

Morocco National Committee for Business Environment

by

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1- Background and Context

After a decade of various reforms aiming at promoting investment and improving business climate, Morocco decided to consolidate its efforts and initiatives in this regard. Thus, under the National Pact for Industrial Emergence signed in 2009 between the Moroccan government and the private sector, represented by the confederation of Moroccan enterprises (CGEM) and the professional association of Moroccan banks (GPBM), it was agreed to put in place a public-private authority in charge of coordinating reforms related to the business environment.

To be assisted in this project, the Government requested the World Bank to analyze the inter-ministerial existing committees and provide a platform with the legal, institutional and procedural requirements for the creation of such authority.

The National Committee for Business Environment (CNEA), headed by the Prime Minister, currently, the Head of Government, was then institutionalized by Decree No. 2-10-259 of 29 October 2010.

2- Partnership, Structure and Processes

Partnership

CNEA is institutionally under the chairmanship of the Head of Government, which ensures full collaboration of different stakeholders and facilitates the decision making process. It's composed of representatives of both the Public Administration and private actors, including:

- ✓ All the Ministries concerned by the promotion of business environment (Ministry of finance, Ministry of the Interior, Ministry of Industry and Trade, etc) ;
- ✓ The President of the General Confederation of Enterprises of Morocco "CGEM";
- ✓ The President of the Federation of Moroccan Chambers of Commerce, Industry and Services "FCMCIS";

- ✓ The Higher Planning Commission "HCP";
- ✓ The Governor of Bank Al-Maghrib (Central Bank);
- ✓ The President of the Anti-Corruption Committee "ICPC";
- ✓ The President of the Professional Group of Banks in Morocco "GPBM";
- ✓ Etc.

- **Structure**

The "CNEA" is supported by the following bodies:



- The Permanent secretariat's function is to coordinate the whole process of the committee, set agendas, manage communication, provide methodological and technical support to all actors of the reform and be a point of contact for other stakeholders who want to submit suggestions or to join the PPD. From its set up, the Permanent Secretariat was ensured by the Ministry of General Affairs, in charge among other things, of coordinating issues that are of interest to more than one line ministry. Recently, in the sake of more efficiency and in order to speed up the decision making process, it has been decided, to locate the Permanent Secretariat within the Head of Government Office.

- The Technical Committee's function is to facilitate the role of the secretariat by providing the technical approval of the working groups.

- For each reform included in the action plan, a working group is created and chaired by the department that is the most concerned by the reform. Working groups meet more frequently than the technical committee, with the attendance of a permanent member of the secretariat.

Mandate

- To prepare the annual program with prioritized measures of improving the business environment;
- To coordinate the efforts of the Government to ensure effective implementation of the adopted measures;
- To institutionalize public-private dialogue and engage the private sector in identifying priority reforms;
- To develop a communication strategy to raise awareness of local and international investors regarding reforms initiated by Morocco;
- To assess the impacts of reforms through quantitative indicators.

3- Results so far

In addition to the fact that the reforms and measures adopted in the framework of CNEA have had a direct and positive impact on the Moroccan private sector, they have also contributed to improve the country's attractiveness to foreign investments and Morocco's ranking in international reports dealing with the business environment, such as "Doing Business".

As an illustration, since the implementation of the committee in 2009 **Morocco has improved its ranking in Doing Business report by 57 places, from the 128th place in 2009 to the 71th in 2014.**

Among the most important reforms and measures that have been taken, we can mention the following:

- Facilitating the process of starting a business by reducing the time, cost and number of procedures and giving up the minimum capital requirement;
- Simplifying procedures of registering property, paying taxes and trading across borders (Introduction of e- payment / E- statement ...);
- The approval of the General Regulation of Construction and implementation of one stop shop for issuing construction permits ;
- Implementation of an alert mechanism against administrative abuses involving all stakeholders (Ministry of Justice , Moroccan Instance Anti-corruption ...)
- The review of regulation (decree) on payment delays in order to help companies to cope with the treasury problems that they face;
- Adoption of a legal framework for self-employed;
- Implementation of The business unique identifier (ICE) and a legal framework on the Public Private Partnership.

4- Expected Results

In the continuity of reforms established, the committee, chaired by the Head of Government, approved in February 2015 its action plan for 2015, which was developed jointly with the private sector and by taking into consideration the recommendations and conclusions of a series of workshops organized about various topics related to the business environment, in which participated a large number of experts from various sectors and institutions involved within the public and private sectors.

Among the most important reforms and measures planned for 2015, we can mention the following:

- Implementation of the online starting business system;
- Implementation of an electronic payment of duties and customs taxes;
- Review of the Investment Charter to clarify the benefits granted to investors and existing investment opportunities;
- Implementation of a Single Window Operation of International Trade,
- Set-up electronic platforms of data exchange (registering property and construction permits); and
- Establishment of an electronic platform designed to ensure transparency, simplification and enforceability of 5 administrative procedures for businesses.

Moreover, on the organizational side, a set of projects have been launched to streamline , the PPD process and make it more efficient, including the implementation of new methods of functioning, the management of relationship with partners, and the development of a communication strategy.

5- Private Sector Growth Component

The private sector is at the heart of this platform, and is the primary beneficiary of the legal, regulatory or procedural reforms that are undertaken. These reforms are mainly focused on streamline and transparency of administrative procedures, shorter delays and lower costs. All these reforms had a positive impact on the Moroccan private sector. This has been reflected mainly through the GDP growth in Morocco, the flow of FDI, the number of new businesses created etc.

The private sector is involved in all phases of the reform through the various bodies of the Committee:



- ✓ The diagnosis of the situation of the business environment;
- ✓ The identification and selection of projects to carry out reforms (legislation, dematerialization, simplification);
- ✓ Participation in working groups alongside the relevant departments for the implementation of the reforms; and
- ✓ The feedback of information on their operational field through performance indicators.

To enhance the contribution of the private sector, starting this year, we have extended the scope of its participation in the Committee by including other professional orders (notaries, architects, accountants) and associations.

Biographies of Authors:

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Mr Thami ELMAAROUFI is Advisor to the Head of Government, in charge of monitoring the government program and improving the business environment.

Previously Mr ELMAAROUFI was head of different services in charge of the financial sector for 16 years within the Ministry of Economy and Finance.

Mr Thami ELMAAROUFI holds an Engineer of State Degree in Software engineering from National School of Computer Science and Systems Analysis (ENSIAS) and a diploma of higher studies in management from a Higher Institute of Commerce and Business Administration. He has also a Diploma of Graduate Studies from the Technical Institute of Banking (Conservatoire National des Arts et Metiers in Paris).

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As a project officer for the Head of Government, Mrs Sara Boukhobza is a member of the Permanent Secretariat of the National Committee for Business Environment. Previously, she has worked in the investment-banking sector in Qatar.

Mrs Sara Boukhobza holds a bachelor degree from both the higher institute of management (ISCAE- Morocco) and Rouen Business School in France, She holds also a master degree in Finance from the University of Paris 2-France, and she is preparing now another master degree in Islamic Finance at the International University of Rabat-Morocco.

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As a project officer for the Head of Government, Mr Hamid KHAIL is a member of the Permanent Secretariat of the National Committee for Business Environment. Previously, he worked on different missions in the private sector (internal audit, management control, taxes...).

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