



المجلس الأعلى  
للاستثمار في موريتانيا  
**CONSEIL SUPÉRIEUR  
DE L'INVESTISSEMENT  
EN MAURITANIE**

# REPORT

## **IMPLEMENTATION OF THE RECOMMENDATIONS**

FROM THE HIGH INVESTMENT COUNCIL  
OF MAURITANIA

*September 2023*



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## ACRONYMS TABLE

ACRONYM	MEANING
HICM	High Investment Council of Mauritania
MAEPSP	Minister of Economic Affairs and Promotion of Productive Sectors
MEDD	Ministry of the Economy and Sustainable Development
APIM	Investment Promotion Agency of Mauritania
GUE	Single Window for Businesses
MF	Ministry of Finance
BCM	Central Bank of Mauritania
MJ	Ministry of Justice
MFPT	Ministry of Public Service and Labor
CCIAM	Chamber of Commerce, Industry and Agriculture in Mauritania
MHUAT	Ministry of Housing, Urban Planning and Regional Development
MSGG	Ministry General Secretariat of the Government
MET	Ministry of Equipment and Transport
MTNIMA	Ministry of Digital Transition, Innovation and Modernization of Administration
DGPPP	Public-Private Partnerships General Directorate
DGI	Directorate General of Taxes
DGD	Directorate General of Customs
MEFP	Ministry of Employment and Vocational Training
MPEM	Ministry of Petroleum, Energy and Mines
MESRS	Ministry of Higher Education and Scientific Research
ANSADE	National Agency for Statistics and Demographic and Economic Analysis
MA	Ministry of Agriculture
MAECME	Ministry of Foreign Affairs, Cooperation and Mauritians Abroad
MCIAT	Ministry of Commerce, Industry, Crafts and Tourism



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# CONTEXT

The inaugural meeting of the High Investment Council of Mauritania (HICM) was held in Nouakchott on September 15, 2022, under the chairmanship of H.E. Mr. Mohamed Ould Cheikh El Ghazouani, President of the Republic.

His Excellency announced his willingness to focus on areas of improvement in order to develop favorable conditions for investment in the country. The meeting was attended by HICM members, appointed by order number 571 of August 26, 2022. The members expressed their concerns, observations and recommendations concerning the business climate in Mauritania. These recommendations were translated into an action plan, implemented and monitored by the various ministerial departments and public establishments involved.

This report sets out the actions undertaken to address the points of concern raised by HICM members at the inaugural meeting. It covers the various themes discussed, namely :

- 1. *Investment prerequisites***
- 2. *Financial concerns***
- 3. *Tax concerns***
- 4. *Human capital concerns***
- 5. *Sector-specific concerns***

The second HICM meeting, held on September 13, 2023 was an opportunity to discuss of the status of progress of the implementation of the recommendations and to issue an action plan for the coming year.



# INVESTMENT PREREQUISITES

## CUMBERSOME ADMINISTRATION

His Excellency the President of the Republic, Mr. Mohamed Ould Cheikh El Ghazouani, has instructed the Ministry of Digital Transition, Innovation and Modernization of Administration (MTNIMA) to speed up measures aimed at improving the effectiveness, transparency and efficiency of public administration, for better service to citizens and partners. The short-term objective is to enable interconnection between the various departments and facilitate access to administrative services by digitizing procedures.

APIM, one of whose main missions is to attract investment, is now operational and has the human resources needed to welcome, guide and assist investors with their administrative formalities. The modernization and digitization of the Single Window for Businesses has simplified business start-up procedures and reduced processing times to 48 hours. In the first half of this year, 2,682 businesses were created, compared to 2,458 for the same period in 2022. This represents an increase of over 9%, with record figures recorded for two successive months, and a clear increase in the number of legal entities set up compared with individuals. With regard to the granting of Investment Certificates (IC), an Investment Analysis and Monitoring Department has been set up to better process and monitor applications for IC under the Investment Code. Aftercare support services are provided by this department to better monitor the implementation and completion of investment projects. However, areas of improvement have been identified, such as the introduction of a regulatory framework for electronic signatures to guarantee digital identities, the absence of which is an obstacle to the full digitization of procedures.

Furthermore, the Mauritanian Chamber of Commerce, Industry and Agriculture (CCIAM) plans to decentralize its services during their 2023-2028 term. This gradual regionalization will initially target three regional capitals with high economic potential, namely :

- ***Nouadhibou, for the fisheries and mining sectors;***
- ***Rosso for the agriculture sector;***
- ***Néma for the livestock sector.***

The Nouadhibou office has been operational since 2006. The Rosso branch is in the launch phase, and the opening of the Néma office is under consideration.

To support the government's efforts to modernize administration, help businesses make a successful digital transition and promote the spirit of entrepreneurship, innovation and startup creation, the CCIAM has included specific actions in its program for the 2023-2028 period, aimed at developing high value digital services.



# INVESTMENT PREREQUISITES

## BUSINESS CLIMATE

During the inaugural meeting of the HICM, several impediments to improving the business climate were identified, particularly on the legal and tax aspects.

The Ministry of Justice has taken several steps to address the points raised by members. With regard to the training of legal professionals in business law, in March 2023 the Department organized a workshop on “business criminal litigation” for eleven (11) magistrates with commercial training. In addition, other magistrates took part during the current year in four (4) training sessions on intellectual property, run by the African Intellectual Property Magistrates Network (AMAPI) and the World Intellectual Property Organization (WIPO). In addition, from January 05 to 11, 2023, the Ministry organized the National Consultations on Justice under the theme “What kind of Justice do we want?”. The National Justice Reform and Development Document, a summary of the National Consultations on Justice, was submitted to the President of the Republic, President of the Superior Magistrate Counsel, in July 2023 by the Steering Committee of the National Consultations on Justice. The planned reform focuses on five main areas: i) Developing the status of justice professionals and improving their conditions; ii) Facilitating access to justice; iii) Improving the quality and efficiency of justice; iv) Reforming the criminal justice and prison systems; v) Accelerating the digitization of justice, rehabilitating existing buildings and building new courthouses. The implementation of the action plan resulting from these National Consultations, provides for the creation of a Higher Institute of Magistrature, which will take charge of the training of

judicial actors in general and particularly the specialization of magistrates, in the field of commercial and business law.

