	
Contribution to N.S.F.	170,000	179,944	180,502	(558)	
Contribution to C.S.G	1,535,000	1,704,920	1,731,243	(26,323)	
Cost of Utilities	720,000	684,274	634,252	50,022	
Fuel & Oil - Vehicles	70,000	66,411	48,266	18,145	
Rental of Building	4,408,000	4,407,804	4,407,804	-	
Office Expenses	375,000	406,200	373,462	32,738	
Maintenance	290,000	348,323	277,985	70,338	
Publications and Stationery	290,000	307,990	268,125	39,865	
Overseas Travel	300,000	200,000	-	200,000	20.2
Fees	3,423,000	3,192,998	3,071,250	121,748	20.3
Pensions	3,443,000	3,668,000	3,673,990	(5,990)	
Gratuity	600,000	600,000	600,094	(94)	
Insurance - Vehicles	35,000	35,000	34,746	254	
Insurance - Equipment & Staff	680,000	739,000	690,147	48,853	
Acquisition of Non-Financial Assets	1,000,000	1,000,000	1,157,368	(157,368)	20.4
National Leadership Engine	1,700,000	1,084,000	589,760	494,240	20.5
Innovation ( InnovEd , SME Innovation, ICT for Innovation )	500,000	524,000	556,631	(32,631)	
Research	240,000	240,000	59,874	180,126	20.6
Knowledge Centre	200,000	227,000	232,063	(5,063)	
Enterprise Productivity Solutions	150,000	28,000	-	28,000	
Productivity and Competitiveness Learning Centre	870,000	480,000	239,742	240,258	20.7
National Productivity and Quality Excellence Award	650,000	362,000	262,127	99,873	
Enterprise Go Digital Project	4,665,000	4,665,000	815,407	3,849,593	20.8
Productivity and Quality Improvement Programmes- PQIP	950,000	950,000	788,790	161,210	20.9
Covid Safety and Resource Efficiency	540,000	748,000	117,189	630,811	20.10
Productivity Programme in Rodrigues	150,000	132,000		132,000	20.11
Promotion, Communication & Sensitisation	300,000	260,000	170,438	89,562	
Networking	150,000	150,000	138,720	11,280	
Productivity measurement for enterprises	1,000	1,000		1,000	
Productivity starts at home	500,000	312,000	28,967	283,033	20.12
<b>Total</b>	<b>61,642,000</b>	<b>68,372,000</b>	<b>54,411,724</b>		

The Notes from pages 54 to 67 form part of the Financial Statements.

# Statement of Comparison of Original and Revised Budget for the Year Ended 30 June 2022

Details	Budgeted Amount		Difference between Original and Revised Budget	Notes
	Original	Revised		
	Rs	Rs		
Salaries and Allowances	29,546,000	37,533,559	(7,987,559)	20.13
Travelling & Transport	2,991,000	3,020,570	(29,570)	
Overtime	80,000	63,232	16,768	
Staff Welfare	120,000	50,775	69,225	
Contribution to N.S.F.	170,000	179,944	(9,944)	
Contribution to C.S.G	1,535,000	1,704,920	(169,920)	20.14
Cost of Utilities	720,000	684,274	35,726	
Fuel & Oil - Vehicles	70,000	66,411	3,589	
Rental of Building	4,408,000	4,407,804	196	
Office Expenses	375,000	406,200	(31,200)	
Maintenance	290,000	348,323	(58,323)	
Publications and Stationery	290,000	307,990	(17,990)	
Overseas Travel	300,000	200,000	100,000	
Fees	3,423,000	3,192,998	230,002	20.15
Pensions	3,443,000	3,668,000	(225,000)	20.16
Gratuity	600,000	600,000	-	
Insurance - Vehicles	35,000	35,000	-	
Insurance - Equipment & Staff	680,000	739,000	(59,000)	
Acquisition of Non-Financial Assets	1,000,000	1,000,000	-	
National Leadership Engine	1,700,000	1,084,000	616,000	20.17
Innovation (InnovEd , SME Innovation, ICT for Innovation)	500,000	524,000	(24,000)	
Research	240,000	240,000	-	
Knowledge Centre	200,000	227,000	(27,000)	
Enterprise Productivity Solutions	150,000	28,000	122,000	20.18
Productivity and Competitiveness Learning Centre	870,000	480,000	390,000	20.19
National Productivity and Quality Excellence Award	650,000	362,000	288,000	20.20
Enterprise Go Digital Project	4,665,000	4,665,000.00	-	
Productivity and Quality Improvement Programmes- PQIP	950,000	950,000	-	
Covid Safety and Resource Efficiency	540,000	748,000	(208,000)	20.21
Productivity Programme in Rodrigues	150,000	132,000	18,000	
Promotion, Communication & Sensitisation	300,000	260,000	40,000	
Networking	150,000	150,000	-	
Productivity measurement for enterprises	1,000	1,000	-	
Productivity starts at home	500,000	312,000	188,000	20.22
<b>Total</b>	<b>61,642,000</b>	<b>68,372,000</b>		

