

Morocco



The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at www.revenuewatch.org/rgi.

Background

Morocco is the world's largest phosphate exporter and holds three-quarters of global phosphate reserves. Other natural resources include copper and silver, and the extractive sector as a whole accounted for 13 percent of total exports in 2010. Given the prominence of phosphates and the specificity of the industry's legal framework, the RGI has limited its assessment to the phosphate sector.

Morocco	2000	2005	2011
Population (million)	28.79	30.39	32.27
GDP (constant 2011 international \$ billion)	47.3	67.4	100.2
GDP per capita, PPP (constant 2005 international \$)	2,915	3,508	4,373
Extractive exports (% total exports)	12%	11%	13%

SOURCES: World Bank. Extractive exports 2011 data from 2010.

Morocco's Performance on the RGI

Morocco received a "partial" score of 53, ranking 25th out of 58 countries. Morocco received mediocre scores on all components, demonstrating an overall lack of effective resource governance.

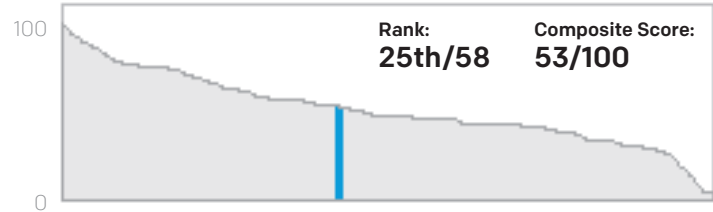
Institutional and Legal Setting

(Rank: 45th/58 Score: 48/100)

Morocco's "weak" score of 48 is due to an incomplete regulatory framework and insufficient disclosure policies.

Morocco grants licenses to foreign extractive companies in other sectors, but the Office Cherifien des Phosphates Group (OCP), a state-owned company, has a monopoly of the phosphates industry and holds all mining rights.

The government publishes mining legislation online. The 2011 Constitution affirms the right to access information but there is no freedom of information act. Environmental impact



assessments are required before a project can begin, but are not usually published.

The Energy and Mines Ministry regulates the phosphate industry. The Finance Ministry collects taxes and dividends from OCP. However, OCP's financial balance is not consolidated with the public sector balance, and revenues allocated for social projects are not deposited in the treasury.

Reporting Practices

(Rank: 19th/58 Score: 60/100)

Morocco provides comprehensive data on some revenue indicators, but no information on others, leading to a "partial" score of 60.

The Finance Ministry publishes annual reports with information on production volumes, prices, the value of resource exports, estimates of investment in exploration and development, production costs, production data by block, and production stream values, but data on dividends are not disaggregated by sector. The Energy and Mines Ministry publishes similar information, but does not include prices or dividends. The central bank publishes some aggregated figures on the phosphates sector.

Safeguards and Quality Controls

(Rank: 28th/58 Score: 56/100)

Morocco received a "partial" score of 56, the product of poor government oversight despite attempts to improve accountability.

The National Audit Office is legally required to examine OCP's accounts, but has never done so. The office does publish audits of ministries' financial statements and reports annually to parliament, although there is no specific legislative committee that scrutinizes resource revenues. The new Constitution and the 2012 Code for Good Governance Practices of State Enterprises require that an independent external auditor reviews state-owned companies.

Enabling Environment

(Rank: 23rd/58 Score: 42/100)

Morocco received a “weak” score of 42, reflecting poor performance on measurements of budgetary openness, democracy, and accountability.

State-Owned Companies

(Rank: 12th/45 Score: 75/100)

OCP is entirely government-owned. It publishes comprehensive reports on its operations and subsidiaries, including data on phosphate production volumes, prices, the value of exports, estimates of investment in exploration and development, production costs and quasi-fiscal activities. Information on taxes is not disaggregated and it is not possible to reconcile the OCP’s figures with those published by the Finance Ministry.

Morocco’s Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
25	COMPOSITE SCORE	53
45	Institutional and Legal Setting	48
	Freedom of information law	33
	Comprehensive sector legislation	67
	EITI participation	0
	Independent licensing process	..
	Environmental and social impact assessments required	50
	Clarity in revenue collection	67
	Comprehensive public sector balance	17
	SOC financial reports required	100
	Fund rules defined in law	..
	Subnational transfer rules defined in law	..
19	Reporting Practices	60
	Licensing process	..
	Contracts	0
	Environmental and social impact assessments	0
	Exploration data	50
	Production volumes	100
	Production value	100
	Primary sources of revenue	100
	Secondary sources of revenue	0
	Subsidies	0
	Operating company names	..
	Comprehensive SOC reports	100
	SOC production data	86
	SOC revenue data	50
	SOC quasi fiscal activities	100
	SOC board of directors	100
	Fund rules	..

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	..
	Subnational transfer rules	..
	Comprehensive subnational transfer reports	..
	Subnational reporting of transfers	..
28	Safeguards and Quality Controls	56
	Checks on licensing process	33
	Checks on budgetary process	44
	Quality of government reports	56
	Government disclosure of conflicts of interest	100
	Quality of SOC reports	50
	SOC reports audited	67
	SOC use of international accounting standards	100
	SOC disclosure of conflicts of interest	0
	Quality of fund reports	..
	Fund reports audited	..
	Government follows fund rules	..
	Checks on fund spending	..
	Fund disclosure of conflicts of interest	..
	Quality of subnational transfer reports	..
	Government follows subnational transfer rules	..
23	Enabling Environment	42
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	55
	Open Budget (IBP Index)	28
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	30
	Government effectiveness (WGI)	49
	Rule of law (WGI)	50

■	Satisfactory	■	Weak
■	Partial	■	Failing