MINISTRY OF AGRO INDUSTRY, FOOD PRODUCTION AND SECURITY

26.1 Barkly Experimental Station

One of the objectives of the Ministry is to enhance food security through the adequate and timely supply of quality seeds and planting materials.

The Ministry produces about 40 per cent of the seed requirement of the country for 50 varieties of crops. The remaining is catered for by either the planters’ own seed production or through import.

The Barkly Experiment Station (BES) plays a key role in the production of essential inputs for the local planting community in terms of seeds and planting materials.

26.1.1 Seed Production

The annual requirement of seeds is determined by the Agricultural Research and Extension Unit (AREU). Production over the past few years had constantly declined from 13,697 kgs in 2004 to 4,726 kgs in 2008; and had been in all cases below the annual requirement set by AREU. This may lead to a high dependency on imports.

Seed production proceeds through a sequence of linked operations known as the Seed Chain, including: growing of seed crop, seed processing, storage, testing and distribution. The following shortcomings were noted:

- Crops harvested on outstations and directed towards the BES for processing were not stored in appropriate conditions. For example, as of February 2010 some 855 kgs of ‘Veronique’ Onion bulbs were kept at ambient temperature since September 2009, when they should have been stored at cool temperature.

- Although the Seed Testing Laboratory of the BES was carrying out seed moisture determination, germination test and seed treatment, there were no set parameters to comply with international seed testing rules.

- As of January 2010, records kept at the BES revealed that some 3.3 tons of seeds of various varieties worth Rs 1.2 million had not been offered for sale given that the germination threshold had not been met.

- The Ministry is currently encouraging planters to embark on seed production under the Quality Declared Seeds Project. These planters have to rely on the cold room of the BES for storage facilities. Besides, the BES maintains a strategic seed stock of important vegetables to enable a rapid supply in times of calamities.

However, the cold store room had been out of use for the past seventeen months. Instead, the air conditioned packing room, where both the temperature and relative humidity did not meet the set norms for storage, had been used to store some 6.7 tons of seeds. This could impact negatively on the yield of these seeds.
In February 2010, some 15 tons of seeds had been disposed of at the Mare Chicose Landfill, being infested with pests mainly due to inappropriate storage conditions.

26.1.2 Plant Tissue Culture

Plant tissue culture is carried out at the Barkly Tissue Culture Laboratory. The following were noted:

- The average production over the past three years had been 6,550 plantlets which represent only two per cent of the optimum capacity of the laboratory.
- Several items of equipment were not in good working condition.

Recommendation

In its endeavour to ensure food security, the Ministry needs to:

- review the services provided by the BES and to ensure that seeds and planting materials are of good quality.
- ensure that an adequate stock of seeds and planting materials is maintained in appropriate condition to enable a rapid supply in times of calamities.
- have the store cold room operational at the earliest. The refrigeration system of the cold store, which is operational since 1993, had exceeded its economic and technical lifetime.

Ministry’s Reply

- The significant drop in seed production was due to cessation of seed production activity on two major agricultural stations, the continuous excision of land on remaining stations, the decreasing/ageing of labour force and the growing number of thefts on different stations.
- With the implementation of the forthcoming Seed Act, all rules and procedures for seed testing and standards to be reached will be reviewed.
- Installation of individual refrigeration systems has started in two of the five rooms of the Seed Store.
- Regarding Plant Tissue Culture, although the opportunity exists for higher production, the shortage of technical staff and labour constitutes a major limiting factor.
26.2 Food Technology Laboratory

The Food Technology Laboratory (FTL), operational since June 2006, performs tests both for local and export purposes on meat, fish, water, canned products, feeds and other miscellaneous items.

At paragraph 20.2 of the 2006-07 Audit Report, I drew attention to the fact that the FTL was operating without an approved legal framework and status. As of May 2010, that is after nearly four years of operation, clear objectives and responsibilities of the FTL have yet to be defined.

Ministry’s Reply

Given that the scope of work of the FTL has broadened, there was need to have a harmonised system of tests and analysis. Consultations are ongoing in this respect.

