

Oil Exploration and Development in Western Sahara

- In 2006, Dallas-based Kosmos Energy acquired rights to conduct exploration activities in the Cap Boujdour permit area under a petroleum agreement with the Government of Morocco's Office National des Hydrocarbures et des Mines (ONHYM).
- Kosmos operates the Cap Boujdour license with 55 percent equity and is joined by its partners ONHYM (25 percent) and Capricorn Exploration and Development Company Limited, a wholly owned subsidiary of Cairn Energy PLC (20 percent).
- Located approximately 170 kilometers offshore in 2,135 meters of water, the CB-1 well was drilled on plan to a total depth of 5,700 meters at a net cost to Kosmos of approximately \$85 million.
- On March 2, 2015, Kosmos announced that the CB-1 exploration well located in the Cap Boujdour permit area had yielded a discovery of non-commercial hydrocarbons, and that the well would be plugged and abandoned.
- Andrew G. Inglis, chairman and chief executive officer of Kosmos, indicated that the company would undergo further analysis of its seismic data and then decide whether a second exploration well would be built.

Oil exploration is just one of many ways Morocco is investing in Western Sahara.

- The economic and social development of the Sahara has been a priority for Morocco for the past three decades. Since 1976, the Moroccan government has committed over 20 billion dirhams (approximately \$2.5 billion) to infrastructure and capacity building in the South.
- In March 2002, King Mohammed VI established The Agency for the Promotion and Social and Economic Development of the Southern Provinces of the Kingdom to oversee the development of the territory.
<http://www.lagencedusud.gov.ma/download/Programme-de-developpement/12%20Prog%20dev%20Fr.pdf>
- For the 2004-2008 period, the Southern Development Agency was granted 7.2 billion dirhams (approximately US \$900 million) for 226 development projects along 7 development axes: housing and urban development, fisherman villages and markets, water and environment, roads and infrastructure, tourism and craftsmanship, agriculture and breeding, surveys and feasibility studies.
<http://www.lagencedusud.gov.ma/download/Programme-de-developpement/12%20Prog%20dev%20Fr.pdf>

- Several urban and rural communities in the south have also been specifically targeted by the National Human Development Initiative (INDH), established in 2005 to combat poverty and promote the conditions for social development throughout the country.
http://www.ondh.ma/pdf/RapportFR_Chap1-2-3.pdf
- The population of the southern provinces also benefits from tax breaks, low-cost or free housing, and subsidies on basic commodities.¹
- The commitment of the government has significantly transformed the three provinces of the Sahara. In 1975, the region had the lowest rating for human development in the country and nearly 50% of the population of the Sahara ranked below the poverty line and illiteracy was prolific. Today, Western Sahara's human development rating ranks among the highest in the country, as do its rates for education, health, literacy, and access to infrastructure. In 20 years, poverty diminished 66%, two times faster than at the national level.
<http://www.lavieeco.com/economie/15465-sahara-le-rapport-qui-na-jamais-ete-publie.html>
- The provinces now have two airports, four maritime ports, 10,000 km of roads, and a connectivity rate of 82% and 81% for water and electricity, respectively. Completed projects include the sea water desalination plant in Laâyoune, the Laâyoune power station, Dakhla harbor, and a new telecommunications station. This is in addition to the wide-array of government buildings, health care facilities, stadiums, mosques, schools, libraries, theaters, and cultural centers that the government has built in the region to improve the quality of life for the population.
<http://www.lagencedusud.gov.ma/download/Problematique-generale/06%20Probl%20Gen%20Fr.pdf>
<http://www.jeuneafrique.com/Article/ARTJAJA2551p078.xml0/-amenagement-du-territoire-infrastructure-Sahara-urbanisme-Sahara-l-amenagement-des-cites-du-Sud.html>
<http://www.lagencedusud.gov.ma/download/Synoptique/15%20Synoptique%20Ang.pdf>

Morocco has taken an inclusive and holistic approach to development in Western Sahara.

- In November 2012, King Mohammed VI charged the Economic, Social, and Environmental Council (CESE) with developing a regional development model for the Southern Provinces to: boost the economy; promote culture and social cohesion; consolidate the fight against poverty; ensure effective protection of the environment and sustainable development; and define responsible, inclusive governance. The CESE undertook an assessment of the level and quality of access to basic human, economic, social, cultural, and environmental rights in the southern provinces.
<http://www.ces.ma/Documents/PDF/Web%20Rapport%20Effectivite%20des%20droits%20VEng%2003052013.pdf>

¹ Thobhani, Akbarali. *Western Sahara Since 1975 Under Moroccan Administration: Social, Economic, and Political Transformation*. New York: Edwin Mellen Press, 2002, p. 105.

- Over the course of 2013, CESE held meetings with more than 1,500 individuals, including elected officials, central and regional government authorities, civil society representatives, and trade union and business leaders, to develop recommendations for promoting economic growth, responsible governance, and greater local decision-making in the Southern Provinces.
- Several key recommendations adopted in December 2013 to implement this new model include:
 - The creation of regional bodies for consultation and civil dialogue in an effort to bring all stakeholders into decision making processes;
 - Investment promotion and the creation of a business hub linking the Maghreb and Sub-Saharan Africa in order to create 120,000 new jobs and double the region's GDP over the next 10 years;
 - A conditional cash transfer system targeting the most vulnerable populations to improve social safety nets;
 - Infrastructure development, including the strengthening of port, maritime, and air transport networks as well as electronic communications networks, to improve access to the provinces; and
 - Advanced regionalization through the transfer of power to elected local and regional officials.

Toward these ends, the CESE called for an investment of 140 billion dirham (approximately \$17 billion) over 10 years.

<http://www.ces.ma/Documents/PDF/Synthese-NMDPS-VAng.pdf>

<http://www.aujourd'hui.ma/maroc-actualite/focus/140-milliards-de-dirhams-en-dix-ans-106099.html>

In reality, Western Sahara has limited natural resources.

- Fertile land for agriculture is limited to just 1.2% of the total land; the regions of Sakia El Hamra and Oued Eddahab face severe climactic challenges, including drought and desertification; and there is increasing evidence that fishing resources are dwindling.

<http://www.lagencedusud.gov.ma/download/Problematique-generale/06%20Probl%20Gen%20Fr.pdf>
- The most common misperception regarding resources in the Sahara region is that it is “phosphate-rich.” Phosphates are mined by the OCP Group, and the Phos-Boucraâ subsidiary represents approximately 6% of total phosphate sales for the OCP Group. The Sahara region contains only 1.6% of Morocco's known phosphate reserves.

<http://www.ocpgroup.ma/sites/default/files/filiales/document/Phosboucraa-website-en.pdf>
- The OCP Group has invested more in local economic and social development than it has received from phosphate revenues. All revenues are reinvested in maintaining and developing the Boucraa mine and supporting regional social and economic activities.
 - The mine is the single largest private employer in the Sahara region.
 - Over 78% of new hires are from the area and nineteen of the top executives including the leader of Phos-Boucraâ are from the Sahara region.

- OCP has spent millions on social, environmental, health, cultural, and job skills projects.
- OCP has allocated \$250 million for the societal development of the region over the next ten years (2013-2022), prioritizing youth employability programs, poverty reduction, health, and education.
- Over the same period, OCP allocated \$140 million for social infrastructure projects.

<http://www.ocpgroup.ma/sites/default/files/filiales/document/Phosboucraa-website-en.pdf>

For more information, visit <http://www.moroccoonthemove.com>