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Implementation of the Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part

2023 Report on the impact and benefits for the population of Western Sahara of the extension of tariff preferences to products originating in Western Sahara

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SUMMARY

This report (2023 Report) concerns the impact of the Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (hereinafter referred to as ‘the Agreement’). It takes the form of an update of the previous annual reports published on 23 December 2020 (2020 Report¹), 22 December 2021 (2021 Report²) and 13 January 2023 (2022 Report³), while avoiding repeating the information set out in those previous reports.

As in previous reports, the 2023 report also assesses the compliance of the information exchange mechanism established under the Agreement. It incorporates the most recent statistical data shared by the Kingdom of Morocco and information gathered during the technical visit of the Commission and the European External Action Service to Western Sahara in December 2023 and during interviews with non-governmental organisations and stakeholders in Western Sahara. The period considered for the updated economic data corresponds to the year 2022. The socio-economic data are from 2022. The main findings of the 2023 report are set out below.

1. Functioning of the statistical data mechanism

As part of the implementation of the Agreement in the form of an Exchange of Letters, in 2020 the Kingdom of Morocco set up a statistical data platform on products originating in Western Sahara which are exported to the European Union. This platform is operational and provides access to Morocco’s most recent official statistics on exports to the EU. The database is managed by Morocco.

2. Impact of the Agreement on the people of Western Sahara

In order to assess the impact of the Agreement in the form of an Exchange of Letters, the European Union and the Kingdom of Morocco agreed to exchange information on an annual basis. On the basis of that exchange of information and further analyses carried out by the European Commission, the assessment of the impact of the Agreement on the population of Western Sahara confirms the same trends as those observed in previous reports, i.e. a direct impact concentrated in a small number of agricultural and fishery products.

2.1. Trade impact

Agriculture and fisheries are still the only two sectors exporting to the EU. No new sector developed export activity to the Union in 2022. Compared to 2021, the area of land under cultivation has remained stable, and the volume of fish landed has increased. In 2022, 203 000 tonnes of products originating in Western Sahara were exported to the EU, down compared to 2021 (212 700 tonnes), but still an increase compared to the 100 000 tonnes exported before the application of the Agreement. The value of exports from Western Sahara to the EU amounts to EUR 590 million (MAD 6.410 billion⁴). As in previous years, products

¹ 2020-report-benefits-preferential_access.pdf (europa.eu).

² 2021 Report on the benefits for the people of Western Sahara on extending tariff preferences to products from Western Sahara (europa.eu).

³ 2022 Report on the benefits for the people of Western Sahara on extending tariff preferences to products from Western Sahara (europa.eu)..

⁴ Average exchange rate in 2022.

are not exported directly from Western Sahara to the EU but are packed in packaging stations in Agadir; certain fishery products are transported by road to the north of Morocco for export to the Union.

The implementation of the agreement saved EUR 44.4 million in customs duties in 2022, on EUR 590 million in exported products, despite a decrease in the value of seafood exports (due to fluctuations in market prices). The European market remains the main destination market for these products. In 2022, 82 % of tomatoes and melons harvested in Western Sahara were destined for the European market (compared to 85.3% in 2021); some 60% of seafood landed is intended for the European market, according to estimates by Morocco. Major operators in the agriculture and fisheries sectors have since 2019 developed an export market for products with high added value. These products, which are complementary and competitively priced, meet the demand of the European market.

2.2. Impact on socio-economic development

The number of jobs has increased since 2021: it is estimated that the Agreement generates direct employment for more than 49 000 people in Western Sahara (+ 7 000 compared to 2021), which represents just over 18% of the territory's active population.

For operators not belonging to these sectors of activity, in the absence of other categories of product exported to the Union, the Agreement seems to have more of an indirect bearing on their choice to invest in Western Sahara. Morocco offers certain incentives to encourage investment in Western Sahara, in particular in the form of public funding and an almost total exemption from all forms of direct or indirect taxation for people and businesses established in the territory. These measures are part of Morocco's policy of sustainable development in Western Sahara, which includes the establishment of desalination stations and the use of renewable energy sources to extend the area of cultivable land and create new employment opportunities, for example.