The Notes from pages 54 to 67 form part of the Financial Statements.

# Notes to the Financial Statements for the Year Ended 30 June 2022

## 1. GENERAL INFORMATION

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the National Productivity and Competitiveness Council Act Number 9 of 1999 and came into operation in May 2000. The office of the NPCC is presently located at 3<sup>rd</sup> floor, Catalyst Building, Ebene, Cybercity.

The object of the Council 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 designed the implementation of actions based on four main strategic thrust as follows:

- Promotion of Productivity and Competitiveness Issues of National Interest
- Promotion of Innovation
- Improvement of Business Environment and Corporate Productivity
- Empowering people

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standard Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC).

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

The financial statements are prepared on an accrual basis under the historical cost convention. The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

### 2.2 Reporting period

The financial statements have been prepared for the year 01 July 2021 to 30 June 2022. Comparative figures relate to the year 01 July 2020 to 30 June 2021.

### 2.3 Foreign Currencies

#### (i) Functional and Presentation Currency

The financial statements are presented in Mauritian Rupees ("Rs") which is the functional and presentation currency of the Council that is the currency of the primary economic environment in which NPCC operates. All amounts have been rounded to the nearest rupees.

#### (ii) Transactions and balances

Transactions in foreign currencies are recorded in Mauritian rupees at the rate of exchange ruling at the date of the transactions.

### 2.4 Revenue Recognition

#### (i) Revenue from Exchange Transactions

Revenue is recognised to the extent that it is probable that economic benefits will flow to the organization and the revenue can be reliably measured. Revenue is mainly derived from training and consultancy services.

#### (ii) Revenue from Non-Exchange Transactions

Revenue from Non-Exchange Transactions comprises of Government grant and other grant. It is recognised to the extent that it is probable that economic benefits will flow to the organisation and the revenue can be reliably measured.

### 2.5 Trade and Other Receivables

Trade receivables do not carry any interest and are stated at their nominal value. The carrying amount of trade receivables is reduced when a trade receivable is uncollectible.

### 2.6 Leased assets

NPCC does not have any finance leases.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 2.7 Expenses

Expenses are recognized in the period to which they relate and when services are rendered.

## 2.8 Property Plant & Equipment

Property, Plant & Equipment are stated at historical cost less accumulated depreciation on cost. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated on a straight-line method to write off the cost of each asset to its residual value over its estimated useful life.

Assets	%
Furniture, Fixtures & Fittings	15
Office Equipment	15
IT Equipment	25
Motor Vehicles	20
Intangible Asset	25

A full year depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. Depreciation rate for Furniture, Fixtures and Fittings were reviewed during the financial year from 10% to 15%.

### a) Capitalisation Policy

Expenditure on Property, Plant and Equipment of over Rs 7,000 is treated as asset, otherwise it is expensed in the Statement of Financial Performance in the year incurred.

### b) Revaluation

The NPCC motor vehicle was fully depreciated as at 30 June 2021. The motor vehicle has been evaluated on 15 April 22 by Mr Saoud Omar, independent motor surveyor at the total cost of Rs 500,000.

## 2.9 Intangible Assets

IT Software cost are recognised as intangible asset and amortised in the statement of financial performance using straight line method over 4 years.

IT software amounting to Rs 1,034,483 previously classified as IT Equipment was reclassified as intangible asset in the financial year 2020/2021. Accumulated depreciation for Intangible asset was erroneously understated by an amount

of Rs 202,531. Necessary adjustment has been made in this financial year.