26.2.1 Tests on Fish and Fish Products

The European Union (EU) requires that analysis on fish and fish products which are exported to the EU be carried out in a laboratory, which is accredited to ISO 17026.

Also, in line with Government policy for all public sector laboratories to be accredited to International Standards Accreditation Service, it was decided to have the FTL accredited to ISO 17025 by November 2007.

However, the FTL was not ISO 17025 accredited by that date. Consequently,

- the Ministry of Agro Industry and Food Security on behalf of the Competent Agency (CA), that is the regulatory body responsible for the certification of fish and fish products and to issue health certificates for export purposes to EU countries, has been outsourcing some of the tests to a private laboratory eligible to effect tests according to EU parameters.
- mitigation measures were to be implemented in the year 2009 so as to have the accreditation finalised by end of December 2009.

Observations

- The FTL has been working towards its accreditation to ISO 17025 since 2007. The deadline of December 2009 had also not been met and as of April 2010, the FTL has not yet obtained its accreditation.
- Investment of some Rs 30 million had been made to have the FTL fully equipped with the latest and sophisticated equipment. The FTL was carrying out analysis on fish and fish products yet the certificates of analysis were not valid for EU exports, the laboratory not being accredited to ISO 17025.
Pending the accreditation of the FTL, some Rs 8.8 million had been disbursed to the private laboratory during the period November 2007 to December 2009, as shown in Table 26-1. Another Rs 5.5 million had been provided for in 2010.

Table 26-1 Disbursements to Private Laboratory

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.11.07 - 26.11.08</td>
<td>4,127,710</td>
</tr>
<tr>
<td>24.12.08 - 31.12.09</td>
<td>4,711,397</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,839,107</strong></td>
</tr>
</tbody>
</table>

**Recommendations**

- Given the large investment made by Government in terms of building and equipment, the Ministry should give priority towards the accreditation of the FTL to ISO 17025.
- Accreditation would add value to the tests carried out by the FTL as they would meet up international recognition.
- The Ministry should consider in future, requiring private operators to bear the costs associated with the issue of the certificates of compliance with standards applicable in the importing country.

**Ministry’s Reply**

Procedures have been initiated in 2010 for the recruitment of consultants for the accreditation of the FTL.

**26.2.2 Genetically Modified Organisms Testing Laboratory**

Following the proclamation of the Genetically Modified Organisms Act 2004, the Genetically Modified Organisms (GMO) Laboratory has been set up at the FTL in June 2006. The mandate of GMO Laboratory is to carry out qualitative and quantitative analysis of GMO in foods in order to protect public health and to ascertain that consumers get value for money.

**Observations**

- Items of equipment, procured for a total value of Rs 4,341,755 had not been put to use as of April 2010. Included therein were several items worth some Rs 2.6 million, which had been purchased as far back as April 2007. The warranty period of these items of equipment had lapsed even before they are put to use.
The risk that the sophisticated/sensitive electronic equipment may encounter problem as they had been left idle for quite a long period, should also not be ignored.

Value for money had not been obtained from the above investment.

**Recommendation**

Action should be taken so as not to further delay the operation of the GMO Laboratory.

**Ministry’s Reply**

The GMO Laboratory could not be fully set up as only part of the GMO Act has been proclaimed. Regulations for the remaining sections of the GMO Act are being vetted by the State Law Office and training on GMO is still in progress.

**26.3 Security Services**

The contract for security services for the period 1 July 2007 to 30 June 2009 came to an end on 30 June 2009. In this connection, fresh tenders were to be launched. After the preparation and finalisation of the draft bid documents, a request was made in March 2009 to the Central Procurement Board (CPB) to vet same and the draft notice.

After several meetings and exchange of correspondences with the CPB in connection with amendments in the bidding documents, on 19 May 2009, the latter informed the Ministry to go ahead with invitation of bids by press. The closing date for submission of bids was scheduled for 1 July 2009.