3. Impact of the Agreement on the use of natural resources

Access to water for irrigation remains the main challenge for the territory. The European Commission has not been able to determine the volume of water in the aquifers that can be used for irrigation purposes. However, Morocco has introduced measures prohibiting the excavation of new wells in order to limit the further expansion of agricultural land dependent on groundwater. Indeed, the land area of Western Sahara used for agriculture has hardly increased since 2019 (from 900 ha to 936 ha in 2022 in Dakhla-Oued Ed-Dahab and remaining at 400 hectares in Laâyoune-Sakia El Hamra).

Drought over recent years has been an overarching problem, exacerbated in the desert areas by very low rainfall. Morocco is aware of the water stress in Western Sahara and has taken measures to address it by investing hundreds of millions of euros in the development of water desalination projects in the territories concerned. Seventy-five per cent of locally produced desalinated water will be reserved for irrigation of the 13 000 hectares of new agricultural land that is expected to be created by 2030, according to plans announced. Work is under way to build wind farms that would sustainably power the desalination stations.

4. Fundamental rights

The Commission and the European External Action Service (EEAS) consider that the EU's

pragmatic approach, in particular the trade agreements for imports of products from Western Sahara, and the efforts of the Kingdom of Morocco are conducive to a better socio-economic environment in the territory. The EU's approach is also part of the EU's continuing commitment to support UN efforts to find a lasting, realistic, pragmatic, sustainable and mutually acceptable political solution to the Western Sahara question.

1. Introduction

1.1. Purpose and content

The aim of this report is to assess the impact of the implementation of the Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco⁵ on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (hereinafter referred to as ‘the Agreement’).⁶ Under the Agreement, products originating in Western Sahara which are subject to control by the customs authorities of the Kingdom of Morocco benefit from the same trade preferences as those granted by the European Union to products originating in Morocco covered by the Euro-Mediterranean Agreement.

In line with the European Parliament’s request to the Commission and the European External Action Service (EEAS) calling on them to closely monitor the implementation and impact of the Agreement and to present their conclusions regularly to the European Parliament,⁷ the assessment will consider the impacts of the Agreement on the people of Western Sahara, the potential benefits for the people concerned, and the impact on the territory’s natural resources.

The report incorporates the latest statistical data shared by Morocco, as well as information from other sources, including that obtained during the technical visit of the European Commission and the European External Action Service to Western Sahara in December 2023. It also includes information provided during interviews and exchanges of information with non-governmental organisations and stakeholders present in Western Sahara. The report assesses the compliance of the information exchange mechanism established under the Agreement and takes stock of respect for human rights in the territories concerned. It responds to the questions and comments of the European Parliament upon presentation of the 2022 report.

As regards trade data, the period covered corresponds to the year 2022. Comparisons have been made with previous years, in particular with the data from the 2018 report⁸ in order to give an overview of outcomes over a period of several years, as well as the previous period before the Agreement entered into force. The socio-economic data cited relate to the year 2022 and are sometimes based on indicative data.

The importance of the UN-led process on the Western Sahara was taken on board in the preparation of the report. Account was also taken of the fact that, although the Council Decision on the conclusion of the Agreement was annulled by the judgment of the General Court of the European Union of 29 September 2021, since the judgment states that the Agreement remains applicable until pending appeals are resolved, it remains relevant and valid to present this

⁵ AGREEMENT - in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (europa.eu)

⁶ EUR-Lex - 22000A0318(01) - EN - EUR-Lex (europa.eu)

⁷ Resolution P8_TA (2019) 001, points 28 and 29, adopted on 16 January 2019 (europa.eu)

⁸ 2018 report [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0346R\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0346R(01))

periodic report on the impact of the Agreement in the meantime⁹.

The report also describes the latest judicial and procedural developments.

