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Improving the Business
Climate in Morocco

Regulatory Reform and Investment Promotion

**REPORT ON THE NATIONAL CONFERENCE ON
“DOING BUSINESS IN MOROCCO:
Regional Best Practices”**

November 29-30, 2007

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Improving the Business Climate in Morocco

Amélioration du Climat des Affaires au Maroc

IBCM Report

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EXECUTIVE SUMMARY

The “Doing Business in Morocco—Regional Best Practices” conference was held in Rabat on November 29-30, 2007. The conference aimed to explore the administrative practices that make up Morocco’s business climate at the regional level by offering a forum for the various partners to share best practices and investigate new methods to replicate them in other regions. The conference also featured the official launch of the World Bank’s presentation of the Doing Business in Morocco’s survey.

The **Doing Business in Morocco** survey assesses and compares the business climate in eight regions based on four indicators. Some of its findings include:

- There are large **differences among regional practices**. Despite the legal framework’s uniformity, the business climate, as defined by the indicators, varies greatly from region to region.
- A **major potential to improve Morocco’s ranking**. Morocco would earn sixteen ranks if regional practices were adopted at the national level.

Based on the World Bank survey, a **plenary session** identified various best practices that could be applied on the national level:

- A **strategy to attract investors**, tailored to specific regional contexts (volume and number of applications, etc.). For example, although the Regional Investment Centers (CRIs) of Casablanca and Kenitra have developed mechanisms allowing a preferential treatment for high-profile investors, Settat’s CRI generalized the “personalized approach” to every investor.
- An **integrated urban planning approach** in Meknes that emphasizes personalized investor support throughout every step of the investment project.
- **Close collaboration between the land agency and its users** in Kenitra has resulted in a significant reduction in the time to process title transfers.
- A **monitoring service** in Agadir’s Commercial Court ensures prompt notification and **limits the need for expert intervention**, leading to significant reductions in processing time.

Brainstorming workshops were structured around the following four indicators:

1. The ‘**Registering a Business**’ workshop dealt with **processing applications** and **putting the business startup process online**. Participants cited online business registration as their ultimate goal, although some wanted to refine administrative procedures first while others wanted to put existing procedures online directly.
2. The ‘**attracting investors**’ workshop agreed on a **new standard procedure** whereby investors file all required documents with the CRI, which forwards them on to the relevant agencies. Before approving the investor’s request, regional investment actors go through a 90-day “technical processing” phase as they investigate the proposal.
3. A workshop to make accessing **land title information easier** called for **universal access to existing land title databases**, i.e. the National Land Agency’s (*Agence Foncière Nationale*) inventory and the National Agency of Land Conservation, Registry, and Mapping’s (ANCFCC) information on land registration. A recommendation was also

¹ See <http://www.doingbusiness.org/subnational/exploreconomies/morocco.aspx>

made to standardize the processes of determining the **legal status of the land** and completing **title registration**.

4. The **'Enforcing Contracts'** workshop cited increased supervision by **court officers** and improved management capacity on the part of judges as fundamental to speeding up the claim recovery process.

Finally, **innovative approaches** to improve the business climate were presented:

- A **sustainable investment strategy** with the goals of upgrading industrial facilities and developing renewable energy in Meknes-Tafilalet;
- The **development of new technologies** in the Oriental;
- The **establishment of an 'e-invest' web application** to facilitate investment application processing.

USAID's Improving the Business Climate in Morocco (IBCM) Program will monitor the various regional efforts and attend meetings of the committee charged with improving Morocco's Doing Business ranking.

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LIST OF ACRONYMS

AFN	National Land Agency (<i>Agence Foncière Nationale</i>)
ANCFCC	National Agency of Land Conservation, Registry, and Mapping (<i>Agence Nationale de la Conservation Foncière, du Cadastre et de la Cartographie</i>)
CNPI	National Committee of Investment-related Procedures (<i>Comité National des Procédures liées à l'Investissement</i>)
CRI	Regional Investment Center (<i>Center Régional d'Investissement</i>)
DB	Doing Business
DCAE	Directorate of Economic Affairs (<i>Direction de la Coordination des Affaires Economiques</i>)
DMS	Data Management System
GIS	Geographic Information System
IBCM	Improving the Business Climate in Morocco
IFC	International Finance Corporation
IMF	International Monetary Fund
MAD	Moroccan Dirham
OMPIC	Moroccan Industrial Property Office (<i>Office Marocain de la Propriété Industrielle et Commerciale</i>)
SME	Small and Medium Enterprise
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development

INTRODUCTION

The *Doing Business in Morocco: Best Regional Practices* conference was held in Rabat on November 29-30, 2007. The goal of the conference was to publish and exchange best practices identified by the regional Doing Business survey² in Morocco.

Every year, the international Doing Business survey measures the ‘Ease of Doing Business’ in 181 countries, based on data collected in each country’s most populous city (in this case, Casablanca). In contrast, this conference focused on the regional Doing Business in Morocco survey that examined administrative practices in eight of Morocco’s regions. The conference began with the World Bank’s official presentation of Doing Business in Morocco. The various sessions that followed were structured around the four indicators used by the regional survey, namely: Registering a Business, Dealing with Construction Permits, Registering Property and Enforcing Contracts.

Attended by many high profile individuals (see opening words), the conference served as a forum for a lively debate on the survey results and offered an opportunity for experts to share regional best practices.

This report provides a summary of the conference, identifying the key issues that were discussed and shared.