**Observations**

Given that the existing contract was to expire on 30 June 2009 and that there were delays in the award of a new contract, the Ministry sought the approval of the CPB for an extension of the contract period to ensure that all compounds of the Ministry were properly guarded. The request was, however, not entertained. Consequently, the Ministry had to make internal arrangements for the provision of security services. During that period, the number of thefts increased. Losses at the Barkly Experimental Station only were estimated at some Rs 609,000 during the period 1 July to 31 August 2009 while at Belle Vue Experiment Station, losses of Rs 5,520 were registered on 13 July 2009.

Following evaluation by the Bid Evaluation Committee and upon its recommendation, the Departmental Procurement Committee, in August 2009, approved the award of contract to a private Contractor for an average of Rs 1.7 million monthly.

However, total funds earmarked by the Ministry for security services for the six months to December 2009 amounted to Rs 3.8 million. At the time of awarding the contract in September 2009, an amount of some Rs 1.9 million only was available for the three months ending December 2009. A request was made to the Ministry of Finance for
provision of additional funds in the budget. Same had not been obtained and in the meantime, some Rs 3.3 million were made available from savings under other votes/items.

In September 2009, the contract for security services on 25 compounds/sites of the Ministry was awarded to the new Contractor for a period of three months ending 31 December 2009.

➢ The Contractor was requested to submit an insurance cover for the period ending 31 December 2009 in the joint names of the Ministry and the Contractor for the following:

- Rs 1 million for loss or damage to property
- Rs 1 million for personal injury or death of the contractor’s employees; and
- Rs 4 million for personal injury or death of other people.

However, the only insurance cover submitted was a General Public Liability Insurance which was taken by the Contractor in February 2009 covering the period 1 January 2009 to 31 December 2009. The insurance cover submitted was not in the joint name of the Contractor and the Ministry, as requested.

➢ The Public Procurement Act (PPA) 2006 provides that a public body shall notify the successful bidder in writing of the selection of its bids for award and a notice in writing shall be given to the other bidders.

One unsuccessful bidder drew the attention of the Ministry that there could have been a breach of the PPA 2006 given that a notice of the procurement award had not been communicated, prior to the award of the contract.

Recommendations

➢ Procedures for tendering should start well in advance so that ample time is available for changes in the bidding document, if any, and the award of contract is done within a reasonable delay.

➢ The Ministry shall see to it that all clauses of the contract are strictly adhered to by the Contractor, failing which prompt appropriate action should be taken.

Ministry’s Reply

➢ The general public liability insurance submitted by the company was accepted in lieu of a joint insurance in the name of the contractor and the Ministry, as the said insurance cover is well above the value of cumulated figure of Rs 6 million.

➢ Unsuccessful bidders have not been notified because of the mis-interpretation of a section of the PPA 2006, following the increase of the prescribed amount to Rs 50 million.
26.4 Lease of Flat Island

According to the Forest and Reserve Act 1983, the whole of Flat Island was designated a nature reserve. It is under the jurisdiction and control of the Ministry of Agro Industry and Food Security.

The Flat Island was leased to a private company for a period of seven years as from 1 July 2007 for the purpose of developing an eco-tourist project on the islet while preserving its natural environment. The annual lease rental was Rs 60,000.

Some of the conditions of the lease are as follows:

- The lessee shall be allowed to use an extent of 135,000 m² of the islet for eco-touristic and recreational purposes, and the remaining part will be under conservation.
- The lessee shall not, without a written authority from the Conservator of Forests, cut and dispose of any standing trees, fallen trees and branches on the islet.
- The lessee shall not assign or sub-let the whole or any part of his interest under the lease without the express permission in writing of the lessor.
- No permanent structure should be constructed on the islet by the lessee except as provided in an approved management plan.

**Observations**

- The lessee submitted a management plan for the islet in accordance with the conditions of the lease. However, in March 2010, the Ministry requested the submission of a more detailed plan of what the lessee intended to implement. As of June 2010, the revised plan had not been submitted.