With regard to tax-related disputes, the members had recommended the establishment of an independent body to rule on the matter. The Code of Civil, Commercial and Administrative Procedure (CPCCA) assigns this competence to the administrative chambers of the Wilayas courts, in accordance with article 25 of the said Code. Appeals are therefore possible via this channel.

For its part, the CCIAM is also working to strengthen commercial justice; its Mauritanian International Mediation and Arbitration Centre (CIMAM) is constantly adapting its services to meet the expectations of domestic and foreign investors. In this context, it recently organized a training course for several judges and lawyers, on the procedures and techniques of mediation and arbitration as an alternative means of settling commercial disputes.

Moreover, in order to provide investors wishing to invest in Mauritania a favorable legislative and regulatory environment and thus facilitating both new investments and the retention and development of existing ones, a revision of the Investment Code has been initiated by APIM with the support of the International Finance Corporation (IFC). The purpose is to establish an Investment Policy Letter (IPL) to guide the efforts of government bodies to regulate and promote domestic and foreign investment, making it clear to investors that Mauritania is taking positive steps to improve the general investment environment. These guidelines will consequently be translated into a new Investment Code that will be more incentive-based, contributing to the quest of increasing domestic and foreign direct investment. In this context, two studies have been carried out:

- ***A legal review of the Investment Code currently in effect;***
- ***A qualitative analysis of the tax incentive system provided for under the Investment Code.***

A Public-Private Technical Committee has been set up by the Ministry of the Economy and Sustainable Development (MEDD) to steer this work, and held its first meeting last July.

In order to create favorable conditions for investment and protect private land ownership, whether collective or individual, the Ministry of Housing, Urbanism, and Territorial Planning (MHUAT), in conjunction with the Ministry of Interior and Decentralization (MIDEC) and the Ministry of Finance (MF), has presented a joint communication at Cabinet Meeting. This communication outlines the ways to implement the directives emphasized by His Excellency the President of the Republic, including the essential land tenure security needed for urbanization, the modernization of agriculture, the acceleration of rural development, and the opening of our agricultural sector to investments.

Through this communication, the Government has identified, among other things, the following priorities:

- ***The revision of the existing legislative and regulatory texts in the field of land tenure.***
- ***The adaptation and optimization of the institutional framework for land governance, bringing public services closer to users.***
- ***The establishment of effective mechanisms for recording and protecting the rights of individuals, including those of communities holding rights in accordance with current legislation.***
- ***The creation of an ad-hoc commission responsible for monitoring and implementing the recommendations.***

To this end, a joint commission has been established under the supervision of the Minister of Finance. This commission has been tasked with translating the recommendations into a realistic and achievable action plan. Comprising the relevant departments responsible for land matters, including MIDEK, MF, MHUAT, and MA, the commission has proposed to focus its efforts in this phase on three major pillars: conducting a comprehensive assessment, reforming the land management system, and guiding the revision of existing legislative and regulatory texts in the field of land tenure.

Furthermore, as part of the implementation of the 2023-2025 roadmap for improving the business climate and promoting investment, the Ministry has developed Law No. 2023-017 related to real estate promotion and a new urban planning and construction code. This legislation will address identified deficiencies, environmental concerns, and climate change issues while providing the opportunity to gradually integrate the digitalization of public services such as construction permits. It will also establish a framework for consultation and involvement of decentralized local structures, in line with the state's political directives to strengthen decentralization. This Bill is currently being scheduled for approval at Cabinet Meeting, in the coming weeks.

In addition, MHUAT has established a digital one-stop shop, allowing citizens and investors to complete the necessary procedures for obtaining construction permits online, including payment of associated fees. This project was developed in close collaboration with the relevant departments: MTINMA, MIDEK, and MF.

Furthermore, with the aim of supporting the development of regional capitals, cities, and agglomerations in the countryside, the Ministry has developed and obtained approval from the Cabinet Meeting for the following land subdivision plans: Timbedra, Djiguenni, Tamcheket, Lekseiba I, R'kiz, Koundi 3, Tekane, Tichit, Néma, Aioun, Kiffa, and Beder (Hodh el Gharby). The implementation of four of these has already been completed, such as Tamchekett, Tékane, Kekseiba I, and Boumdeid. Others are in progress and have reached a completion rate of 60%, including Néma, Aioun, Timbedra, Djiguenni, and R'kiz. In parallel, urban planning projects for Selibaby, Tidjikdja, and Atar are in the process of being developed. Additionally, there is an ongoing effort to survey and restructure certain areas in Nouakchott.

These urban planning initiatives are aimed at defining the urban boundaries of regional capitals and towns, opening up access roads in restructuring areas, mapping out all restructured blocks, and identifying areas of potential risk. By the end of 2023, the efforts will continue to focus on completing these urban planning projects and initiating new ones for additional cities, ultimately working towards providing



# INVESTMENT PREREQUISITES

## IMPROVEMENT OF THE OFFER IN TERMS OF ROAD, PORT AND TELECOMMUNICATIONS INFRASTRUCTURE

The General Directorate for Public-Private Partnerships (GDPPP) is working on a number of infrastructure projects. The status of motorway and port projects is as follows:

### MOTORWAY SECTOR

Two motorway projects are currently managed by the PPP Directorate, with the support of the Ministry of Public Works and Transport. These are :

- The highway linking the cities of Nouakchott and Boutilimit: Following completion of the prequalification phase in September 2022, four candidates were selected by the management unit, which is responsible for awarding the project. Subsequently, the project was delayed due to shortcomings in the tender documents, which prevented them from being forwarded to the candidates. The tender documents, which had to include elements relating to compliance with international standards, were prepared with the help of a specialist firm recruited for this purpose, and were subsequently forwarded to the pre-qualified candidates on June 13, 2023. The technical bids of these candidates will be received by October 12, 2023 at the latest. Once analyzed, the Ministry of Public Works and Transport will forward the Observation File, possibly modified, to the candidates who will submit final technical bids accompanied by financial offers. It should be noted that if the procedure follows its normal course, the project should be awarded in the first quarter of 2024.
- The highway linking the towns of Nouadhibou, Nouakchott and Rosso: the International Finance Corporation (IFC) is currently carrying out a pre-feasibility study for the project. The study includes a traffic analysis. If it is conclusive, the IFC intends to support the government in the future development of the project.