OPENING WORDS

Thomas Riley, the American Ambassador to Morocco, opened the conference by stressing the importance of a good business climate in attracting foreign investment, which is the key to economic growth and job creation. He invited the public to actively participate in the conference by helping to develop recommendations that can be implemented in collaboration with USAID’s Improving the Business Climate in Morocco (IBCM) Program.

Mr. Baraka, the Minister of Economic and General Affairs (MEGA), stressed the importance of structural reforms in the legal, education and public administration sectors, highlighting the importance of keeping pace with increased international competition. He praised Doing Business in Morocco for its efforts to identify concrete actions that would improve Morocco’s competitiveness at the regional level.

Mr. Lididi, Secretary General of the Ministry of Justice, emphasized Morocco’s need for a comprehensive review of investment procedures after the reforms of the nineties and the opening to foreign investors. He congratulated USAID for its support of crucial reforms already underway. One particular reform he mentioned was the streamlining of commercial and banking law and the establishment of specialized courts in these fields. He also highlighted the Ministry of Justice’s work to ensure an effective judicial system and predictable judgments—each essential to inspiring investor confidence.

Mr. Smahi, Director of the Directorate of Economic Affairs (DCAE) noted the discrepancy between Morocco’s low Doing Business ranking (129 out of 181 in 2008) and its high attractiveness to foreign investors. He welcomed the introduction of the regional variable as a means to assess the potential for improving on the current classification and noted that Morocco would gain 16 ranks if the best practices of each region were adopted in Casablanca. He also stressed the need to provide good service to investors with projects that cost less than 200 million MAD, and the economic importance of encouraging such small/medium investments.

² See: <http://www.doingbusiness.org/subnational/exploreconomies/morocco.aspx>

Mr. El Jabri, Director of the Regional Investment Center (CRI) in Souss-Massa-Drâa drew attention to the initiatives taken in the region to improve its attractiveness to investors, including simplification of administrative procedures, establishment of a system for entrepreneurship and the creation of a regional economic research institute.

Finally, Mr. Chorfi, General Director of Urban Planning and Architecture spoke on behalf of the Minister of Housing, Urban Planning & Development, to stress the importance the Ministry attaches to improving the business climate in Morocco. He emphasized the many reforms carried out in housing and urban planning and concluded by recalling that the department in charge of territorial development could create a regional development fund to support income-generating investment projects.

DOING BUSINESS IN MOROCCO – REGIONAL RESULTS

Mrs. Capaul, a representative of the World Bank’s Washington DC office, presented the results of the Doing Business in Morocco regional survey, the first survey to measure and compare the time and cost of Registering a Business, Dealing with Construction Permits, Registering Property and Enforcing Contracts, in eight regions of Morocco.³ The respondents included businesspeople and professionals (entrepreneurs, lawyers, architects, notaries, etc.) as well as representatives of relevant administrative departments. Mrs. Capaul reminded conference participants of the Doing Business survey’s weaknesses. Two such weaknesses are the survey’s use of a set of non-exhaustive indicators and its omission of other important determinants of the business environment, such as proximity to markets, transparency and institutional soundness. She stressed that the survey’s primary objective is to encourage positive competition between the regions and to facilitate the dissemination of innovative solutions.

The table below shows the best results by region and ranks each region’s performance in international terms:

Morocco could climb 16 positions in the *Doing Business* world ranking

Doing Business 2008

Indicator	Best ranking in Morocco	World ranking - best cities in Morocco	Casablanca's ranking in the world
Time needed to Register a Business	Agadir, Marrakech	16	25
Time needed for Dealing with Construction Permits	Marrakech	17	61
Time needed to Register Property	Kenitra	23	82
Time needed to Enforce a Contract	Agadir	23	116
Cost of Enforcing a Contract	Oujda and Nador	58	82
Cost of Registering a Business	Casablanca	66	66
Cost of Dealing with Construction Permits	Settat	108	110

Source: DB in Morocco, available at: http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt

³ Regions surveyed use data from the capital cities: Agadir, Casablanca, Kenitra, the Oriental, Marrakech, Meknes, Settat and Tangiers

The table supports the following conclusions:

- Regional practices differ significantly, indicating that regional governments have flexibility within the national framework and thus are potential agents for reform.
- Morocco, by nationalizing its regional best practices, can improve its score by 16 ranks.

The Souss-Massa-Drâa region (represented by Agadir) offers the most favorable business climate, mainly due to its exceptionally short waiting periods for ‘Registering a Business’ (only 9 days) and ‘Enforcing Contracts’ (303 days), as well as its generally high ranking in the other indicators.

Mrs. Capaul referred to World Bank studies that have demonstrated that a favorable business environment can lead to the increased entrepreneurship and employment, as well as encourage legal economic activity.

This presentation inspired great interest among conference attendees and participants, with many speakers questioning the choice of region and indicators. Mrs. Capaul explained that the seven regions constitute a representative sample of Morocco as a whole and the World Bank focused on indicators which are likely to vary between regions.⁴

Responding to questions about the survey’s methodology, Mrs. Capaul reminded her audience that the Doing Business ranking is determined using non-biased criteria and that it refers primarily to administrative procedures—measures of economic structure rather than content. Even countries in conflict, such as Israel, can achieve good rankings through a well-designed economic framework. She stressed that the results of regional surveys are fully comparable to those used in the national survey, and informed the audience that new indicators, including transparency and infrastructure, would be included in next year’s survey.

The ‘Registering a Business’ indicator survey results prompted the strongest reaction, showing delays that conference participants deemed inaccurately high. Mrs. Capaul explained that the World Bank counts at least one day per procedure and includes every legally required procedure that an entrepreneur must go through.