1.2. Information sources

The main tool for the preparation of this report, as foreseen in the Agreement, was an annual exchange of information with Morocco with a view to assessing the impact of the Agreement¹⁰. The specific arrangements for this assessment exercise were adopted by Decision No 1/2020 of the EU-Kingdom of Morocco Association Committee of 16 March 2020¹¹. Information from other sources has also been used¹².

In addition, the Commission and the EEAS contacted a wide range of entities and civil society organisations¹³ within their capabilities, extending the list of respondents compared to previous

⁹ Judgments in Case T-279/19 and in Joined Cases T-344/19 and T-356/19 *Front Polisario v Council*. On 16 December 2021, the European Commission and the Council of the European Union appealed against those judgments. A request for a preliminary ruling has also been made to the Court of Justice (Case C-399/22 *Confédération paysanne*). The questions referred concerned the import into the European Union of cherry tomatoes and melons originating in Western Sahara and their labelling. The hearings took place on 23 and 24 October 2023, and the conclusions of the Advocate-General will be delivered on 21 March.

¹⁰ This report contains information provided by Morocco and therefore includes references to Morocco. This is because large parts of the territory are currently administered by Morocco, and therefore only the Moroccan authorities are able to ensure compliance with the rules necessary for the granting of these preferences and possess first hand information about the territory. This means that these references are without prejudice to the European Union's position on the status of Western Sahara and do not in any way constitute recognition of Morocco's territorial claims over Western Sahara (Western Sahara remains a non-self-governing territory which is distinct from Morocco according to the case law of the Court of Justice of the European Union in Cases C-104/16 P and C-266/16).

¹¹ OJ L 98, 31.3.2020 <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:22020D0468>

¹² For example, discussions with the interested parties, the digital archives of the regional directorates of the High Planning Authority of Laâyoune-Sakia El Hamra and of Dakhla-Oued Ed-Dahab, and a visit to Rabat, Casablanca, Laâyoune and Dakhla from 12 to 14 December 2023.

¹³ The European Commission and the EEAS contacted the following associations and groups:

- Conseil national des droits de l'homme (National Human Rights Council)
- Commission africaine indépendante pour les droits de l'homme (CIDH Africa - Independent African Commission on Human Rights)
- Confédération générale des entreprises du Maroc (CGEM - General Confederation of Moroccan Enterprises)
- Observatoire du Sahara pour la paix et la démocratie et les droits de l'homme (Sahara Observatory for Peace and Democracy and Human Rights)
- Association saharienne pour le développement durable et la promotion de l'investissement (ASDI - Saharan Association for Sustainable Development and Investment Promotion)
- La ligue du Sahara pour la démocratie et les droits de l'homme (LSDDH) (Saharan League for Democracy and Human Rights)
- Polisario Front*
- Western Sahara Resource Watch (WSRW)*
- Collectif des défenseurs sahraouis des droits de l'homme (CODESA - Association of Sahrawi human rights defenders)*
- Confédération syndical des travailleurs sahraouis territoire occupé du Sahara occidental (CSTS – Trade Union Confederation of Sahrawi Workers' Occupied Territory of Western Sahara)
- Western Sahara is not for sale (WSNS)
- Bilaterals.org
- Front Line Defenders (FLD)*
- Organisation Marocaine des Droits Humains (OMDH - Moroccan Human Rights Organisation)
- EuroMed Rights

years. Various representative organisations were selected on the basis of several criteria, including inclusiveness and diversity of views and awareness of the situation on the ground. They were invited to provide relevant information on the impact of the agreement on the population and on the use of natural resources. This information could be submitted in writing or at a virtual meeting. Three of these entities shared some information¹⁴, while five other organisations disagreed with the purpose and process of this report and expressly stated that they refused to participate in or contribute to its preparation¹⁵.

From 12 to 14 December 2023, a delegation comprising representatives of the European Commission and the European External Action Service went to Rabat, Casablanca and Western Sahara for a technical visit. The visit was organised by the Moroccan authorities, at the request of the European Commission, taking into account the Commission's request to meet certain parties relevant for the establishment of this report.