- Monitoring visits carried out by Officers of the Ministry revealed that the lessee had been in breach of several conditions of the lease agreement, namely:
  - More than 135,000 m² of the islet have been developed for eco-tourism activities.
  - Infrastructural developments were carried out as follows:
    - Concrete and bricks were put on and around the old ruins.
    - Three new structures were seen completed, namely a new kiosk near the beach, a storage room in the beach area and a beach bar complex in front of the beach.
    - The old historical building to the north of the island has been developed as a restaurant without the approval of the Ministry.
    - A modern toilet has been built and the stone building, previously used as a kitchen, had been converted into a store.
  - The restaurant seemed to be managed by another private operator although the lease agreement clearly stipulates that the lessee shall not assign or sublet the whole or any part of his interest under the lease.
• Trees were being cut down illegally and without the authorisation of the Conservator of Forests.

Ministry’s Reply

➢ The lessee was requested to abide by the conditions of the lease agreement.

➢ As regards the fact that more than 135,000m² have been used by the lessee, a survey has been carried out by the Forestry Services in January 2010 and the area has been properly demarcated for eco-tourism.

➢ For the illegal felling of trees, contravention has been established by the Ministry against the representative of the lessee.

➢ Regarding the management of the restaurant, the Nature Reserves Board, which operates under the aegis of the Ministry, is seeking clarifications from the lessee.

26.5 Division of Veterinary Services - Animal Health Laboratory

The African Swine Fever which was declared in Mauritius in October 2007 had severely affected the pig sector. In this context, a national pig re-launching program was set up and assistance was sought and obtained as follows:

➢ The Government of China assisted Mauritius in the re-launch process. A range of laboratory equipment including a conventional and real time Polymerase Chain Reaction (PCR) was donated for use in the Animal Health Laboratory of the Division of Veterinary Services. The total consignment of laboratory equipment, received in June 2009, was valued at US $ 68,175 (Rs 2 million). Several Chinese experts were also delegated to assist the Ministry in that process.

➢ Further, under the Support Programme for Integration of National Action Plans for Avian and Human Influenza (SPINAP AHI) Project, out of US $ 300,000 earmarked for Mauritius by the African Union Inter African Bureau of the Animal Research (AU-IBAR), US $ 180,000 were granted in May 2009 for the installation of a PCR Unit at the Animal Health Laboratory.

Various items of equipment for a total amount of Rs 3,453,290 were purchased out of these funds and were received at the Laboratory during the period December 2009 to February 2010.

Observations

➢ As of April 2010, except for the PCR equipment received under the SPINAP AHI Project, several other items of equipment have not yet been installed due to the fact that certain refurbishment works had to be carried out prior to their installation. It was only in March 2010, eight months after the first consignment of equipment had been received, that an
estimate of works to be effected was prepared. The costs, excluding those for air-conditioning works, were estimated to be some Rs 300,000.

- Due to delay in operating these items of equipment, certain sensitive items had to be transferred temporarily to other air-conditioned rooms pending the installation of air-conditioning units in the laboratory.

- The real time PCR, received as donation from the Government of China, has remained dormant since its receipt in June 2009, due to unavailability of reagents on the market.

**Recommendation**

Action should be taken to complete the renovation and air-conditioning works as soon as possible so that all the items of equipment could be put to use.

**Ministry’s Reply**

- The Food Agricultural Office had already committed to supply reagents for the PCR machine.

- The Animal Health Laboratory has gradually progressed in its application but it will be fully functional only in July 2010.

**26.6 Purchase of Chick Incubator - Rs 3,708,025**

Tenders for the supply of one chick incubator were launched in October 2008 and the contract was awarded in April 2009 for US $ 88,860.

**Observations**

- The incubator was to be delivered within a period of six to eight weeks from the date of the award of the contract in April 2009. However, the equipment was received at the Poultry Breeding Centre of the Ministry only in September 2009. Liquidated damages for late delivery had not been applied by the Ministry.

- The installation, testing and commissioning of the incubator was to be undertaken immediately after the receipt of the items at the Ministry and should have been completed within seven days. It was only in December 2009 during the installation of the incubator that some spare parts were found missing. However, the full payment of Rs 2,934,262 had already been made to the supplier.