THE MEXICAN EXPERIENCE

To illustrate the benefits that a Doing Business regional survey can provide in terms of positive competition between regions and the exchange of good administrative practices, Mr. Cruz-Osorio presented the Mexican experience. The World Bank carried out the first regional Doing Business survey in Mexico in 2005,⁵ comparing the costs and time required for ‘Registering a Business’, ‘Registering Property’ and ‘Enforcing Contracts’ among twelve Mexican states. As in Morocco, the survey found significant differences from state to state. In Mexico, this report attracted so much interest among the regional authorities that a broader investigation, extending to all 32 federal states, was carried out the following year.

Following the Doing Business in Mexico report, several states undertook reforms to improve their ranking. Competition between states encouraged the emergence of innovative solutions. For example, Querétaro shortened its business registration process by more than a month, and Guanajuato enacted an administrative reform to its legal code to enable the use of electronic signatures, which helps promote information technology use in regional administrations.

⁴ Thus, the “cross-border trade” indicator, which is unlikely to vary from region to region, was not taken into account in the final analysis.

⁵ Reports on Mexico are available at: <http://www.doingbusiness.org/main/Mexico.aspx>

At the institutional level, World Bank reports have contributed to the strengthening of the agencies that implement administrative reforms, as well as promoting trade between states. For example, judicial representatives from every state met for the first time to discuss possible reforms. According to Cruz-Osorio, the reforms arising from the Doing Business experience had a positive overall impact on investment levels, the number of businesses started and the employment rate.

DEBATE ON THE OPENNESS OF MOROCCO'S TRADE

Lunch was accompanied by a debate on the impact of economic openness on the Moroccan economy. Mr. Jaïdi, adopting a critical position, argued that Morocco currently possesses neither the necessary defense mechanisms nor a sufficiently coherent economic strategy to benefit from its free trade agreements. He also noted that free trade exposes specific Moroccan governance issues without providing the tools to resolve these problems. Mr. Merghadi, a former Chief of Staff at the Ministry of Finance, took an optimistic position, arguing the benefits of Morocco's international trade. He argued that free trade will lead to the establishment of a free and modern economy that promotes investment diversification and ultimately places the country in a positive competitive position.

To support his arguments, Mr. Jaïdi showed the following table dealing with Morocco's trade deficit.

Morocco's foreign trade with the United States

	in millions of \$		in millions of \$		
	Imports	Variation	Exports	Variation	Balance
2000	523		441		- 82
2001	282	- 46%	435	- 1%	153
2002	565	100%	392	- 10%	- 173
2003	468	- 17%	385	- 2%	- 83
2004	524	12%	515	34%	- 9
2005	528	1%	443	- 14%	- 85
2006	878	66%	443	0%	- 435
Sep. 07	905		441		- 464

Source: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch

Dr. Kamal, Vice-President of Al Akhawayn University, acted as moderator and closed the debate by reflecting on the inevitability of globalization and the threats and opportunities this represents for Morocco.

BEST REGIONAL PRACTICES

In the afternoon, several regional government agencies shared their innovative approaches to improve their services.

a. 'Registering a Business' and attracting investors

Three CRI directors presented the measures implemented in their organizations to improve client services.

Mr. Aqri, Director of Settat's CRI, highlighted the community-based service offered to the investor. He also stressed the importance of the regional investment committees' roles in dealing with the necessary authorizations and exceptions.

Mr. Attari, the Director of the Kenitra CRI, focused on rapid implementation of several services: in Kenitra, investors are contacted by SMS (text message), commercial registry takes place by phone and OMPIC's name search certificate (*certificat négatif*) can be obtained in less than five minutes. This timeliness expedites the business registration process for investors. Mr. Attari also drew attention to his CRI's geographic information system.

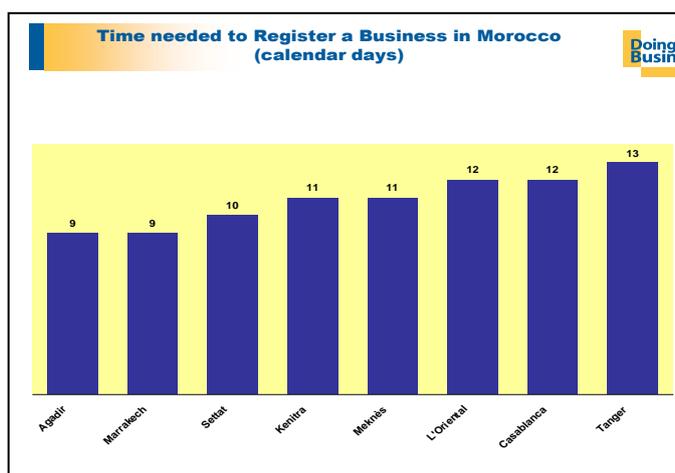
The high volume of applications at Casablanca's CRI requires prioritization in order to concentrate resources on projects that most closely align with the city's priorities. In this scenario, the CRI should only be one of several agents of business registration; each jurisdiction should have a representative, even, potentially, foreign embassies (an idea that came up again during the 'Registering a Business' workshop, see p 17).

Discussing the potential for information technology to facilitate business registration, Mr. BenElafdil warned that automating procedures is not a panacea, because information technology tools require trained and qualified operators. He reminded the audience that developing an online investment facilitation system (e.g. e-invest, see *creative solution* on p. 14) is far more complex than automating the business registration system.