On the day in Rabat, the EU delegation met with representatives of the Moroccan authorities (Department of Agriculture, Ministry of the Interior, Morocco FoodEx) and with representatives of the CGEM to ask questions about the information gathered so far.

During the visits to Laâyoune and Dakhla, the European Commission talked with various local stakeholders, including representatives of the Moroccan government in the region, representatives of the regional council and the regional investment centre, engineers, farmers and cooperative leaders. The feedback gathered during this technical visit was also used in the preparation of this report.

2. Operation of the Agreement

2.1. The information system set up by Morocco

In its non-legislative resolution of 16 January 2019¹⁶, the European Parliament asked the Commission 'to ensure that a mechanism will be put in place for Member States' customs authorities to have access to reliable information on products originating in Western Sahara and imported into the EU, in full compliance with EU customs legislation.' It stressed that such a mechanism would 'make available detailed and disaggregated statistical data provided timely on such exports'. The European Parliament also called on the European Commission to 'present to Parliament an annual assessment of the conformity of this mechanism with

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- Coordination européenne pour le soutien et la solidarité avec le peuple sahraoui (EUCOCO - European coordination for support and solidarity with the Sahrawi people)*
 - Commission régionale des droits de l'Homme de la région de Dakhla-Oued Eddahab (Regional Commission on Human Rights of the Dakhla-Oued Eddahab Region)

* These organisations refused to contribute to the report.

¹⁴ CIDH Africa and CSTS, as well as the CGEM during the technical visit in December 2023.

¹⁵ CODESA, Front Polisario, EUCOCO, FLD and WSRW decided not to participate in this exercise in the light of ongoing legal proceedings.

¹⁶ European Parliament non-legislative resolution of 16 January 2019 on the draft Council decision on the conclusion of the agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (10593/2018 – C8-0463/2018 – 2018/0256M(NLE)).

EU customs legislation’.

In 2020, Morocco set up an online platform managed by its Food Export Control and Coordination organization (Morocco Foodex)¹⁷. The European Commission and the customs authorities of the EU Member States have direct access to this platform for consulting all exports to the EU of originating food products covered by the Association Agreement with Morocco, as amended by the exchange of letters. The platform operates on the basis of the criteria applicable to tariff headings and output (origin) at aggregate level.

The information is broken down by month and year, by Harmonised System code, by region, as well as by the value (in Moroccan dirham) and volume (kg) of exports to the EU. The data were transmitted without interruption and within the time limits laid down in the Agreement.

2.2. Control procedures

The origin control procedures are provided for in the Agreement in the form of an Exchange of Letters, which refers to the control procedures of the Association Agreement, and are directly applicable by the customs authorities of the EU Member States.

The control mechanisms are based on the presentation of a proof of origin, which is necessary to claim the tariff preference at the time of import into the EU, as well as on the mechanisms for *a posteriori* verification of origin based on administrative cooperation between the customs authorities of the importing Member State and the customs authorities of Morocco.

The Commission is in regular contact with EU Member States’ customs authorities to assess the application of the Agreement. To date, no cases of refusal of preferences have been recorded with respect to preferences granted under the Agreement in the form of an Exchange of Letters.

3. Impact of the Agreement on the people of Western Sahara

This report examines the impact of the Agreement on the affected populations in two regions of Western Sahara: Laâyoune-Sakia El Hamra and Dakhla Oued Ed-Dahab.

3.1. Impact on trade

With the entry into force of the Agreement, all products originating in Western Sahara benefit from trade preferences equivalent to those granted by the European Union to products covered by the EU-Morocco Association Agreement. The products concerned come from the agriculture and fisheries sectors. In 2022, 203 000 tonnes of produce originating in Western Sahara (129 200 tonnes of seafood and 74 000 tonnes of agricultural products) were exported to the EU, down from the 212 700 tonnes¹⁸ recorded in 2021 but up from around 100 000 tonnes in 2016. By product category, this represents EUR 504 million for seafood, EUR 85.6 million for agricultural products, or a total of EUR 590 million (MAD 6 410 billion). For comparison, in 2021 exports amounted to EUR 604 million for seafood and

¹⁷ Morocco FoodEx is a public body under the Ministry of Agriculture, Maritime Fisheries, Rural Development and Water and Forestry.