## 2.10 Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is recognised immediately in the Statement of Financial Performance. When the market value of Property, Plant & Equipment approximates its Net Book Value, management is of the opinion that there is no impairment.

## 2.11 Provisions

Provisions are recognized when the Council has a present obligation as a result of a past event and it is probable that the Council will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

## 2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash balances with bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 2.13 Leases

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Payments of rent made under operating leases are charged in the Statement of Financial Performance on a straight-line basis over the term of the lease.

NPCC renewed the operating lease with Laser Informatics Ltd, for office space at Catalyst Building, Ebene in July 2020 for a further period of three years. Operating lease payments for the year ended 30th June 2022 and 30 June 2021 were Rs 4,407,804. The monthly rental is presently Rs 367,317.

## 2.14 Employee Entitlements

Employee entitlements to salaries, pension costs, and other benefits are recognized when they are earned. Employees are allowed to bank sick leaves not taken at the end of each calendar year up to a maximum of 110 days. The balance of bank sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance. For the year 2020/2021, sick leaves have not been refunded. Unutilised sick leaves will be refunded upon employee retirement. Furthermore, employees on a permanent and pensionable establishment are entitled to 11 casual leaves per annum. Unutilised leaves, up to a maximum of 3, is refunded.

### Pension Plan

The Council makes provision for retirement benefits in respect of all employees who are on establishment under the Statutory Bodies Pension Act. Following amendments in same in December 2012, the NPCC operates two pension schemes, namely the Defined Benefits Scheme and the Defined Contribution Scheme. Both pension schemes are held and administered by the SICOM Ltd.

### Defined Benefits Scheme

Under the Defined Benefits Scheme, the cost of providing the benefit is determined in accordance with an actuarial review. As at 30 June 2022, the number of employees under this scheme was 12. It is to be noted that only staff who joined before January 2013 are under this scheme.

The defined benefit pension plan for the Council is based on the report submitted by SICOM Ltd, as at 30 June 2022 "see note 19", in line with IPSAS 39, which is effective as from 1st January 2018.

As per the Statutory Bodies Pension Fund Act, SICOM shall, at intervals of not more than 5 years, cause an actuarial investigation into the Fund and, in the light of the actuarial report, shall determine what readjustments or modifications, if any, in the working of the Fund are necessary in the interest of beneficiaries and the statutory body shall comply with the recommendations made by the actuary with effect from the date on which the recommendations are notified to the SICOM.

The last evaluation of the pension fund was carried out as at 30 June 2020. Based on this report and as recommended by SICOM Ltd, the contribution payable by NPCC has increased from 11.9% to 19% with effect from 1st January 2021. Employee contribution to the fund is 6%.

### Defined Contribution Scheme

Employees who joined NPCC as from 1st January 2013 are under the Defined Contribution Scheme. As at 30 June 2022, the number of employees under this scheme was 16. NPCC contribution to this scheme amounts to 12%, while employee contribution is 6%.

## 2.15 Related Parties

For the purposes of these financial statements, parties which are considered to be related to the NPCC are other government ministries/ departments and parastatal bodies if they have the ability, directly or indirectly, to control the NPCC or exercise significant influence over the financial and operating decision making, or vice versa. Related parties may be individuals or other entities. There were no transactions conducted with related parties other than at arm's length.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 2.16 Risk Management Policies

### Financial risks

The NPCC, as a public sector entity, is not much exposed to financial risks.

### Credit risk

In the normal course of business, NPCC incurs credit risk from trade accounts receivable. NPCC manages its exposure to credit risk by an effective debtor reporting system.

### Interest rate risk

NPCC is not exposed to any interest rate risk on car loans to staff as it is government secured. The interest rate risk associated with car loans to staff is considered minimal.

### Liquidity risk

This refers to the possibility of default by the Council to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow is managed regularly and actions taken accordingly.

## 2.17 Employee Disclosure

As at 30 June 2022, NPCC had 29 full-time employees.

## 2.18 Key Management Personnel

NPCC is governed by a management with key personnel that, at 30 June 2022, included the Executive Director, the Director Capacity Development, Corporate Services and Operations and the Head Business Development and Consultancy who are responsible for operating the various activities of the organisation.