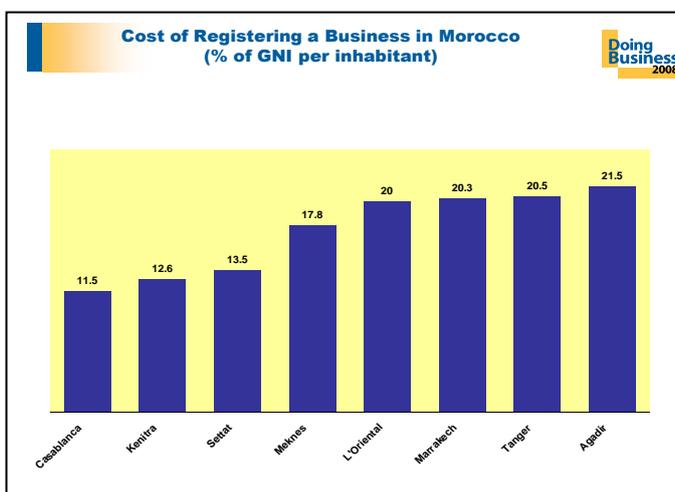
Mr. BenElafdil finished by announcing the establishment of a Doing Business regional committee chaired by the *Wali*, which will aim to improve Casablanca's ranking (and thus Morocco's international ranking) by 2010.

b. 'Dealing with Construction Permits'

Ms. Lahlou, Director of Meknes' Urban Agency, outlined the elements of an integrated service that guides the investor through every step of the permit process. The agency's approach is based on the following four points:

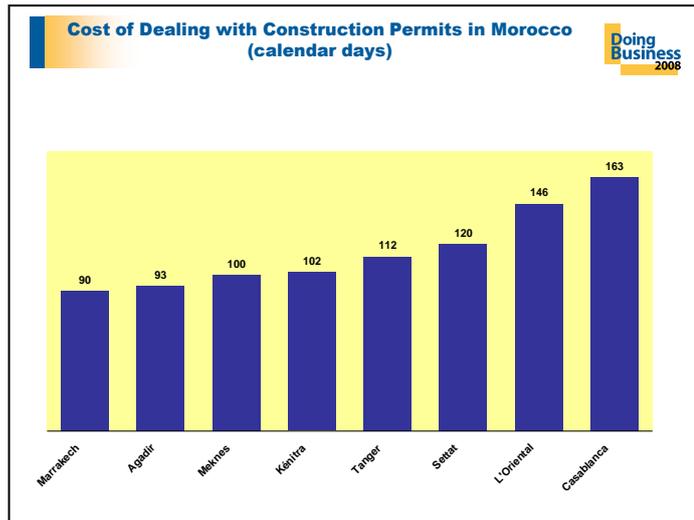


Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt



Source : DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt

- Providing clear and reliable urban planning information to investors;
- Offering investors a “pre-processing” unit to guide and support projects through every step of the authorization process;
- Reducing the time needed to authorize projects by applying the ‘one-stop shop’ project;
- Clearing all projects awaiting committee review by obtaining verbal consensus.



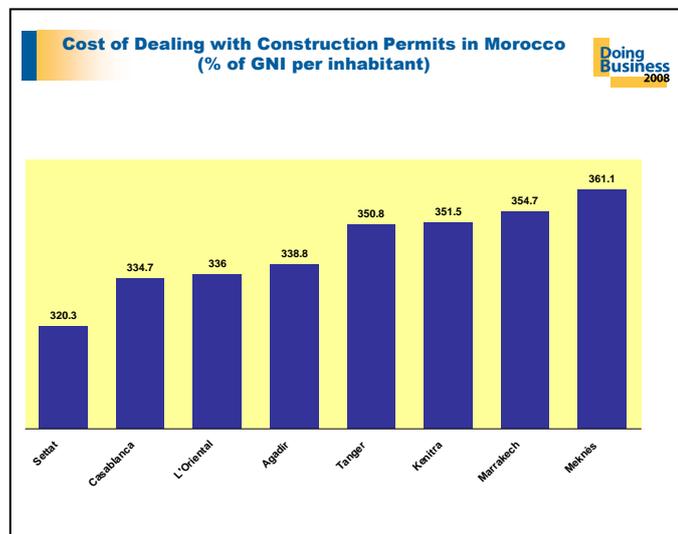
All of these efforts dramatically reduce processing times. Future efforts will focus on reducing authorization periods (not simply processing times), consolidating disparate regional regulations, and improving communication with the public.

Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.

c. ‘Registering Property’

The Director of the Land Agency in Kenitra detailed the reforms under way at the National Agency of Land Conservation, Registry, and Mapping (ANCFCC). The most important developments are:

- reducing processing times;
- establishing a property information database open to professionals such as notaries and engineers;
- establishing a manual of procedures to standardize work methods;
- creating a customer hotline;
- revising the provisions of the *Dahir* (Act) of 1913.



Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt

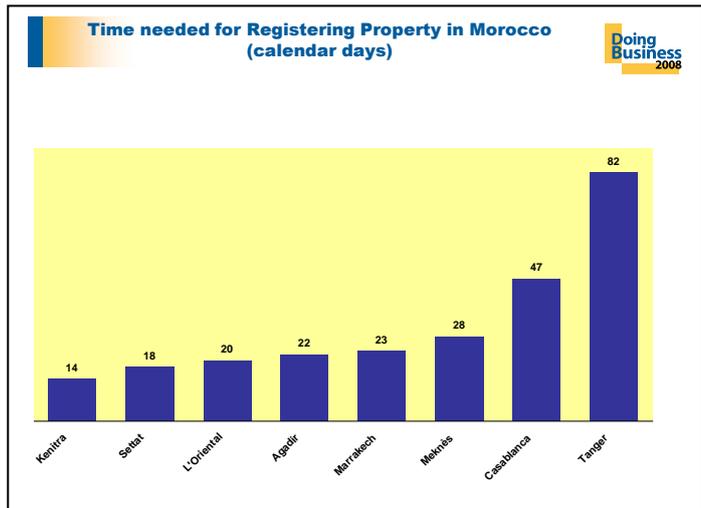
To reform Kenitra’s land registration system, its director established a permanent training system and made efforts to increase employee accountability. He also held meetings with notaries, property developers, engineers and judicial authorities to enhance cooperation and strengthen the channels of communication. Kenitra’s land registry also adopted an “open door” policy to allow customers to express their issues. These initiatives have led to a sharp decline in outstanding title transfers.

d. ‘Enforcing Contracts’

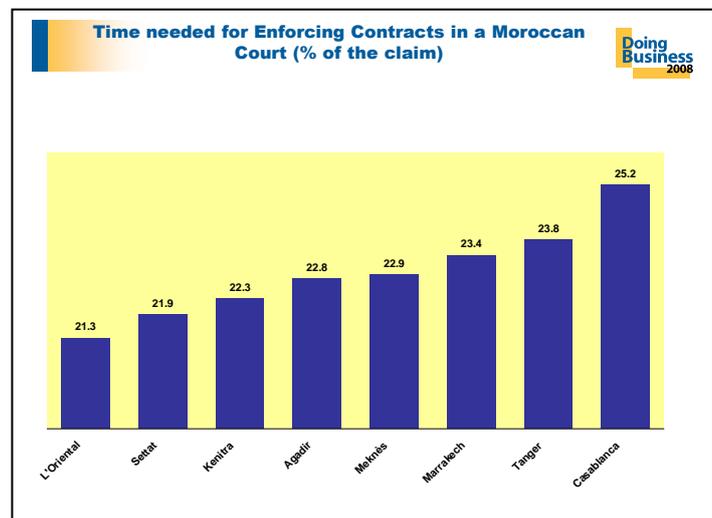
Agadir’s Commercial Court President mentioned USAID’s support in automating court procedures; the court now has an electronic database of all legal records, and its old paper files have been eliminated.

The following are some examples from his presentation on reducing delay in the commercial courts:

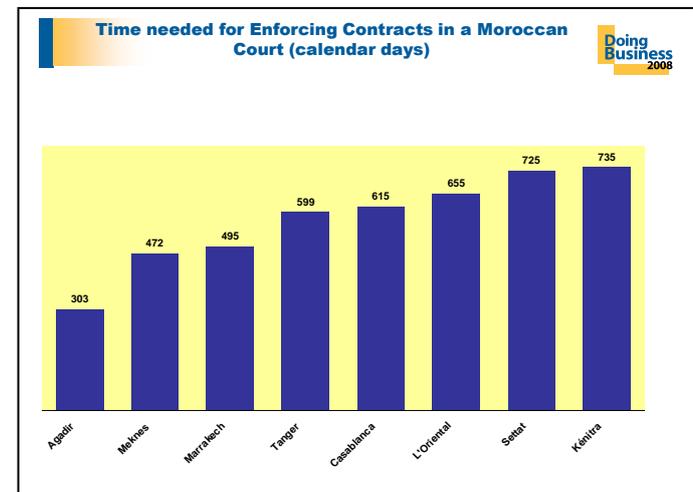
- After the application and registration process, the court appoints a reporting judge (*juge rapporteur*) who sets a date to convene the parties as soon as possible, given geographical proximity.
- To speed up the notification process, a monitoring service was established. This service enables the court to ensure that the notification deadlines—eight days for the city of Agadir and two weeks for other cities—are respected.
- The use of expert reports and counter-reports is part of Moroccan law, but the court ensures that no excessive measures are taken. Statistics show that experts are appointed in only 12% of cases.



Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt



Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt



Source: DB in Morocco, available at http://francais.doingbusiness.org/documents/subnational/DB_au_Maroc.ppt

Applying these new conventions has reduced Agadir's processing times so much that Agadir's Commercial Court achieved the highest score for the "Enforcing Contracts" indicator (see *Doing Business in Morocco*).

WORKSHOPS BY TOPIC

Four workshops on different themes brought together experts from all domains to discuss the indicators in question, with the goal of bringing together government officials on the regional and national levels to discuss solutions.

a. 'Registering a Business'

The 'Registering a Business' workshop was co-facilitated by Ms. Huwiler and Mr. El Maliki. The ensuing debate focused on three topics:

- **Equal treatment:** How can we offer a business registration service that is equally accessible to all residents, including those who are physically distant from the CRI? In other words, how can we bring the service closer to the user?

One suggestion was to establish branch locations, but some found it too ambitious given the resources this would require. An alternative solution, to establish secondary offices for entrepreneurs, was discussed. These offices would be affiliated with and supported by the CRI, but would not provide all of its services. Legal requirements were cited as obstacles to decentralization; processes such as registering statutes with the tax authority must be completed in the region where the business is headquartered. "Online registration," which would allow a contractor from Taroudant, Casablanca or even Tokyo to enjoy the same services, was thus generally agreed upon as a goal.