### PORT SECTOR

The Nouadhibou Free Zone Authority (AZFN) is currently working with the PPP Directorate on the updating of the prior assessment and budgetary sustainability reports relating to the Nouadhibou

Deep Water Port (DWP) project. Said reports will be submitted for validation at the meeting of the Technical Support Committee for PPPs scheduled for September 2023.

At the same time, the Ministry of Equipment and Transport is working on several projects:

- Feasibility study for a container platform in Gougui ;
- Feasibility study for an oil quay at the Port of Nouakchott ;
- Feasibility study for a railway line linking Nouakchott - Ndiago - Boghé - Kaedi - Gabou - Khaye;
- The search for financing for a fishing port at PK28 south of Nouakchott ;
- A TRAMWAY project in Nouakchott which has been assigned to ARAB CONTRACTOR for studies and resource mobilization. A meeting on this subject is scheduled for September 25, 2023.

## TELECOMMUNICATIONS SECTOR

As part of the drive to improve telecommunication infrastructures, Internet access and the digitization of administrative procedures, the Ministry of Digital Transition, Innovation and Modernization of Administration has undertaken a number of reforms:

**1. A project for a second submarine cable (financed by the European Investment Bank (EIB)):** Given the strategic importance, for the country, of a second link to the networks of high-speed submarine cable system, the following actions have been undertaken:

- Invitation to tender launched on August 3, 2023;
- Tender opening date set for October 5, 2023.

**2. The inter-city fiber optic network (National Backbone):** Although there is a national fiber optic network within reach, its operation hasn't reached the required level. This has had a negative impact on the level of coverage and quality of communications throughout the country.

In this context, and in order to rectify the situation, the following measures have been undertaken:

- Establish a good coordination between the various parties;
- Increase current capacity to 52%, at a cost of no more than US\$72,000, mobilized by International Mauritania Telecom (IMT), a consortium of telecom operators to whom the Government has delegated the operation and marketing of all sections of the national fiber optic network under a PPP agreement, without the need to increase the size of the network.

**3. Nouakchott's fiber optic local loop (Local loop of Nouakchott):** Despite the existence of this loop and its importance for extending the coverage and quality of electronic communications, it has been noted that it is used at less than 10% of its total capacity, despite the existence of a leasing agreement between the National Society for the Development of Digital Infrastructures (SDIN) and International Mauritania Telecom (IMT). In order to raise the level of operation of this loop and improve its impact on the coverage and quality of communication services in the capital, the following measures have been taken:

- Reopening of the project file ;
- The holding of a series of meetings under the direct supervision of MTNIMA.

**4. High-speed Administrative Intranet Network (RIAD project):** The project has three parts, all of which are mostly at a standstill, but following a series of meetings, field visits and close monitoring, the following improvements have been recorded:

- In terms of the wireless network, state-owned buildings have been identified (14 sites) in order to install active equipment on antennas (LTE equipment) and to connect administrative buildings not linked to the fiber optic local loop. All the administrative hurdles have been overcome, and thanks to good coordination and ongoing monitoring, half of these sites (7) are now operational;
- The network core (Equipping two identical rooms) has reached a completion rate of 40%;
- The remaining 344 sites on the fiber optic loop will be connected by the end of this year, with all ministries to be connected by September 15, 2023.
- It should be pointed out that this strategic network is the foundation on which the government's secure communications system will be built, providing access to all public administration digital services.

**5.** As part of the **West Africa Regional Digital Integration Project (WARDIP)**: construction work on missing sections is planned to disseminate the capacity provided by the new submarine cable, which is will be connected to Nouadhibou via the backbone network, with the existing ACE submarine cable and with countries in the region (Senegal, Mali).

**6. Coverage of border areas:** This is a strategic and structuring project that the Department is implementing in full coordination with the Regulatory Authority, and on which work is progressing remarkably well. In fact, the technical study has been prepared and implementation will be launched before June 30, 2024.

**7.** Finally, **the Data Center:** The Data Center project is a structuring project of national sovereignty that aims to increase data storage, processing and transmission capacity. It was launched by His Excellency the President of the Republic on December 13, 2021, at a cost of around \$8.7 million. Following a visit to this project on July 10, 2023, it was noticed that the completion rate is less than 25%, knowing that the delivery date was scheduled for August 13, 2023. Having ascertained that an important part of the project is almost at a standstill, and in order to rectify the situation and speed up the implementation of this project, the following measures have been taken:

- A series of meetings with the team and consortium responsible for implementing the project;
- A formal notice was sent to the group on July 25, 2023, due to the noticed delay and its untimely and unmotivated request to the Ministry for a price revision. In response to the formal notice, the group ordered the necessary equipment.

# FINANCIAL CONCERNS

## REGULATORY FRAMEWORK FOR SMEs

The Ministry of Digital Transformation, Innovation and Modernization of Administration (MTNIMA) has piloted and drafted a Startup Act. This bill aims to develop a new regulatory framework favorable to the emergence of high value-added startups in Mauritania, which will contribute in making innovation the driving force behind the development of Digital, Entrepreneurship and Business Competitiveness. The bill was adopted at Cabinet Meeting on September 06, 2023.

As part of the modernization of APIM's Single Window for Businesses, an orientation service has been set up for entrepreneurs seeking information on formalizing their activities. APIM's staff have undergone training sessions to better guide and inform users of the single window. Open days have been set up to give entrepreneurs access to information and help them structure and formalize their projects. Partnerships have also been set up with entrepreneurial organizations, particularly women's organizations, to raise awareness. Other partnerships and projects are envisaged to further promote entrepreneurship and innovation, and encourage the formalization of the informal sector.

