



Budget Brief 2020-2021

The Budget 2020-2021 has been presented in an exceptional context amid severe ramifications of the coronavirus outbreak on the economy and public finances. According to the budget estimates, the Mauritian economy contracted by 5.8 percent during the financial year 2019-2020 and is expected to shrink by a further 7 percent in 2020-2021. A return to positive growth is not anticipated before 2022. One of the consequences of the economic recession is a significant drop in tax revenue. The shortfall in revenue from taxation in 2020-2021 compared to the year 2018-2019 is estimated at 8 percent. Despite the scale of the economic impact of the Covid-19 crisis, Government has maintained its social spending under the welfare state and the different social protection schemes for the vulnerable.

This brief gives a summary of the main budgetary measures aimed at the social protection of vulnerable groups and the support given to NGOs.

The Elderly

- The Basic Retirement Pension (BRP) is being reformed. The payment of a universal monthly income of Rs9,000 is guaranteed to all individuals aged 60 years and above. Furthermore, persons having reached the normal retirement age of 65 years will benefit from an additional amount over and above the BRP. This is to be paid as from July 2023 and will be financed by a new mechanism, the “Contribution Sociale Généralisée (CSG)”. Employers, employees and self-employed will be required contribute to the CSG as from September 2020. The National Pension Fund (NPF) will be abolished.

The Disabled

- Medical home visits will be allowed for all bedridden and severely disabled persons, irrespective of age. In addition, a taxpayer will be allowed to claim as dependent a bedridden next of kin who is in his care.

Vulnerable Women and Children

- Protection given to victims of domestic violence will be reinforced while a compulsory Rehabilitation Programme for perpetrators will be introduced through amendments brought to the Protection against Domestic Violence Act. A Gender Based Violence Observatory will be set up.
- Additional Child Protection Services will be put up in various districts. The Foster Care Programme will be extended to also cover children above 10 years old. The relay shelter for boys will be upgraded and a new relay shelter for girls will be set up.
- Rs 6 million has been earmarked under the Support to Child Day Care Centres Scheme by the National Children's Council for the upgrading of creches to enable them to be licensed.

Low Income and Vulnerable Families

- A National Database will be created to better target efforts towards poverty alleviation and help improve support provided to vulnerable and low income families. The new database will cover individuals and families living in conditions of absolute and relative poverty.
- Some 10,000 SRM families benefit from social assistance in cash as empowerment and educational support under the Marshall Plan against poverty. An amount of Rs 428.5 million has been provided for the financial year 2020-2021.
- 2,570 tablets will be provided to students of Grades 10 to 13 from SRM families. Free broadband internet facilities will be extended to an additional 5,000 families under the SRM including 2,000 families in Rodrigues.
- A new social housing programme will be initiated. Over the next 3 years, 1,800 housing units will be constructed for families with monthly income of up to Rs10,000. These housing units will be made available at a subsidised price of 80 percent of the cost. For families earning monthly income between Rs 10,000 and Rs 30,000, 5,200 housing units will be constructed and subsidised at 67 percent of the cost.

Support to NGOs

- The National Social Inclusion Foundation (NSIF) will earmark an amount of Rs700 million for the financial year 2020-2021 to support approved NGO programmes and projects and National Programmes implemented in collaboration with NGOs.
- The grant in aid paid by NSIF to NGOs under existing Government grants will be increased by 10 percent.
- In addition to supporting service providers delivering ongoing programmes, special attention will be given to:
 - Empowering students and families and enhancing creche activities in deprived areas through the Fortified Learning Environment Unit
 - Promoting social innovation and entrepreneurship
 - Building sustainable communities
 - Facilitating small scale initiatives by NGOs.
- In order to support the education of children with disabilities, an amount of Rs138 million is being earmarked as grant-in-aid to NGOs running Special Education Needs (SEN) Schools. A one-off grant of Rs 100,000 will be allocated to SEN schools run by NGOs to help them improve their learning environment.
- The Public Collections Act will be amended to allow for collections of donations through online platform and by retail outlets for NGOs.

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