- **Automated and online launching of the business registration process:** Possible strategies for online business registration were hotly debated, with some considering it necessary to first simplify the procedures before automating the process, and others, wary of the long wait associated with establishing a "perfect process" before taking action, wanted to begin immediately. Should the same system be implemented everywhere or should each CRI be able to choose their own data entry system as long as it is compatible with the others? Some of the obstacles to business registration mentioned were: the lack of an electronic signature mechanism; the lack of a common business identifier; the current legislative framework's requirement that courts of first instance become involved in the business registration process (in order to register the statutes in the Commercial Registry) the absence of a central and shared database; and finally, the lack of human and/or technical knowledge in several involved jurisdictions.
- **Possible reforms:**
 - The "**one-stop-shop**": two visions were set forth. The first idea posits the CRI as a literal "one-stop-shop" that brings together all involved agencies under one roof. The second view sees a "one-stop-shop" as a concept rather than a place; a standardized business registration procedure can be done from anywhere as the involved authorities are linked to a computer system. These "decentralized one-stop shops" would depend on an online business registration application.
 - Allow the CRI to **collect fees:** in order to streamline the process, several CRIs have developed mechanisms to collect money. These mechanisms ensure prompt service to the investor, but are currently without legal regulation, leaving the CRI to

bear all liability. Stakeholders recognized the urgency of establishing a legal framework to allow the CRI to manage cash.

- Finally, to ensure consistent quality of service, some speakers suggested implementing a system to **assess the quantity and quality of applications** handled in every CRI.

All participants concluded that genuine political will on the part of policy makers and administrations is needed to introduce the proposed reforms. Pending larger reforms, participants proposed establishing a “best practice guide” to be disseminated via intranet to the various CRIs.

b. Attracting investors

Today the procedures to carry out any kind of investment can be lengthy and complicated. Administrative organization and processing times vary from region to region so foreign investors, knowing little about the procedures, submit incomplete applications which further delay the process, creating in a negative cycle. Moreover, investors are unaware of the date of the decision as there are no processing deadlines. The ‘Attracting investors’ workshop, facilitated by IBCM’s Mr. Mas and including representatives from the CRIs, urban planning agencies, and other government departments, offered an opportunity to reflect on ways to improve this process.

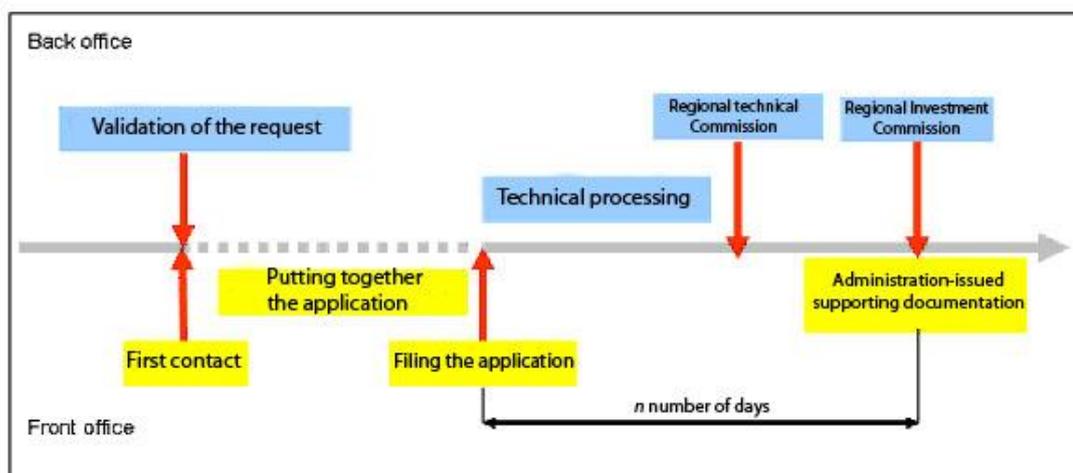
The workshop began with a case study of an investor who wants to build a hotel-restaurant and needs a liquor license. Currently, investors must obtain three different permits: the provisional technical tourism classification; the liquor license; and the building permit. Each procedure requires extensive supporting documents—often duplicates of the same ones.

Participants compared the administrative procedures in their regions and realized they differ in terms of timelines and procedural sequence. In addition, the investor has no clear counterpart to help him carry out these steps. Ideally, all of the procedures would be managed by a single government representative.

During the workshop, participants agreed on a standardized procedure:

- The investor’s first point of contact is the CRI, which informs him/her of each step of the administrative process, the necessary forms and supporting documents.
- The investor completes and files all required documents with the CRI. The CRI verifies the application and forwards it to the relevant agencies.
- During the project’s ‘technical processing’ stage, the involved authorities assess its legal and technical feasibility in their own area of expertise.
- Next, the Regional Investment Commission meets and decides whether to accept or reject the investment application.
- The *Wali* signs and approves the permits. The investor is informed of each step.

Typical processing of a project - Simplified diagram



This new diagram clarifies the different administrative steps and allows for automating the whole process. In addition to this new standard procedure, the participants have agreed on the need to:

- Improve **coordination between agencies**, reducing the number of required documents and making the procedures more fluid;
- Adopt a **national maximum period** for overall processing (90 days, for example), in order to make the process more reliable for investors;
- Allow each region's *Wali* to set a **deadline shorter than the national deadline** to encourage regional competition;
- Improve communications with foreign investors at an early stage, ideally through a **single counterpart**.

c. Land Access

Mr. Schibli facilitated this workshop which addressed the lack of land access. The workshop brought together about twenty people, mainly from land registry and urban planning agencies, CRIs and academia.