## ACCESS TO FINANCING FOR VSEs AND SMEs

In terms of financial inclusion and access to financing for VSEs and SMEs, several efforts have been undertaken by the Central Bank of Mauritania (BCM). In June 2023, the signing of a memorandum of understanding with the African Guarantee and Economic Cooperation Fund (FAGACE) relating to support for the establishment of the Mauritania Guarantee Fund (FGM) took place. Subsequently, the meeting of the first Board of Directors of the FGM for the election of its President was held in July 2023, followed by the Board of Directors, in August 2023, which formed a management committee composed of three directors of the fund.

The Central Bank will send 4 experienced executives to FAGACE for one-year training. It will also issue the license and open a current account in the name of the fund. The management board and the BCM will work with FAGACE within the framework of the aforementioned memorandum so that the FGM is operational as soon as possible.

The Central Bank of Mauritania (BCM) has strengthened the banking supervision regulations to align with international standards; they adopted a set of implementing texts for the banking law promulgated in 2018. Mauritania's financial system offers a range of financial products designed for different categories of business; the financial products dedicated to SMEs in Mauritania include credit lines and financial products to support self-employment.

SMEs are often considered riskier by banks. As a result, they tend to have difficulty obtaining financing from banks, and are subject to high interest rates. Despite their importance in the country's economic growth, founders are often face obstacles that hinder any promotion of this category of business. Consequently, the Ministry of Economy, in collaboration with the relevant structures, is leading the implementation of an investment fund with a particular focus on SMEs, like many African countries that have funds and tools dedicated to financing national SMEs, such as the Mohamed VI funds in Morocco, or Oyass Capital in Senegal. These funds allow States to meet strategic objectives for the development of their economy while targeting investments with a strong environmental and social impact.

# TAX CONCERNS

## TAX PRESSURES AND LACK OF APPEAL MECHANISMS

The Ministry of Finance, following recommendations from the HICM, had undertaken the following actions:

- Adoption of a law on competition and tax predictability: The General Tax Code offers taxpayers several avenues of appeal to contest the decisions of the tax authorities. These include a prior appeal to the tax authorities, an appeal to a joint commission made up of the taxpayer, their tax advisor and a representative of the Patronat, as well as a judicial appeal route.
- Progressive broadening of the tax base by gradually integrating the informal sector: This procedure is progressing thanks to the generalization of the Tax Identification Number (NIF) and the requirement imposed on suppliers invoicing VAT to provide their customers with a certificate of tax liability. Expenses incurred with companies that are not tax-registered are not deductible. Surveys carried out in 2023, based on data from a variety of sources and internal analyses, identified and reclassified over 150 companies from the flat-rate regime to the standard tax regime.
- Simplifying tax obligations: in the second quarter of 2023, the DGI introduced an online tax return and payment system. This solution enables taxpayers to declare and pay their taxes without having the need to come to the tax office.
- Cumbersome administrative procedures following approval under the Investment Code: a representative of the Directorate General of Customs (DGD) has been assigned to APIM to facilitate investor procedures. APIM's Investment Analysis and Monitoring Department, which works closely with the DGD, provides aftercare services to ensure that the rights and benefits granted to investors are applied.

# HUMAN CAPITAL CONCERNS

## AVAILABILITY OF SKILLED LABOR

The Ministry of Higher Education and Scientific Research has adopted a policy in favor of investment in vocational training. This policy has involved :

- Guiding new high school graduates towards local and international vocational training programs.
- Enhancing professionalization at existing higher education institutions by increasing the enrollment of students in professional programs and creating new vocational training courses.
- Establishing new higher education institutions in fields such as extractive industries, energy, fisheries, agriculture, and livestock, including:

» **The Polytechnic Group :** Engineering education has been enhanced through the establishment of this group, which brings together various institutes:

- *The Higher Institute of Building Trades, Public Works, and Urban Planning (ISM-BPU): Addresses a critical need for the training of highly qualified senior technicians in this sector*
- *The Higher Institute of Mining Professions (IS2M) in Zouerate, in partnership with SNIM*
- *The Higher Institute of Energy Professions (ISME)*
- *The Higher Institute of Statistical Professions (ISMS)*
- *The Preparatory Institute for Engineering Grandes Écoles (IPGEI)*
- *The Higher Polytechnic School - Engineering Cycle (ESP\_ING)*

» **The following specialized institutes :**

- The Higher Institute of Technological Education in Rosso
- The Higher Institute of Accounting and Business Administration
- The Higher Institute of Digital Technologies
- The Higher Professional Institute of Languages, Translation, and Interpretation (ISPLTI) in Nouadhibou

- The Higher Institute of Marine Sciences (ISSM)
- The University Professional Institute
- The School of Advanced Business Studies (EHEC)
- The Higher Institute of English (ISA): This institution will provide a Bachelor's degree program accredited by the University of Cambridge and continuous education open to all members of the armed forces, security personnel, and general administration.
- The ongoing creation of a Higher Institute of Management in Kiffa
- The ongoing creation of a School of Veterinary Medicine in Nema
- The ongoing creation of a Higher School of Agronomy in Kaédi

The National Employment Agency (TECHGHIL Agency), whose mission is to contribute to the implementation of the National Employment Policy in consultation with the Administration, professional bodies of workers, employers and civil society organizations, has set up and deployed its DELIL information system, which provides services to the various clients and partners of TECHGHIL Agency (job seekers, employers, training centers, technical and financial partners...) according to their needs. This information system also provides tools to support jobseekers in their integration process, and other customers in benefiting from TECHGHIL's range of services. Moreover, DELIL generates statistics on the job market to support decision-makers in their strategic orientations.

In addition, as part of its efforts to improve the legal and administrative framework for workers, the Ministry of the Public Service and Labor has begun revising the legal arsenal by reforming the Labor Code, of which certain provisions have been amended, and by drafting a bill governing the Social Security System. These two reforms await the recruitment of external national and international expertise for a complete overhaul.

