



# Mauritania

Population <sup>1</sup>	4,403,319
Area (km <sup>2</sup> ) <sup>1</sup>	1,030,700
GDP per capita (USD) <sup>1</sup>	1,600.87
TES (Mtoe) <sup>2</sup>	N/A
Energy intensity (toe/10 <sup>3</sup> 2015 USD) <sup>2</sup>	N/A
CO <sub>2</sub> emissions - energy (MtCO <sub>2</sub> ) <sup>3</sup>	4.0

Data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021<sup>4</sup>

Target industry	Number of projects and deals	Project CapEx and deal value (million EUR) by source country
Extraction of natural gas and crude petroleum	1 new project	United States of America: 1 project of 4 mEUR

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO<sub>2</sub> Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.
4. Orbis Crossborder Investment (2021), Bureau Van Dijk. Mauritania is the destination country of the investment. Data represents the period 1 April 2015 - 1 April 2021 (accessed on 1 July 2021). For more information see Annex II of this report.

Mauritania’s overall risk level against the assessed areas is **moderate**.

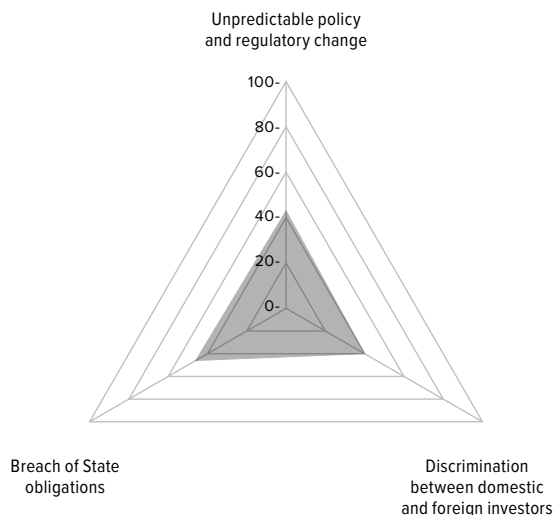
Of the three risks assessed in EIRA, *discrimination between domestic and foreign investors* is lower compared to *unpredictable policy and regulatory change* and *breach of State obligations*.

Mauritania’s performance is good on two of the EIRA indicators, and it is moderate on two indicators. *Regulatory environment and investment conditions* is the highest-scoring indicator at 63, followed closely by *management of decision-making processes* at 62. The country’s score on the indicator *foresight of policy and regulatory change* is 55, while on *rule of law* it is 54.

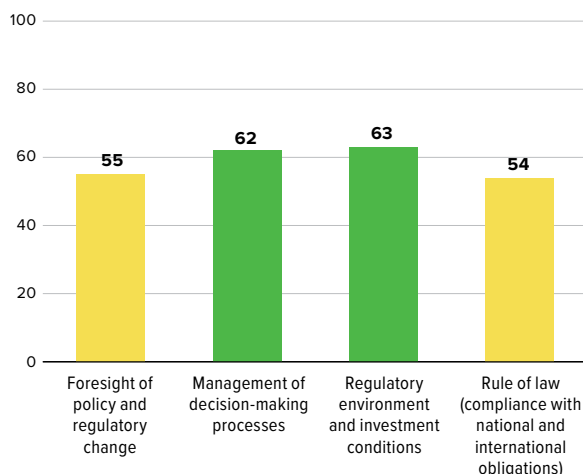
On a more detailed level, Mauritania’s overall sub-indicator performance is moderate. The highest-scoring sub-indicator is *management and settlement of investor-State disputes* at 75, followed by *robustness of policy goals and commitment* and *institutional governance*, both at 69. On *restrictions on FDI* and *regulatory effectiveness*, it has a score of 65 and 61, respectively. Its score is 56 on *transparency* and 42 on *communication of vision and policies*. The lowest-scoring sub-indicator is *respect for property rights* at 33.

While there are some policies and measures in place, more concrete steps must be taken to strengthen Mauritania’s performance across all indicators and underlying sub-indicators. Particular attention must be given to reinforcing the respect property rights.