Today in Morocco, land tenure is extremely complex, with a variety of legal statutes managed by many agencies and departments. Some tracts of land are unavailable for investment, and others, such as private land, are very expensive due to speculation.

The workshop began with all participants observing that “the difficulty of land access is one of Morocco’s biggest investment barriers.” Currently, there is a lack of land access, especially land managed by the state. Some fear that more public notification when land becomes available would attract speculators and make the price of land skyrocket. However, the CRIs argue that if investors do not comply with the specific requirements associated with property that has been transferred from the state, the state can simply reclaim the land.

The major obstacles are:

- Many different statutes and different systems used by each to monitor the availability of land. There is no centralized and updated database.

- Low registration rates. Every tract of registered land is measured and entered into a database at ANCFCC. Unfortunately, only 10% of the land in the Kingdom is registered.
- Lack of clarity regarding ownership: some pieces of land are not included in the database because their status has never clearly been established.

The workshop tried to find ways to increase the visibility of available land. Several proposals could be quickly implemented:

- **Make the inventory of the Department of National Land Agency (AFN) public.** This database encompasses all state-owned property in urban and suburban areas. Currently, the AFN is in the process of updating the inventory but it is hesitating to make it public, fearing over-speculation. Some have proposed additional measures to curtail speculation (e.g. specifications and penalties imposed on investors who do not maintain their land).
- **Make the ANCFCC database available to stakeholders.** The database contains information on registered land, which, although covering only a small part of Morocco's land, is easy to acquire.

There were other, more ambitious proposals, including:

- **Implement widespread registration,** which would clarify title deeds and improve transparency. An effort to make registration more widespread is in progress, but it is far from completion.
- **Create common definitions of land status.** A more rational land management system to facilitate its use by investors.
- **Make available land more visible.** Using the Data Management System, for example, to list all land potentially available for investment projects.
- **Create an agency to ensure transparency.** This recommendation was not supported by all participants of the workshop, given the current number of actors and agencies in Morocco and the fear that creating an additional agency would further complicate the process. Others have insisted that such an agency already existed in the form of the AFN and that its role should be enhanced and its work made public.

d. 'Enforcing Contracts'

The last workshop focused on debt collection and dealing with commercial disputes. A comparison of two regions with different Doing Business rankings for the 'Enforcing Contracts' indicator followed a short explanation of the administrative formalities related to contract enforcement.

The discussion focused on best practices used in various regional courts which can be adopted in other regions with or without the need for an amendment of the law. The discussion addressed three main issues: the notification process, the courts' internal affairs management, and the enforcement of judgments.

Participants discussed the advantages and disadvantages of various notification methods, including by mail or in person.

Two measures were proposed to accelerate the notification process:

- Establishing **effective supervision of court officials;**

- **Working with the complainant.** Because he knows his creditors, his contribution may accelerate the process.

In general, participants recognized how difficult it was to set up a reliable and fast notification system. They also recognized that the best means of implementing the process are determined by the specific circumstances of each case, so it must be determined on a case by case basis.

To process the application smoothly, the judge needs good management skills and practical knowledge, in part to overcome stalling tactics that some lawyers use. Only cases that require technical advice that the judge is not competent to deliver should resort to experts. As mentioned earlier, it is difficult to solve these issues through legislation. Rather, it would be better to train judges to manage effectively such situations.

REPORT ON GLOBAL COMPETITIVENESS RESULTS

Mr. Geiger of the World Economic Forum presented the results of the Report on Global Competitiveness. The survey—based mainly on the perception of entrepreneurs—offers a complementary vision to the Doing Business report. The survey covers twelve indicators in areas such as education, macroeconomic situation and infrastructure, all of which are absent from the Doing Business report. Although this approach introduces a degree of subjectivity, Mr. Geiger defended the methodology by noting that investors' decisions are fundamentally driven by perception. He further noted that polling data are needed to measure some phenomena such as corruption and the quality of education.

Morocco is ranked 64th on the Global Competitiveness report, barely making it to the top half of the ranking. In the North Africa area, it is outranked by Tunisia (32nd), but performs significantly better classified than Algeria (81st). Among Morocco's strengths, Mr. Geiger cited the quality of public institutions, the market size and the transfer of technology. The main weaknesses are: the educational system (with a very high illiteracy rate), the macroeconomic situation, a rigid labor market, and a relatively weak banking and financial system. According to the executives interviewed for the survey, the main obstacles to business are lack of access to financing and the burdensome complexity of the tax system. Bureaucracy is perceived as a less serious problem. Executives also agreed that the Tangiers-Tetouan region was the most competitive in Morocco, in contrast to the results of the Doing Business survey.

The report's classification of Morocco as "a country with an underdeveloped financial sector and precarious macroeconomic situation" was strongly contested by the participants. In response, Mr. Geiger defended the World Economic Forum's conclusions, stressing that the macroeconomic stability indicator is formulated with data from the International Monetary Fund (IMF).

CREATIVE SOLUTIONS

The conference ended with the presentation of three new initiatives to increase Morocco's attractiveness to investors.

a. Meknes-Tafilalet: sustainable investment

M. Bahi, Director of Meknes-Tafilalet's CRI, presented a three-pronged regional sustainable investment promotion strategy:

- **Promote use of alternative energy** by encouraging the major regional energy consumers to invest in renewable energies and draw on greener resources: wind, solar and biomass.