The Ministry has also embarked on the digitization of administrative services, namely the computerization of CNSS services, which is now 100% complete. The Ministry also intends to implement online accessibility of labor administration services (DGT-ONMT) through collaboration with the Ministry of Digital Transformation, Innovation and Modernization of Administration (MTNIMA).

The Mauritanian Chamber of Commerce, Industry and Agriculture (CCIAM), for its part, has developed training and capacity-building programs that have benefited several categories of young entrepreneurs and project leaders, with the support of some of its technical and financial partners, such as the European Union, the African Development Bank and the Islamic Chamber of Commerce, Industry and Agriculture.



# SECTOR-SPECIFIC CONCERNS

## ACCESS TO SECTOR DATA

In 2021, the Government launched a reform of the National Statistical System (SSN) and its central body, in order to better support the design, monitoring and evaluation of the country's economic and social development policies and programs. Hence, the National Agency for Statistics and Demographic and Economic Analysis (ANSADE) regularly produces and publishes notes on the economic situation or on specific themes:

### *Notes covering short-term data on economic activity*

- Quarterly notes and bulletins on economic trends, covering all sectoral economic developments (production, consumption, exports) in recent quarters;
- Quarterly notes on foreign trade, commenting on the country's foreign trade (imports, exports, trade balance) in recent quarters;
- Quarterly notes on industrial production (IPI), which analyze the dynamics of the industrial fabric in terms of production and prices over recent quarters;
- Monthly notes from the Consumer Price Index (INPC), which show the evolution of consumer prices and inflation over the last few months;
- Quarterly notes on building materials prices (ICC), which analyze trends in the prices of building materials for residential use over the last few quarters;
- Quarterly notes of the quarterly financial statements, giving estimates of sectoral economic growth in recent quarters.

### *Structural data reports*

- National accounts aggregate: a summary of economic activity and estimates of national accounts aggregates;
- Statistical yearbook that compiles structural data for all sectors: i) Social sectors (health, education) number of pupils, number of schools, number of teachers, infrastructure situation. ii) Productive sectors (agriculture, livestock, fisheries, mining and energy) production, consumption, exports and imports.

**Study or survey reports on household living conditions, housing, access to basic social services**

- The Permanent Survey of Household Living Conditions (EPCV): this report is produced every four (4) years and presents the living conditions of Mauritanian households in terms of purchasing power, poverty levels, housing, access to water and electricity, and the labor market situation;
- The Demographic and Health Survey (EDSM) report, which provides information on the health situation of Mauritanian households, as well as conditions of access to health infrastructures.

The Mauritanian Chamber of Commerce, Industry and Agriculture (CCIAM) is one of the national stakeholders that collects, processes and disseminates economic and commercial information for the benefit of companies and investors in Mauritania. The CCIAM department in charge of business support is working to develop suitable tools for this purpose. They could thus contribute to better advice and guidance for entrepreneurs and investors, both national and foreign, in synergy with the Single Window for Businesses and APIM's Investment Analysis and Monitoring Department, which centralize data on business start-ups as well as statistics on investment projects approved under the Investment Code.



# SECTOR-SPECIFIC CONCERNS

## IMPLEMENTATION OF THE LOCAL CONTENT BILL

In 2022, the Ministry of Petroleum, Mines and Energy launched the process of formulating a national local content strategy for the extractive sector (CLE). The development of the CLE strategy followed a multi-stage consultative process involving all public and private sector stakeholders, culminating in a national validation workshop held on June 28, 2022. The National Strategy for the Creation of Local Content in the Extractive Industry Sector (SNCLE) has set itself the following objectives: i) To increase the supply of goods and services to mining and oil operators by “local companies” (as defined by the CLE Strategy, i.e. companies controlled by Mauritians and those creating added value in Mauritania); ii) To improve the employability and competitiveness of Mauritians in the extractive industries, to encourage their hiring and promotion at all levels (technicians, senior technicians and managers); iii) Strengthen the capacities of all national stakeholders in the wake of the extractive industry, in particular the administration and public enterprises; iv) Increase the benefits of the extractive sector by integrating it with other sectors of the economy; v) Ensure the development of transferable capacities that can be used sustainably in the economy, beyond the extractive sector, to ensure diversification and reduce dependence on the extractive industries.

Following its validation, the Ministry began implementing the priority actions identified by this strategy:

- Preparation of the Local Content Bill and its implementing regulations in line with the guidelines of the National Strategy for Content Creation of
- Local Content in the Extractive Industry Sector “SNCLE”. The Local Content Law will be drawn up in consultation with stakeholders, including the private sector. The law is currently being drafted, with the final deliverable expected before the end of 2023.
- The design and implementation of a capacity-building program for local companies is currently underway, and could benefit from financing support from the World Bank, the African Development Bank and international companies active in the mining and hydrocarbons sector. The program will be implemented over a period of 3 to 6 years.
- The design and implementation of a Training Upgrade Program will focus in particular on vocational training, in line with the SNCLE recommendations. In particular, this program aims to strengthen talent profiles and certify training programs. The program is currently being designed and will be implemented over 3 to 4 years.

In addition to these priority actions, the Ministry has initiated the process of setting up a zone dedicated to energy services, based at the Port Autonome de Nouakchott and called Energy Services Zone of Nouakchott (ESZN). This project could have a significant impact on local content and job creation. The study for the recruitment of an investor in this zone is underway, with the aim of selecting the operator before March 2024.

The CCIAM plans in its 2023-2028 mandate to make a concrete contribution to the development of local content in productive sectors, particularly in the extractive industries. To this end, it has identified two areas of intervention, focusing on :

- Development of an upgrading and certification program for national companies;
- The provision of appropriate training to build the capacity of human resources working in national companies, particularly in new sectors.



## CONCLUSION

The strong mutuality between improving the business climate and attracting investments is obvious. Indeed, an economy benefiting from a favorable business climate, when economically open and politically stable, must also demonstrate an efficient, transparent, and effective regulatory system, along with the availability of infrastructure that facilitates economic activities.