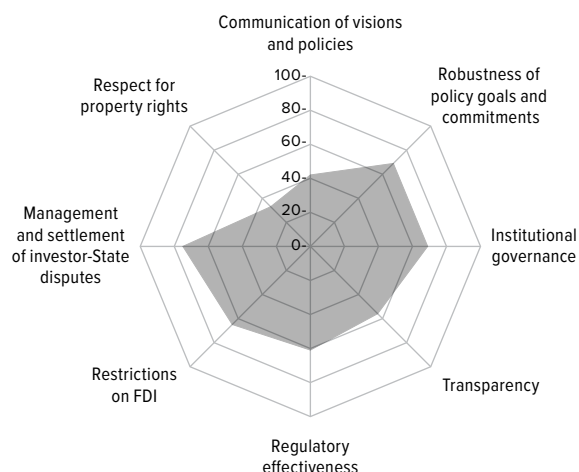
### RISK LEVEL



### INDICATOR PERFORMANCE



### SUB-INDICATOR PERFORMANCE



## Foresight of policy and regulatory change

### QUICK FACTS

The Accelerated Growth and Shared Prosperity Strategy (SCAPP) for 2016-2030 describes the Government's vision for socio-economic development.

Mauritania signed the Paris Agreement in 2016 and submitted its NDC.

### STRENGTHS

The SCAPP sets a roadmap to achieve the country's aspiration of becoming a modern and market-driven economy. Its implementation is intended through a series of five-year action plans (2016-2020, 2021-2025, and 2026-2030). Mauritania seeks to exploit its natural resources fully to secure universal energy access for its population and reduce its dependence on imported oil. In 2014, the Government launched the Banda Gas to Power project to limit electricity generation from heavy fuel oil and improve the financial condition of the national electricity company, Société Mauritanienne d'Electricité (SOMELEC), by lowering the power generation costs. A dual power plant (fuel/gas) of 180 MW and the infrastructure needed to export electricity to Senegal and Mali have already been constructed. Moreover, a pre-feasibility study for a 250 MW combined cycle gas plant in the Ndiago area has been launched. The country's largest photovoltaic power plant is located in Toujounine, with a capacity of 50 MW, while the construction of a 100 MW wind farm in Boulenouar was recently completed.

The Inter-ministerial Steering Committee (CIP-SCAPP) is in charge of the policy monitoring process. It reports on the SCAPP action plan's implementation using a list of indicators that provide decision-makers with relevant data to make the necessary adjustments and rectify any deviations. The annual reports on the progress achieved are disseminated to officials, citizens and other stakeholders.

### AREAS FOR IMPROVEMENT

The Government is trying to transition from its current extractive industry-dominated growth model to a more diversified and sustainable one. Therefore, this is an appropriate moment to develop a national renewable energy policy that defines the country's goals in this area and identifies the means to achieve these. Such a policy would ensure the continuity and sustainability of actions while giving certainty to participants in the renewable energy market. Moreover, the Government may consider creating a national fund dedicated to promoting renewable energy and implementing stable and transparent legislation to reduce financial risks and lower the cost of renewable energy projects.

The development of a renewable energy strategy should be accompanied by energy efficiency measures, including quantifiable targets, mandatory audits and penalties for large energy users, savings incentives for commercial users and the public sector, and financing mechanisms for energy efficiency activities.

## Management of decision-making processes

### QUICK FACTS

The Ministry of Petroleum, Mines and Energy (MPME) frames and implements the national policy in the petroleum, energy and mining sub-sectors.

The Ministry for Environment and Sustainable Development is responsible for developing and implementing the National Sustainable Development Plan.

Law no. 2017-006 was enacted in 2017 (last amended in 2021) to regulate PPP projects (Law on PPP).

### STRENGTHS

In recent years, the Government has paid closer attention to its PPP regime. Following the promulgation of the Law on PPP, the Government set up an inter-ministerial committee to coordinate governmental action and approve public infrastructure to be funded through the PPP model. It also created a technical support committee to prepare an annual action plan for future PPP projects and ensure its execution. The Government has developed a network of sectoral focal points within ministerial departments to improve the implementation of the National Sustainable Development Plan and to introduce climate change mitigation and adaptation measures systematically into all sectoral activities. The Office of Promotion of the Private Sector was created under the 2012 Investment Code to promote investment and review proposals submitted by prospective investors.

In its first year of office, the Government has prioritised strengthening transparency in public finances and fighting corruption. The Ministry of Economy and Finance is trying to establish a modern system to manage the State's income and expenditure by networking with other institutions, training key actors, and through digital exchange of information. According to the third EITI validation of October 2020, Mauritania has made meaningful progress on a number of deliverables, such as developing a mining cadastre map portal for the Mining Directorate that provides up-to-date information on mining licences, production, and exports. The Public Procurement Regulatory Authority informs the public through its annual reports about the efficiency and reliability of the national procurement system and the controls it exercises over public contracts. Additionally, it provides the Government with its binding opinion on draft laws and regulations falling within its competence and work areas.