## 2.19 Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

## 2.20 Held-to-Maturity Investments

Investments with fixed payments at maturity dates, that the Council has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

## 3. NEW AND REVISED STANDARDS THAT ARE EFFECTIVE FOR THE PERIOD BEGINNING ON 01 JULY 2020

At the date of authorization of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IPSASB.

The Council has adopted relevant new and revised IPSAS that are relevant to its operations for the year ended 30 June 2022.

Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Council.

The following Standards, amendments or Interpretations have not been early adopted by the Council:

- IPSAS 41 Financial Instruments (Effective 1 January 2022)
- IPSAS 41 introduces a new classification and measurement regime for financial instruments and will need to be carefully considered by each entity.
- IPSAS 42 – Social Benefits (Effective 1 January 2022)

The above standards will not have a material impact on the financial statement of NPCC.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IPSAS requires the NPCC's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgement and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 5. CASH AND CASH EQUIVALENTS

	30 June 2022	30 June 2021
	Rs	Rs
Cash balances with bank	14,086,271	13,832,030
Cash in hand	5,000	5,000
	<u>14,091,271</u>	<u>13,837,030</u>

## 6. RECEIVABLES

	30 June 2022	30 June 2021
	Rs	Rs
<i>Receivables from exchange transactions (current):</i>		
Fees from training and consultancy	737,423	319,834
Prepayment	406,894	345,174
Other receivable	-	15,496
	<u>1,144,317</u>	<u>680,504</u>
<i>Receivables from exchange transactions (non-current)</i>		
Deposits	<u>1,059,324</u>	<u>1,063,324</u>
	<u>1,059,324</u>	<u>1,063,324</u>

## 7. CAR LOANS ADVANCE TO STAFF

Car loans are granted to employees of the NPCC and are repayable within five and seven years. The interest rate payable on car loan is 4%.

	30 June 2022	30 June 2021
	Rs	Rs
Amount repayable within one year	1,340,466	1,244,105
Amount repayable within remaining year	3,228,866	3,482,603
Total as at year end	<u>4,569,332</u>	<u>4,726,708</u>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 8. PROPERTY, PLANT AND EQUIPMENT

	Furniture Fixtures & Fittings Rs	Office Equipment Rs	IT Equipment Rs	Motor Vehicles Rs	Total Rs
<b>COST</b>					
At 1 July 2021	4,189,936	1,542,712	2,780,793	1,400,000	9,913,441
Additions	519,372	169,893	468,103	-	1,157,368
Revaluation	-	-	-	(900,000)	(900,000)
Disposal / Write off	(547,742)	-	-	-	(547,742)
<b>At 30 June 2022</b>	<b>4,161,566</b>	<b>1,712,605</b>	<b>3,248,896</b>	<b>500,000</b>	<b>9,623,067</b>
<b>Depreciation</b>					
At 1 July 2021	2,882,510	924,794	2,592,154	1,400,000	7,799,458
Adjustment (note 2.9)	-	-	(202,531)	-	(202,531)
Revaluation	-	-	-	(1,400,000)	(1,400,000)
Charge for the year	627,324	202,390	360,197	-	1,189,911
Disposal / Write off	(407,425)	-	-	-	(407,425)
<b>At 30 June 2022</b>	<b>3,102,409</b>	<b>1,127,184</b>	<b>2,749,820</b>	<b>-</b>	<b>6,979,413</b>
<b>Carrying amount</b>					
<b>At 30 June 2022</b>	<b>1,059,157</b>	<b>585,421</b>	<b>499,076</b>	<b>500,000</b>	<b>2,643,654</b>
At 30 June 2021	1,307,426	617,917	188,639	-	2,113,983

## 9. INTANGIBLE ASSETS

	Rs
<b>Cost</b>	
At 01 July 2021	1,034,483
Additions	8,407
At 30 June 2022	<b>1,042,890</b>
<b>Depreciation</b>	
At 01 July 2021	426,889
Adjustment (note 2.9)	202,531
Charge for the year	204,633
At 30 June 2022	<b>834,053</b>
<b>Carrying amount</b>	<b>208,837</b>
<b>30 June 2022</b>	
30 June 2021	607,594