Thus, the matrix resulting from the recommendations of the HICM holds paramount importance in addressing the challenge of improving the business environment of the country and attracting a maximum number of potential investors with the goal of diversifying the economy and increasing growth. The points addressed by the members are regularly monitored and informed by APIM within a matrix summarizing the obstacles expressed by the investors, as well as the actions currently in progress and/or to be followed by the various stakeholders involved, to address them. This matrix is subject to periodic updating and transmitted to the members of the CSIM.

The development, diversification and competitiveness of the private sector is clearly identified as a priority by the Government of the Islamic Republic of Mauritania to reduce the dependence of the national economy on natural resources and imports. Under the impetus of His Excellency the President of the Republic, the Mauritanian Government is determined and committed to continuing the efforts begun.

# APPENDIX: RECOMMENDATIONS FOLLOW-UP MATRIX

POINTS RAISED	RECOMMENDATIONS	ACTIONS /FOLLOW-UP	RESPONSIBILITY	STATUS
<b>I. INVESTMENT PREREQUISITES</b>				
1. Cumbersome administration, especially at central government level, and slow bureaucracy, which hinders project implementation, especially post-approval under the Investment Code	<ul style="list-style-type: none"> <li>▪ Simplification of procedures through digitalization</li> <li>▪ Reinforcement of the availability and collaboration between central administrations</li> <li>▪ Institutional strengthening of APIM</li> <li>▪ Decentralization of chambers of commerce</li> </ul>	<ul style="list-style-type: none"> <li>▪ Digitization of GUE</li> <li>▪ APIM staff recruitment process finalized</li> <li>▪ Designing a joint approach with CCIAM</li> </ul>	APIM MEDD CCIAM MF DGI DGD MTNIMA	<ul style="list-style-type: none"> <li>▪ Digitalization of the Single Window is complete: current obstacles are regulatory: e.g. electronic signature, online payment, etc.</li> <li>▪ The recruitment process for APIM's staff is finished</li> <li>▪ Decentralization of the CCIAM has begun, according to the strategic plan for the 2023-2028 mandate.</li> </ul>

<p>2. Business climate, lack of transparency and justice at the time of litigation, in addition to legal instability</p>	<ul style="list-style-type: none"> <li>▪ Creation of an efficient commercial court with judges trained in business law to settle disputes</li> <li>▪ Competition law and tax predictability</li> <li>▪ Stability of laws guaranteeing property rights, particularly in the land sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Train the justice professionals to business law</li> <li>▪ Investment Code reform</li> <li>▪ Land tenure reform</li> </ul>	<p>MJ MEDD/APIIM MHUAT MSGG Prime Minister’s Office MCIAT</p>	<ul style="list-style-type: none"> <li>▪ Training legal professionals in business law: implemented for 2022-2023; recurring actions.</li> <li>▪ The reform of the Investment Code is underway with the IFC and should be finalized before the end of the year: technical committee in place, analysis of the current code completed, process of recruiting the firm to draft the new code underway.</li> <li>▪ A joint communication from the MHUAT, the MIDEDEC, MF, and the MA has been made regarding the essential land tenure security for urbanization, modernization of agriculture, acceleration of rural development efforts, and the opening of the agricultural sector to investments.</li> <li>▪ A joint commission has been established under the guidance of the Minister of Finance. Its mission is to translate the recommendations into a practical action plan. This effort will focus on three major pillars: conducting an overall assessment, reforming the land management system, and guiding the revision of existing legislative and regulatory texts in the field of land tenure.</li> <li>▪ the MCIAT passed a law on freedom of pricing and competition. The aim is to specify the provisions relating to freedom of pricing and to define the rules of freedom of competition in such a way as to guarantee the general equilibrium of the market for businesses.</li> </ul>
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<p>3. Low supply in terms of road, port and telecommunications infrastructure compared with the rest of the subregion</p>	<ul style="list-style-type: none"> <li>Improvements road and port infrastructures, internet and mobile network access</li> </ul>	<ul style="list-style-type: none"> <li>Development and monitoring of road and port PPP projects</li> <li>Strengthening the regulatory authority and its transparency</li> <li>Regular evaluation of the regulatory authority's work</li> </ul>	<p>MEDD MET Regulatory Authority DGPPP</p>	<ul style="list-style-type: none"> <li>The Nouakchott-Boutilimit highway project, under a Public-Private Partnership (PPP) arrangement, has reached the procurement phase.</li> <li>Several projects are planned by MTNIMA, including :             <ul style="list-style-type: none"> <li>The second submarine cable project</li> <li>A local fiber optic loop of Nouakchott (Loop local of Nouakchott)</li> <li>An intercity fiber network linking cities (National Backbone)</li> </ul> </li> </ul>
<p><b>II. FINANCIAL CONCERNS</b></p>				
<p>4. Access to financing for VSEs and SMEs reduced by the lack of land guarantees required by financial institutions</p>	<ul style="list-style-type: none"> <li>Set up incentive schemes for banks, such as a venture capital fund, a guarantee fund and an investment fund, to encourage them to expand their range of services.</li> <li>Establishment of a sovereign wealth fund for sectors with high added value and significant future cash flows</li> <li>Agricultural bank to boost the sector's dynamism</li> </ul>	<ul style="list-style-type: none"> <li>Acceleration of the effective implementation of the guarantee fund created since May 04, 2020.</li> </ul>	<p>MF BCM MEDD</p>	<ul style="list-style-type: none"> <li>Effective implementation of the guarantee fund :             <ul style="list-style-type: none"> <li>Between January and May 2023: Release of 62.05% of the capital</li> <li>June 2023: Signature of a memorandum of understanding with the African Guarantee and Economic Cooperation Fund (FAGACE)</li> <li>July 2023: Meeting of the first Board of Directors of the FGM for the election of its President.</li> <li>August 2023: The Board of Directors formed a management committee composed of three fund directors</li> </ul> </li> <li>The Terms of Reference (TOR) of the Agricultural Bank are being developed: The Ministry of Agriculture is seeking funding to carry out the study via a partnership with the World Bank</li> <li>The Agricultural Bank's Terms of Reference (TOR) are currently being drawn up: the Ministry of Agriculture is seeking funding to carry out the study via a partnership with the World Bank.</li> </ul>