¹⁸ 65 700 tonnes of agricultural products and 147 000 tonnes of fishery products.

EUR 77.5 million for agricultural products, i.e. EUR 681 million in total. Imports of products originating in Western Sahara accounted for 0.02 % of total imports into the EU in 2022¹⁹.

The EU is an important export market for Western Sahara²⁰. In 2022, 82 % of niche fruit and vegetable products harvested in Western Sahara were destined for the European market (compared to 85.3% in 2021); some 60% of high quality seafood landed is intended for the European market, according to estimates by Morocco.

Many other sectors are developing in the territories concerned, such as mining (traditional industry, currently on the rise), culture and tourism, aquaculture, and most recently the renewable energy industry (wind, green hydrogen and, to a lesser extent, solar energy). Although phosphate production is an important industrial activity in Western Sahara, no phosphate products originating in Western Sahara are known to be imported into the EU.

3.1.1. Agricultural sector

Development of agricultural exports since the entry into force of the Agreement

In 2022, according to the Moroccan Ministry of Agriculture, 87 000 tonnes of fresh tomatoes (cherry tomatoes, in particular) and Charentais melons were harvested in the Dakhla-Oued Ed-Dahab region, 10 000 tonnes more than in 2021, on a slightly larger area of 936 hectares. Of these 87 000 tonnes produced, 74 000 tonnes were then exported to the EU, or 85% of the regional production of tomatoes and melons.

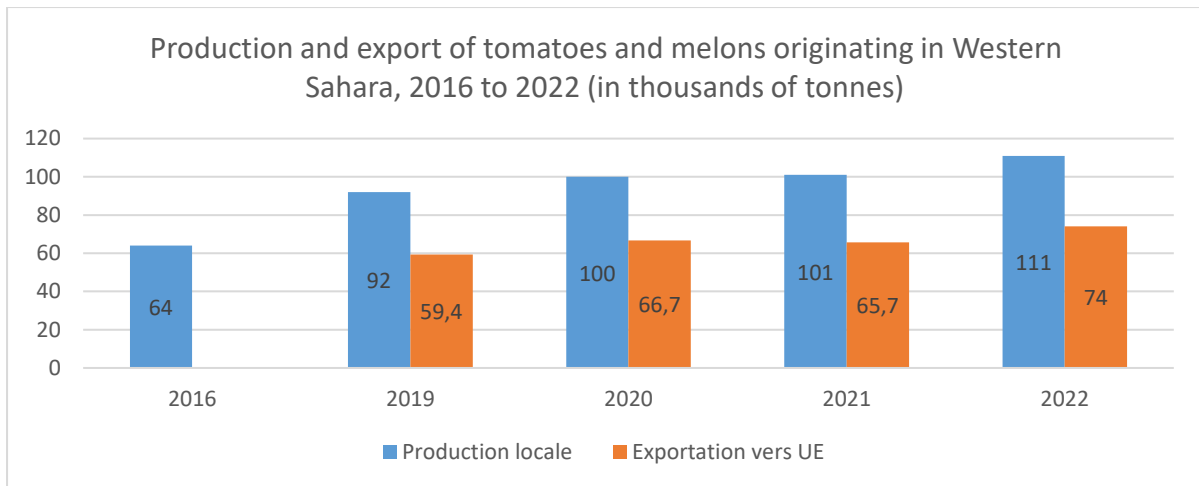
In the region of Laâyoune-Sakia El Hamra, the production of agricultural products remains stable at 24 000 tonnes in 2022, as in 2021 and 2020. These are mainly fodder crops which are not exported to the EU.