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 10. PAYABLES

	30 June 2022	30 June 2021
	Rs	Rs
<b>Payables from exchange transactions (Current)</b>		
Trade payables	864,220	6,047,149
Training and Consultancy fees received in advance	255,000	2,193,990
Contribution from UNDP received in advance	3,813,593	-
Other payables	314,971	170,000
	<u>5,247,784</u>	<u>8,411,139</u>
<b>Payables from non exchange transactions</b>		
Capital grant received in advance	530,616	714,815
	<u>530,616</u>	<u>714,815</u>
	<u>5,778,400</u>	<u>9,125,954</u>

## 11. EMPLOYEE BENEFIT OBLIGATIONS

	30 June 2022	30 June 2021
	Rs	Rs
<b>(a) Short Term</b>		
Provision for passage benefit (note 11(i))	1,000,000	134,441
Provision for sick leave (note 11(ii))	298,162	-
Provision for vacation leave (note 11(iii))	157,915	-
Provision for salary arrears	5,200,000	-
	<u>6,656,077</u>	<u>134,441</u>
<b>(b) Long Term</b>		
Provision for passage benefit (note 11(i))	1,968,553	2,100,000
Provision for sick leave (note 11(ii))	7,501,265	7,269,639
Provision for vacation leave (note 11(iii))	6,831,932	6,299,543
	<u>16,301,750</u>	<u>15,669,182</u>
<b>(i) Provision for passage benefit</b>		
Balance at start of the year	2,234,441	1,649,627
Passage benefits earned during the year	881,689	851,378
	3,116,130	2,501,005
Passage benefits paid during the year	(147,577)	(266,564)
Balance at end of year	<u>2,968,553</u>	<u>2,234,441</u>
Passage benefits payable in less than one year	1,000,000	134,441
Passage benefits payable in more than one year	1,968,553	2,100,000
	<u>2,968,553</u>	<u>2,234,441</u>
<b>(ii) Provision for payment of sick leave</b>		
Balance as at start of year	7,269,639	6,081,266
Add increase in provision for sick leave	529,788	1,299,363
Payment during the year	-	(110,990)
Balance at end of year	<u>7,799,427</u>	<u>7,269,639</u>
Sick leave payable in less than one year	298,162	-
Sick leave payable in more than one year	7,501,265	7,269,639
	<u>7,799,427</u>	<u>7,269,639</u>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
<b>11(iii) Provision for payment of vacation leave</b>		
Balance as at start of year	6,299,543	5,369,567
Add increase in provision for vacation leave	690,304	929,976
Balance at end of year	<u>6,989,847</u>	<u>6,299,543</u>
Vacation leave payable in less than one year	157,915	-
Vacation leave payable in more than one year	<u>6,831,932</u>	<u>6,299,543</u>
	<u>6,989,847</u>	<u>6,299,543</u>

## 12. GENERAL FUND

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Balance at start of year		
Deficit for the year	(11,702,670)	179,561
Remeasurement Loss	(5,901,045)	(8,324,391)
Revaluation on motor vehicle	(5,797,298)	(3,557,840)
Balance at close of year	<u>500,000</u>	<u>-</u>
	<u>(22,901,013)</u>	<u>(11,702,670)</u>

## 13. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Grant from Government of Mauritius	48,906,943	48,084,736
Transfer from deferred grant	714,815	-
Less capital grant received in advance	(530,616)	(714,815)
	<u>49,091,142</u>	<u>47,369,921</u>

## 14. REVENUE FROM EXCHANGE TRANSACTIONS

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Productivity and Competitiveness Learning Centre	1,529,338	422,812
Productivity Improvement Programme	18,000	795,750
Consultancy fees	720,000	-
Grant from other organisation	2,167,970	450,000
Interest received	108,521	202,341
Miscellaneous income	20,896	21,724
	<u>4,564,725</u>	<u>1,892,627</u>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 15. STAFF COSTS