- **Coordinate regional initiatives** and create an administrative framework conducive to renewable energy market sub-sectors.
- **Support the technology sector** by encouraging partnerships between foreign producers and Moroccan companies to facilitate the transfer of skills and technologies.

b. The Oriental Region: Fully Connected

Mr. Boudchich, the Oriental Region Promotion Agency's (*Agence de l'Orientale*) Director of Cooperation, presented several regional initiatives to promote new technologies. These include:

- Promote the **spread of new technologies in the private sector**, especially in small and medium enterprises (SMEs).
- Build a **"technopolis"** near the airport to promote offshoring.
- Use **geographic information system (GIS)** technology to show investors where there is available land.
- Implement **e-regulation** in collaboration with the United Nations Conference on Trade and Development (UNCTAD) and USAID.
- Promote **widespread Internet access**, targeting the entire population.

E-regulations is a website for investors that lists the steps necessary to implement a project. The site outlines "red tape", provides explanations, introduces speakers, provides information on legal solutions and supplies all required forms. *E-regulations* helps investors by increasing transparency and speeding up the investment process.

c. The e-invest Application

Mr. Boudali of DCAE introduced *e-invest*, an application which automates the function of the CRI's **investor assistance counter**. Its objective is to make procedures more transparent and fluid.

The CRIs of Settat, Kenitra and Casablanca have received initial training on how to use e-invest, and the Program is planning to support a pilot program.

CONCLUSION

The conference helped identify best practices. Several speeches demonstrated concrete steps to make current administrative procedures more fluid. The following points present a brief summary:

- Although both use the same methodology the Doing Business in Morocco survey differs from the national Doing Business survey in that Doing Business covers more indicators and compares Morocco to other countries, while Doing Business in Morocco is used to compare regions of Morocco, and generate constructive competition among them.
- Morocco's national ranking could be improved by 16 places if best regional practices were implemented in Casablanca. Looking at regional best practices by indicator, opportunities for improvement appear even more important: 9 places could be earned by reducing the time for 'Registering a Business'; 44 places could be gained by streamlining the process of 'Dealing with Construction Permits'; 59 places could be gained by improving the process of 'Registering Property'; and 93 places could be gained by improving the process of 'Enforcing Contracts' (see table, p. 7).

- The CRIs facilitate the business registration process well, as demonstrated by Morocco’s relatively high ‘Registering a Business’ ranking. Concentrating improvement efforts on other processes that are important to investors would potentially yield greater improvement.

The conference demonstrated that the following reforms—already implemented in some regions—could significantly improve the business climate:

- Update investors on their business application status via SMS/Internet;
- Establish channels of cooperation between various authorities (e.g. the OMPIC and the CRIs) to accelerate information exchange;
- Establish a “one-stop shop” for major construction projects;
- Convene the compliance-granting committee on a regular basis to avoid excessive delays;
- Limit the use of experts during legal proceedings;
- Monitor and supervise bailiffs in order to expedite the notification process.

Currently, the Program runs several projects aimed at facilitating investments in Morocco:

- Implementing *e-invest*;
- Setting up the *e-regulations* website;
- Supporting alternative dispute resolution development;
- Training judges on commercial dispute resolution;
- Developing and supporting Meknes-Tafilalet’s regional sustainable investment promotion strategy.

To capitalize on the reform opportunities discussed during the conference, the Program plans to follow-up with the regions and agencies involved in the studies, and is prepared to work with Moroccan authorities on their own reform proposals. For example, the Program plans to actively participate in regional committees to improve Doing Business in Morocco rankings, as well as to support the National Committee of Investment Procedures’ (CNPI) reform efforts. All reform efforts and exchanges of best practices hinge on a strong medium-term commitment from regional and national authorities, whose participation is essential in order to implement the measures proposed during the course of the conference.

APPENDIX: CONFERENCE AGENDA

08h30	Welcoming participants	SESSION BY INVITATION ONLY
09h00	The US Ambassador's Opening Words	9h00 Closed work session
09h10	Opening address by representatives from : Ministry of Industry, Commerce and New Technology Ministry of Economy and Finance Ministry of Justice Ministry to the Prime Minister in charge of Economic & General Affairs Ministry of the Interior Ministry of Housing, Town Planning & Development <i>Walīs</i> from Meknes-Tafilalet, Souss-Massa-Drâa and Oriental	10h00 Coffee Break
10h00	Coffee Break	10h30 Workshop I Starting a business and attracting investors
10h30	Session plenary I Results of the regional <i>Doing Business</i> presented by representatives from the World Bank	10h30 Workshop II Access to land and dealing with construction licenses
11h45	Session plenary II The Mexican experience of "positive competition" among states, presented by Luis Felipe Delgado Aboytes	10h30 Workshop III Enforcing contracts and dealing with commercial disputes
12h30	Lunch/ Debate <i>Is Morocco benefiting from its participation in the global market?</i>	(Workshops I, II et III take place simultaneously)
14h00	Session plenary III Best regional practices in terms of : <i>a. Registering a Business</i> <i>b. Registering property</i> <i>c. Transferring property titles</i> <i>d. Enforcing Contracts and dealing with commercial disputes</i>	12h30 Lunch
16h00	Coffee Break	SESSION OPEN TO THE PUBLIC
		14h00 Feedback from the Workshops
		14h30 Closing Plenary Beyond <i>Doing Business</i> Results of the <i>Executive Opinion</i> Survey presented by a representative from the World Economic Forum
		15h00 Creative new solutions – the pilot projects in three regions in Morocco : - Meknes-Tafilalet - Souss-Massa-Drâa - Oriental
		16h00 Conclusion
		16h15 Coffee Break