In 2022, the value of exports from Western Sahara to the EU amounted to EUR 85.6 million (MAD 932 million), of which EUR 76.9 million for tomatoes and EUR 8.7 million for melons, representing an increase of 11% compared to the EUR 77.5 million (MAD 826 million) recorded in 2021.

Since the entry into force of the Agreement, there has been an increase in local production of around 73.5% (over the period 2016-2022). The volume of exports has increased by 25% compared to 2019, following the growth in local production: in 2022, 74 000 tonnes were exported, compared to 59 400 in 2019. However, exports of melons to the EU decreased by 2 500 tonnes compared to 2021, while tomato exports increased by 10 000 tonnes. In addition, 43 tonnes of peppers were also exported in 2022.

¹⁹ Imports into the EU from the rest of the world in 2022 = EUR 2 987 billion Source: DG Trade statistical guide - Publications Office of the EU (europa.eu), page 14.

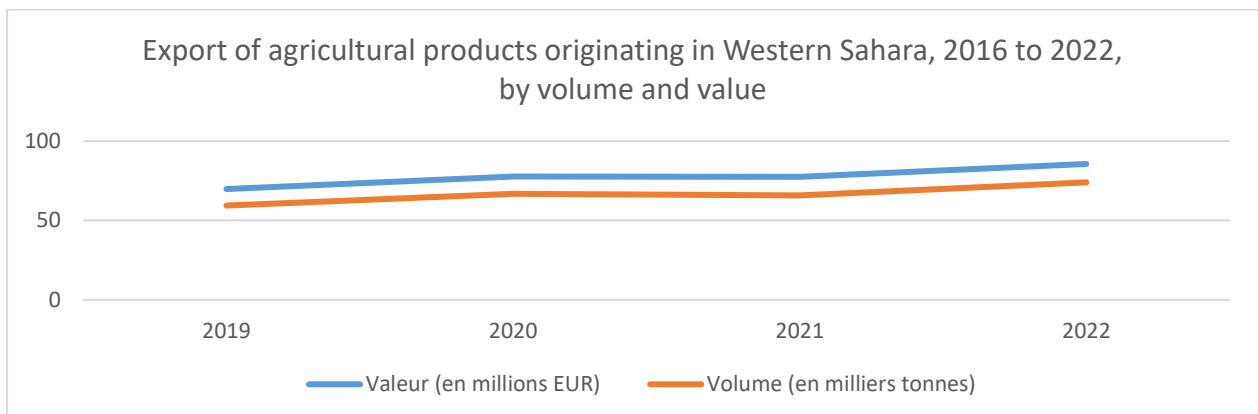
²⁰ Products originating in Western Sahara are also exported to other third countries, including the United Kingdom (tomatoes in particular) and the countries of the Middle East and sub-Saharan Africa.



Key:

Local production Exports to the EU

The value of exports continued to evolve steadily, in line with the increase in export volumes.



Key:

Value (in millions of EUR) Volume (in thousands of tonnes)

Shock resilience

Due to the specific soil and climatic conditions (arid soil combined with relatively mild and stable temperatures over the year), agriculture in the area focuses on niche fruit and vegetables with high added value (fruit and vegetables, in particular cherry tomatoes and Charentais melons) benefiting from an early harvest and sometimes two harvests per year for tomatoes. The COVID-19 pandemic had no significant negative impact on the growth of the sector or on its export potential, as it was compensated for by social support for the unemployed and farmers.

Impact of the 2019 Agreement

The on-the-spot visit revealed that the EU-Morocco Agreement, which extends trade benefits to products originating in Western Sahara, seems to be a decisive factor for incentivising the establishment of large-scale operators seeking to develop export-oriented agricultural activity geared to the demands of the European market. For large-scale operators, savings from customs duty relief on imports make it possible to invest, inter alia, in more efficient and sustainable production methods. The support provided by the Moroccan government to small farmers – including tax breaks, subsidies for the purchase of fertiliser, land sold at symbolic prices, subsidies for irrigation water, vocational training, etc. – seems to have had a decisive effect.