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Salaries and allowances	33,154,528	26,699,867
Provision for sick leave	529,787	1,188,374
Provision for vacation leave	690,304	929,976
Refund of leave	1,126,151	637,856
Travelling & Transport	3,028,470	2,660,880
Overtime	60,794	40,898
Staff Welfare	38,224	84,900
Contribution to the N.S.F.	180,502	161,351
CSG	1,731,243	1,239,517
Retirement benefit obligation-Defined Benefit Scheme	1,728,180	2,388,918
Defined Contribution Scheme	1,011,530	959,504
Family Protection Scheme	373,643	361,148
Gratuities	600,094	600,000
	<b><u>44,253,450</u></b>	<b><u>37,953,189</u></b>

## 16. ADMINISTRATIVE COSTS

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Cost of utilities	685,501	689,571
Fuel & oil - vehicles	48,266	37,364
Rental of building	4,407,804	4,407,804
Office expenses	385,178	355,724
Maintenance	249,845	200,947
Publications and stationery	268,125	251,587
Fees to Council and Committee members	2,048,000	2,236,000
Fees to consultant	28,749	994,980
Professional fees	210,050	229,350
Annual licence fee	133,604	139,641
Fees for staff training	22,947	122,234
Loss on disposal of assets	102,007	224,960
Insurance - vehicles	34,746	36,013
Insurance - staff & equipment	744,028	652,925
	<b><u>9,368,850</u></b>	<b><u>10,579,100</u></b>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 17. OTHER EXPENSES

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Training and consultancy	239,742	841,502
Promotion, communication & sensitisation	170,438	198,597
National Leadership Engine	589,760	865,635
Knowledge centre	234,173	184,656
International networking	138,720	152,813
Innovation	556,631	385,335
Productivity Improvement Programme in Rodrigues	-	21,600
Research and Analysis	59,874	4,851,295
National Productivity and Quality Convention	262,127	130,903
Strategic and institutional review of the NPCC	-	179,400
Smart Process/Min of Civil service	788,790	-
Operation COSHARE	315,189	-
Productivity starts at home	53,217	-
Enterprise go digital	1,131,407	-
	<b><u>4,540,068</u></b>	<b><u>7,811,736</u></b>

## 18. HELD-TO-MATURITY INVESTMENTS

	Year ended 30 June 2022	Year ended 30 June 2021
	Rs	Rs
Fixed term deposit held at ABC Banking Corporation		
Balance at start	9,000,000	9,000,000
Maturity	(9,000,000)	(9,000,000)
Investment	6,000,000	9,000,000
	<b><u>6,000,000</u></b>	<b><u>9,000,000</u></b>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 19. RETIREMENT BENEFITS OBLIGATION

	30 June 2022	30 June 2021
	Rs	Rs
<b>Amounts recognised in statement of financial position at</b>		
Defined benefit obligation	53,182,786	44,653,642
Fair value of plan assets	(33,870,597)	(30,578,114)
Liability recognised in balance sheet at end of year	<u>19,312,189</u>	<u>14,075,528</u>
<b>Amounts recognised in income statement:</b>		
<b>Service cost:</b>		
Current service cost	2,087,070	2,078,960
Past service cost	-	-
(Employee contributions)	(667,964)	(603,691)
Fund Expenses	113,009	145,925
Net Interest expense	617,960	345,829
P&L Charge	<u>2,150,075</u>	<u>1,967,024</u>
<b>Remeasurement:</b>		
Liability loss	4,042,427	4,536,578
Assets gain	1,754,871	(978,738)
Net Assets/Equity (NAE)	<u>5,797,298</u>	<u>3,557,840</u>
<b>Total</b>	<u><b>7,947,373</b></u>	<u><b>5,524,863</b></u>
<b>Movements in liability recognised in balance sheet:</b>		
At start of year	14,075,528	10,108,624
Amount recognised in P&L	2,150,075	1,967,024
(Past service funding)	(220,797)	-
(Contributions paid by employer)	(2,489,915)	(1,557,959)
Amount recognised in NAE	5,797,298	3,557,840
At end of year	<u>19,312,189</u>	<u>14,075,528</u>

The plan is a defined benefit arrangement for the employees and it is funded. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

### **Reconciliation of the present value of defined benefit obligation**

Present value of obligation at start of year	44,653,642	36,645,572
Current service cost	2,087,070	2,078,960
Interest cost	2,232,682	1,392,532
(Benefits paid)	166,965	-
Liability loss	4,042,427	4,536,578
Present value of obligation at end of year	<u>53,182,786</u>	<u>44,653,642</u>