- As of early May 2010, the incubator has still not been put to use. The Ministry has not yet obtained value for the investment of some Rs 3 million.
**Recommendation**

The incubator should be made operational at the earliest as the Ministry is not deriving any benefit therefrom.

**Ministry’s Reply**

Since 25 May 2010, the incubator is operating normally and a first batch of chicks was hatched on 15 June 2010. The results are considered to be satisfactory.
Fisheries Division

26.7 Construction of Fish Auction Market

The project for the construction of a fish auction market was initiated in 2007. In this connection, a development aid from Greece to the tune of EUR 611,072 or about Rs 25 million was made available in July 2007.

There were delays in the implementation of the project due to problems in identifying an appropriate site for the construction of the market.

Given the urgency for the construction of the market, approval was sought and obtained from the Ministry of Finance in November 2008 to put the project on a fast track basis for Officers of the Ministry of Public Infrastructure (MPI) to draw the plan and design of the building, as well as the draft tender document which would be ready by end of January 2009.

Observations

- The preliminary drawings were effectively submitted by the MPI on 3 February 2009 and the cost estimate of the project amounted to Rs 25.3 million. However, invitation for bids through open tender was made only in August 2009, that is more than six months later.

- The Bid Evaluation Committee found that all the 11 bids received were non-compliant with the requirement of the bid document and were therefore rejected. A second bidding exercise was effected in January 2010.

- As of April 2010, that is three years after the initiation of the project, the Fish Auction Market has still not been constructed. This is not satisfactory given that:
  - Financial assistance had been obtained since July 2007. The Government of Greece is awaiting the completion of the market for further assistance in the seafood sector.
  - An amount of Rs 512,360, representing allowances paid by the Ministry in December 2009 to officers who have worked on the project on a fast track basis, was charged to the program ‘Fisheries’. Had the project not been treated as urgent, this amount would not have been incurred.

Ministry’s Reply

The contract has been awarded on 18 March 2010 and works have started on site as from 11 May 2010.
26.8 Balaclava Marine Park Centre

The Balaclava Marine Park was proclaimed as National Park and Marine Park in 1997 and 2000 under the Wildlife and National Parks Act and the Fisheries and Marine Resources Act respectively.

The main objectives for the setting up of a marine park are to preserve bio-diversity and ecosystems for the long term social and economic benefits as well as enhancing the marine and fisheries resources.

There was delay in the implementation of project, due to the following:

- In January 2005, land originally vested in the Ministry for the construction of the Balaclava Marine Park Centre (BMPC) was allocated for hotel projects and another plot of land of an extent of 8,197m² was vested in the Fisheries Division for this project.

- In 2007, part of the land was retrieved by the Ministry of Housing and Lands (MHL) and the extent of land available was reduced to 3,530 m². Subsequently, 1,133 m² out of the 3,530 m² was allocated to a hotel promoter, who in exchange undertook to build the BMPC at its own cost along with all its related amenities at an estimated cost of Rs 12 million. This was approved by Government in July 2007. The lease agreement was signed between the MHL and the promoter in February 2008.

- In June 2008, the Ministry of Environment and the National Development Unit raised the issue of 30 metres setback from the high water mark and where only light structures would be allowed to be constructed.

- The Ministry did not go ahead with the project. It was only in May 2009, one year later, that the Ministry informed the MHL that after taking into consideration the 30 metres setback only 1,247 m² of land would be available for the construction of the park.

- A request was made for a larger portion of land of an extent of 3,500m² or more for the construction of BMPC. In October 2009, the Ministry was informed that a maximum area of 1,500 m² could be put at its disposal for the implementation of the project.

As of April 2010, the Marine Park Centre has still not been set up. By not constructing the BMPC on the site partly allocated to the hotel promoter, the Ministry may forego the Rs 12 million which was the amount of funding from the latter.

**Recommendation**

The Ministry should give due consideration to the implementation of projects. Delays should be avoided.

**Ministry’s Reply**

The Ministry is currently pursuing action for the construction of the Marine Park Centre and will not forego the funding of the project from the hotel promoter.