3.1.2. Fisheries

In the territories concerned, various fishing activities are carried out. In 2022, 1 098 000 tonnes of fish products were caught and landed in Western Sahara, with an estimated value of EUR 633 million (MAD 6.889 billion).

In Western Sahara, in processing plants, these landed products are then processed into a wide variety of products ranging from tinned sardines or anchovies to frozen mackerel, octopus, cuttlefish, or sardines, as well as clams, tuna, rock lobster, calamari and fish meal. A limited quantity of fresh fish is exported to the EU (1%).

In 2022, 129 200 tonnes of fish products were exported to the EU with an estimated value of EUR 504 million (MAD 5.478 billion). The exact percentage of local production exported to the EU could not be determined. However, Morocco estimates that around 60 % of the total production of seafood products originating in Western Sahara is exported to the EU.

Landings and exports to the EU of fishery products in 2021 and 2022								
	Landings in 2021		Exports to the EU in 2021		Landings in 2022		Exports to the EU in 2022	
	Volume (tonnes)	Value (in millions of EUR) ²¹	Volume (tonnes)	Value (in millions of EUR) ²²	Volume (tonnes)	Value (in millions of EUR)	Volume (tonnes)	Value (in millions of EUR)
Laâyoune-Sakia El Hamra	371 000	255	59000	219	506 000	283	58 000	199
Dakhla-Oued Ed-Dahab	591 000	374	88 000	385	592 000	350	71 200	305
Total	962 000	629	147 000	604	1 098 000	633	129 200	504

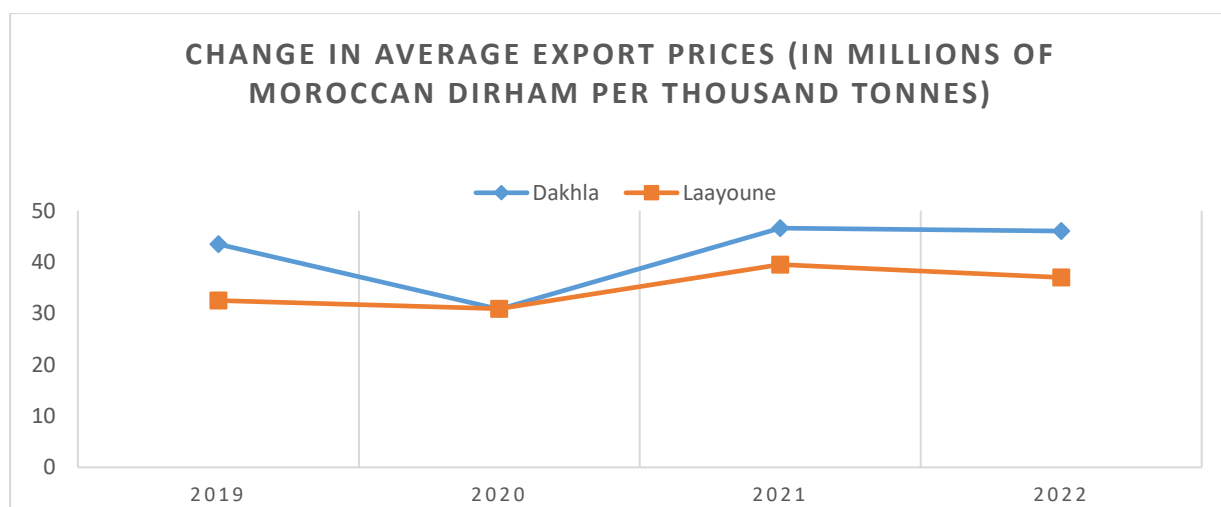
In terms of volume, Dakhla Oued Ed-Dahab's exports to the Union fell from 88 000 tonnes in 2021 to 71 200 tonnes in 2022, a decrease of 19 %. For the region of Laâyoune-Sakia El Hamra, the volume has remained stable compared to 2021.

²¹ Average exchange rate in 2021.

²² Average exchange rate in 2021.