<p>5. Unclear framework for SMEs and lack of technical and financial skills among VSEs and SMEs</p>	<ul style="list-style-type: none"> <li>▪ Frame definition for SMEs and VSEs</li> <li>▪ Supporting SMEs in arranging financing for their projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Startup Act: creating a legal framework for VSEs and startups</li> <li>▪ Strengthening GUE and diversifying its services</li> </ul>	<p>MF MCIAT MTNIMA MEDD/APIM MJ</p>	<ul style="list-style-type: none"> <li>▪ The Startup Act Bill is finalized and adopted by Cabinet on September 06, 2023.</li> <li>▪ The Single Window has been modernized: a guidance and orientation service is now available to entrepreneurs seeking information on formalizing their activities. Training sessions have been organized for staff, and a counter dedicated to women entrepreneurs has been set up. GUE has taken part in a number of national economic events to raise awareness of business start-ups and the procedures to be followed.</li> </ul>
<p><b>III: TAX CONCERNS</b></p>				
<p>6. High fiscal pressure without appeal mechanisms and lack of predictability, transparency, clarity and accessibility to information</p>	<ul style="list-style-type: none"> <li>▪ A law on competition and tax predictability</li> <li>▪ Broadening tax base, notably through a gradual integration in the informal sector</li> <li>▪ Decentralization of GUE</li> <li>▪ Facilitating the payment of tax obligations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Setting up a system for settling disputes with the DGI</li> <li>▪ Setting up an independent body to challenge tax decisions in the event of litigation</li> <li>▪ Formalizing the informal sector</li> </ul>	<p>MJ MEDD MF/DGI MTNIMA MEDD/APIM</p>	<ul style="list-style-type: none"> <li>▪ The General Tax Code offers several avenues of appeal:             <ul style="list-style-type: none"> <li>» Prior appeal to tax authorities</li> <li>» Appeal to a joint commission (taxpayer, tax consultant, employers)</li> <li>» Legal appeal</li> </ul> </li> <li>▪ A department dedicated to formalizing the informal sector has been set up in the Ministry of the Economy and Sustainable Development, with APIM's collaboration to step up formalization efforts.</li> </ul>

**IV: HUMAN CAPITAL CONCERNS**

<p>7. Problem of availability of qualified labor and access to data &amp; uncertainty regarding the implementation of the local content law</p>	<ul style="list-style-type: none"> <li>▪ Investing more in training to bring it up to multinational standards</li> <li>▪ Focus on women's training and access to the job market</li> <li>▪ Availability of sector-specific data, especially during the prospecting phase</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update the professional training programs of the MFPT</li> <li>▪ Creation of a database of qualified, competitive technicians on the job market</li> <li>▪ Sector data updates</li> <li>▪ Follow-up to the Local Content Act</li> </ul>	<p>MEDD/ANSADE MPEM MFPT/MEFP MESRS</p>	<ul style="list-style-type: none"> <li>▪ Local content law under development</li> <li>▪ ANSADE conducts regular surveys and produces quarterly economic outlook reports.</li> <li>▪ APIM has set up a Project Targeting and Implementation Department, whose main objective is to set up a project bank and a database.</li> <li>▪ APIM produces regular sectoral factsheets</li> <li>▪ The Ministry of Higher Education and Scientific Research (MESRS) has adopted a policy in favor of investment in vocational training. This policy includes:             <ul style="list-style-type: none"> <li>» Guiding new high school graduates toward local and international vocational training programs.</li> <li>» Enhancing professionalization at existing higher education institutions by increasing the enrollment of students in professional programs and creating new vocational training courses.</li> <li>» Establishing new higher education institutions in the fields of extractive industries, energy, fisheries, agriculture, and livestock</li> </ul> </li> <li>▪ TECHGHIL agency has launched an internship program in several public establishments for the training of graduates.</li> </ul>
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**V: SECTOR-SPECIFIC CONCERNS**

<p>8. International crisis context leading to supply chain disruptions.</p>	<ul style="list-style-type: none"> <li>▪ Reducing imports</li> <li>▪ Implementation of sectoral strategies supported by an attractive investment code that encourages high value-added activities</li> <li>▪ Setting up a development framework for the inland fishing and fish farming sector</li> <li>▪ Establishment of Opportunity Zones (Special Economic Zones) as a model for development clusters, with incentives for the creation of small-scale industrial units of transformation of products, including in the agro-pastoral sector</li> <li>▪ Strengthen partnerships with ECOWAS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refine the policy country's investment</li> <li>▪ Investment Code reform</li> <li>▪ Agricultural blocks</li> <li>▪ Strengthen partnerships with ECOWAS</li> </ul>	<p>MAECME MA MEDD/APIM MCIAT MPEM</p>	<ul style="list-style-type: none"> <li>▪ As part of the revision of the Investment Code, an Investment Policy Letter (IPL) will be drawn up by the government, focusing on the country's investment strategy.</li> <li>▪ The reform of the Investment Code should be completed by the end of 2023.</li> <li>▪ Project to work with the Ministry of Finance on an order giving the Ministry of Agriculture greater prerogatives in terms of land allocation for agricultural blocks.</li> <li>▪ With a view to strengthening its partnership with ECOWAS, Mauritania signed and ratified an association agreement and began applying the ECOWAS common external tariff on January 8, 2020. The entry into force of this association agreement depends on the ratification of all ECOWAS member states.</li> </ul>
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## APPENDIX 2: ACTION PLAN 2023-2024