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 19. RETIREMENT BENEFITS OBLIGATION (continued)

	30 June 2022	30 June 2021
	Rs	Rs
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	30,578,114	26,536,948
Expected return on plan assets	1,614,722	1,046,703
Employer contributions	2,489,915	1,557,959
Employee Contributions	667,964	603,691
Past service funding	220,797	-
(Benefits paid + other outgo)	53,956	(145,925)
Asset gain	(1,754,871)	978,738
Fair value of plan assets at end of period	<u>33,870,597</u>	<u>30,578,114</u>
Distribution of plan assets at end of period		

	30 June 2022	30 June 2021
<b>Percentage of assets at end of year</b>		
Government securities and cash	58.0%	54.8%
Loans	2.9%	2.8%
Local equities	13.6%	11.8%
Overseas bonds and equities	25.0%	30.1%
Property	0.5%	0.5%
<b>Total</b>	<u>100.0%</u>	<u>100.0%</u>

Additional disclosure on assets issued or used by the reporting entity

	(%)	(%)
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

### Components of the amount recognised in NAE

	30 June 2022	30 June 2021
	Rs	Rs
Asset experience gain during the period	(1,754,871)	978,738
Liability experience loss during the period	(4,042,427)	(4,536,578)
	<u>(5,797,298)</u>	<u>(3,557,840)</u>

### Sensitivity of Defined Benefit Obligation

Increase due to 1% decrease in discount rate  
Decrease due to 1% Increase in discount rate

	2022/2023
<b>Year</b>	
Expected employer contributions	2,158,857
Weighted average duration of the defined benefit obligation	17 years

(Calculated as a % change in PV of liabilities for a 1% change in discount rate) The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 19. RETIREMENT BENEFITS OBLIGATION (continued)

30 June 2022

30 June 2021

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

Discount rate	5.00%	5.00%
Future salary increases	3.00%	3.00%
Future pension increases	2.00%	2.00%
Mortality before retirement	Nil	A 6770 Ultimate Tables
Mortality in retirement	PA (90) Tables rated down by 2 years	PA (90) Tables
Retirement age	65 years	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 8.1 million (increase by Rs 10.3 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 5.2 million (decrease by Rs 4.6 million) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 1.3 million (decrease by Rs 1.3 million) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

# Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

## 20. BUDGET

### Explanations on difference between (i) Revised Budget and Actual amount and (ii) Original and Revised Budget.

- 20.1 Provision made for the implementation of Salaries Commissioner report. The report has not been implemented in 2021-2022.
- 20.2 No overseas travel undertaken because of the Covid 19 pandemic.
- 20.3 Provision for expenses, not materialised.
- 20.4 Payment effected for Furniture and IT Equipment ordered in June 2021, delivered in July / Aug 2021 against Capital grant released in 2020/21.
- 20.5 Delay in project. Expenses will be incurred in 2022-2023.
- 20.6 Delay in project. Expenses will be incurred in 2022-2023.
- 20.7 Provision for expenses, not materialised.
- 20.8 Delay in project. Expenses will be incurred in 2022-2023.
- 20.9 Actual expenditure lower than amount budgeted.
- 20.10 Expenditure incurred under staff cost.
- 20.11 Expenditure not incurred due to Covid 19 pandemic.
- 20.12 Video clips for Productivity starts at Home will be produced by MFDC.
- 20.13 Provision made for implementation of Salaries Commisioners report.
- 20.14 Provision made for increase in CSG following implementation of Salaries Commissioners report.
- 20.15 Provision for expenses, not materialised.
- 20.16 Provision for arrears Pension contribution was omitted in the original Estimates.
- 20.17 Revision of original amount budgeted. Part of expenses did not materialised and others will be incurred in 2022-2023.
- 20.18 Provision for expenses, not materialised.
- 20.19 Provision for expenses, not materialised.
- 20.20 Delay in project. Expenses will be incurred in 2022-2023.
- 20.21 Original Provision reviewed.
- 20.22 Delay in project. Expenses will be incurred in 2022-2023.



National Productivity and Competitiveness Council

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