### AREAS FOR IMPROVEMENT

The Government may consider including in its transparency agenda the creation of a legal framework on public accountability and access to information. This framework should consolidate the requirement that all public authorities make legal and regulatory information available in a holistic and timely fashion. Moreover, it should guarantee the engagement of interested parties during the initial stages of the policy-making process.

## Regulatory environment and investment conditions

### QUICK FACTS

The MPME promotes and regulates the production, import and export, transport, storage, and commercialisation of hydrocarbons.

The Multi-sectoral Regulatory Authority (ARM) was established under Law no. 2001-18. Its functions and obligations are stipulated in this Law and Law no. 2001-19 Introducing the Electricity Code.

Last updated in 2012, the Investment Code encourages foreign direct investment by guaranteeing equal treatment and facilitating administrative procedures.

### STRENGTHS

The ARM is a legal entity with administrative and financial autonomy. It has the right to set the management rules for its staff. The members of its National Regulatory Council (NRC) are appointed for a fixed mandate. Independent auditors monitor the ARM's accounts. The ARM submits its audit report at the end of every financial year to the President of Mauritania, the Prime Minister of the Government and the Court of Audit's President.

In 2021, the Government completed its sixth and final review under the International Monetary Fund's (IMF) Extended Credit Facility from 2017 to 2021. According to the IMF Executive Board, Mauritania's performance has been strong on indicators such as growth, fiscal balances, debt, and foreign exchange reserves. The 2012 Investment Code offers incentives such as free land and preferential taxation to three categories: small and medium enterprises, free export zones/clusters of development, and targeted industries, including renewable energy. Tax exemptions are also included in the Hydrocarbons Law as amended in 2015. Interested companies must enter into a Production Sharing Contract (PSC) with the State to undertake oil and gas exploration and production activities. A model PSC developed by the Government serves as the basis for negotiations. Depending upon the agreed contractual terms, the State may grant the investor an exclusive exploration right and an exclusive production right in case of a discovery. The MPME may enter into a PSC only after deliberation of the Council of Ministers and the contract's publication in the Official Gazette.

### AREAS FOR IMPROVEMENT

The ARM should be granted greater functional independence. Currently, its role is primarily of a consultative nature since crucial regulatory tasks, such as tariff setting, are exercised by the MPME. Moreover, the Government's involvement in appointing the members of the ARM's NRC may be reduced because such practices unnecessarily compromise the latter's decision-making powers.

## Rule of law

### QUICK FACTS

Mauritania ratified the Washington Convention on the Settlement of Investment Disputes Between States and Nationals of Other States in 1966.

Mauritania acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1997.

Law no. 2000-06 of 18 January 2000 Introducing the Arbitration Code applies to domestic and international arbitration and is based on the UNCITRAL Model Law.

### STRENGTHS

The Justice Reform Support Programme is an integral part of the SCAPP. The Programme's immediate objective is to improve access to justice by establishing a transparent, effective and credible judicial system. In 2020, the Government introduced a simplified procedure for small claims, setting a time frame for judicial proceedings and limiting adjournments. Moreover, Law no. 2019-020 Amending and Supplementing Certain Provisions of the Code of Civil, Commercial and Administrative Procedures regulates mediation in commercial disputes. The International Centre of Mediation and Arbitration of Mauritania (CIMAM), envisaged in the 2012 Investment Code, became operational in 2020. It enjoys a legal personality as well as financial and administrative independence. One of its main tasks is to promote alternative means of dispute resolution through mediation, raising awareness, and training.

The national laws guarantee property rights against expropriation. Over the past years, the Government has undertaken commendable efforts to set up a digital land registration system. The Land Registry Agency provides information regarding property titles, mortgages and tax-related matters. It also performs due diligence before making a final title transfer. Mauritania is a member of the African Organisation of Intellectual Property. In joining the latter, it has agreed to establish uniform implementation procedures for a number of international agreements, including the Paris Convention for the Protection of Industrial Property, the Washington Treaty on Patents, and the Vienna Treaty on the Registration of Trade Names.

### AREAS FOR IMPROVEMENT

Since Mauritania gained its independence, there has only been a single case involving the expropriation of foreign investment. However, legal protection of private property will be reinforced if the relevant domestic legislation defines the term "public interest" as grounds for expropriation and outlines a time-bound procedure for paying compensation in such cases.