■ completed
 ■ in progress
 ■ not started
 ■ proposed action

Actions	Responsibles	Status	Actions to take	Deadlines
1. Digitization of the single window	APIM		<ul style="list-style-type: none"> <li>Coordinate with MTINIMA for the operationalisation of the electronic signature</li> <li>Coordinate with BCM for the operationalisation of online payment</li> </ul>	<p>Q2 2024</p> <p>Q4 2024</p>
2. Finalisation of the APIM staff recruitment process	APIM		<ul style="list-style-type: none"> <li>Continue to train staff</li> </ul>	continuous action
3. Design of a joint approach with CCIAM	CCIAM - APIM		<ul style="list-style-type: none"> <li>Involve CCIAM in the work of the CSIM secretariat</li> </ul>	continuous action
4. Training of justice professionals in business law	MJ		<ul style="list-style-type: none"> <li>Continue to train justice professionals</li> </ul>	continuous action
5. Reform of the Investment Code	APIM		<ul style="list-style-type: none"> <li>Finalise the drafting of the Investment Code</li> <li>Present the draft of the Investment Code to Cabinet Meeting</li> <li>Work towards the adoption of the Investment Code Bill at Parliament</li> </ul>	<p>Q4 2023</p> <p>Q4 2023</p> <p>Q1 2024</p>
6. Land system reform	MHUAT MIDEC MF MA		<ul style="list-style-type: none"> <li>Revise the existing legislative and regulatory texts in the field of land tenure.</li> <li>Adapt and optimize the institutional framework for land governance, bringing public services closer to users.</li> <li>Establish an effective mechanisms for recording and protecting the rights of individuals, including those of communities holding rights in accordance with current legislation.</li> <li>Create an ad-hoc commission responsible for monitoring and implementing the recommendations.</li> </ul>	<p>Q4 2024</p> <p>Q4 2024</p> <p>Q4 2024</p> <p>Q4 2024</p>

7. Development and monitoring of road and port PPP projects	MET DGPPP		<ul style="list-style-type: none"> <li>Follow the work of the Technical Committee for the Support of the DGPPP</li> <li>Finalise feasibility studies</li> </ul>	Q4 2023 Q4 2024
8. Strengthen the Regulatory Authority (RA) and its transparency and evaluate it on a regular basis	AR MTNIMA		<ul style="list-style-type: none"> <li>Develop a capacity building plan in coordination MTNIMA</li> </ul>	Q4 2023 Q2 2024
9. Acceleration of the effective implementation of the Guarantee Fund	BCM		<ul style="list-style-type: none"> <li>Acceleration of the operationalisation of the Guarantee Fund</li> </ul>	Q2 2024
10. Startup Act : creation of a legal framework for VSEs and Startups	MTNIMA		<ul style="list-style-type: none"> <li>Working towards the adoption of the Investment Code Bill at parliament</li> </ul>	Q4 2023
11. Strengthening the single window and diversifying its services	APIM		<ul style="list-style-type: none"> <li>continue to train staff</li> </ul>	continuous action
12. Establishment of a mechanism that can rule on disputes with the Tax Office (DGI) & establishment of an independent body in the event of litigation to be able to contest tax decisions	MF		<ul style="list-style-type: none"> <li>Involve the private sector in the formulation and operationalisation of reforms</li> <li>Capacity building for the staff of DGI to be able to deal with litigation of large companies</li> </ul>	Q4 2023 Q2 2024
13. Formalisation of the informal sector	MEDD/APIM MF		<ul style="list-style-type: none"> <li>Continue the steps initiated at MEDD and APIM</li> </ul>	Q3 2024
14. Update the professional training programs of the MEFP and MFPT	MEFP MFPT		<ul style="list-style-type: none"> <li>Continue the steps initiated</li> </ul>	continuous action
15. Creation of a database of qualified and competitive technicians on the job market	MEPT		<ul style="list-style-type: none"> <li>Refine the database content</li> <li>Ensure the adequacy of the database with the needs of the labor market"</li> </ul>	Q4 2023 Q1 2024

16. Updating sectoral data	ANSADE APIM CCIAM		<ul style="list-style-type: none"> <li>Continue regular update</li> </ul>	continuous action
17. Monitoring the adoption of the local content bill	MPEM		<ul style="list-style-type: none"> <li>Finalise the drafting of the bill</li> <li>Present the bill to Cabinet Meeting</li> <li>Work towards the adoption of the bill at Parliament</li> </ul>	Q4 2023 Q4 2023 Q4 2023
18. Refine the country's investment policy	APIM		<ul style="list-style-type: none"> <li>Finalise the drafting of the Investment Policy Letter (IPL)</li> <li>Present and have the IPL approved by Cabinet Meeting</li> </ul>	Q4 2023 Q4 2023
19. Establishment of agricultural blocks	MEDD MA		<ul style="list-style-type: none"> <li>Continue the geographical mapping of agricultural blocks</li> <li>Set up a platform providing data on the blocks, accessible to private operators</li> <li>Promote the blocks to private investors</li> </ul>	continuous action Q2 2024 continuous action
20. Strengthening the partnership with ECOWAS	MCIAT		<ul style="list-style-type: none"> <li>Monitor the ratification by Member States of the association agreement signed by Mauritania</li> </ul>	continuous action
21. Strengthening the institutional anchoring of APIM	MEDD APIM		<ul style="list-style-type: none"> <li>Present the performance diagnosis of Investment Promotion Agencies (IPA) in the sub-region</li> <li>Propose the institutional anchoring of APIM to the Presidency, like the countries of the sub-region with efficient IPAs</li> </ul>	Q4 2023 Q1 2024
22. Introduce a sectoral focus to the agenda of the next HICM meetings	MEDD APIM		<ul style="list-style-type: none"> <li>Include in the agenda of the next HICM meeting a focus on a priority sector</li> </ul>	Q3 2024
23. Initiate an "Investor Bulletin"	MEDD APIM		<ul style="list-style-type: none"> <li>Edit a newsletter on the country's economic news and current projects, intended for HICM members</li> </ul>	Quarterly newsletter [start date: Q1 2024]



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# REPORT

## IMPLEMENTATION OF THE RECOMMENDATIONS

FROM THE HIGH INVESTMENT COUNCIL  
OF MAURITANIA

September 2023



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