As regards the value of the products, there has been a decrease in the total value of products exported to the Union in the territories concerned. For Laâyoune-Sakia El Hamra, while the volume of exports remained stable, the value of exports to the EU decreased by 10% from 2021 to 2022. Similarly, the value of landings in the ports of Dakhla Oued Ed-Dahab decreased by 16% compared to 2021, while the volume remained stable. This could be explained by market stabilisation following the shocks caused by the COVID-19 pandemic.

It should be noted that this trend appears to be at odds with the general development of overall imports into the EU. In 2022, the value of imports of fishery and aquaculture products into the EU increased by 23 % compared to 2021, reaching the highest value in the last decade. However, despite an increase in value, the volume of these transactions decreased by nearly 2 %, falling below pre-pandemic levels.



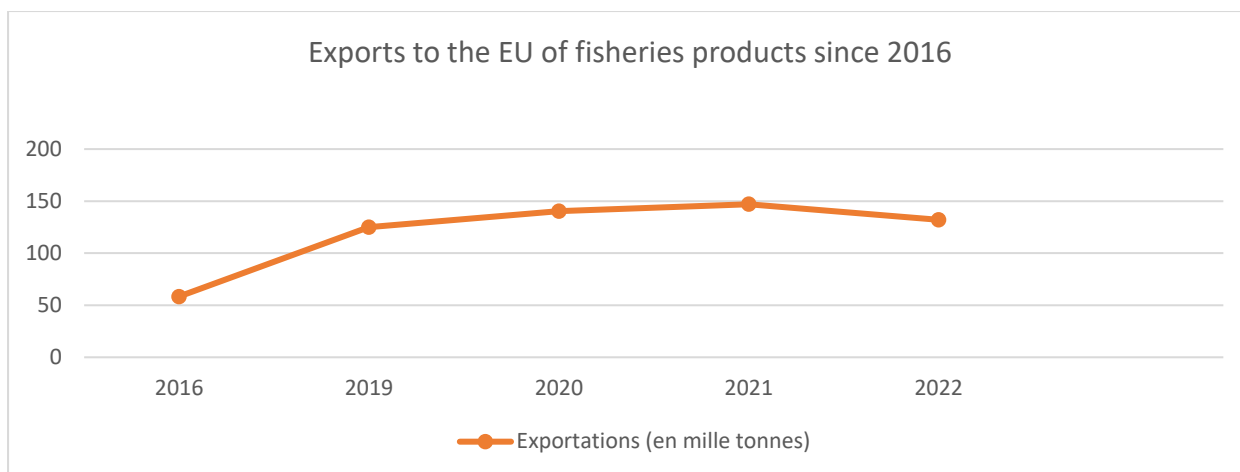
Key:

An analysis of price developments by volume of exported products confirms that:

- In 2019, the average value of fish exported to the EU was MAD 43.47 million/thousand tonnes for products from the Dakhla region and MAD 32.48 million/thousand tonnes for Laâyoune products.
- In 2020, the values fell to MAD 30.8 million/thousand tonnes and MAD 30.9 million/thousand tonnes respectively for Dakhla and Laâyoune.
- In 2021, the value returned to pre-COVID-19 levels, even above the 2019 average, reaching MAD 46.6 million/thousand tonnes for Dakhla and MAD 39.5 million/thousand tonnes for Laâyoune.
- In 2022, prices seem to have stabilised, with a slight drop in the average value of both Dakhla's (MAD 46 million/thousand tonnes) and Laâyoune's (MAD 37 million/thousand tonnes) fish exports.

For 2022, the other factors to be taken into account are the impact of Russia's war of aggression against Ukraine and high inflation in Western Sahara since the beginning of the conflict.

Below is a comparative table showing the development of exports since 2016.



Key:

Exports (in thousands of tonnes)

3.1.3. Savings on customs duties

Agricultural produce

In 2016, it was estimated that EUR 6.6 million in customs duties on imports into the EU could be saved on the entire production of tomatoes and melons originating in Western Sahara (64 000 tonnes).

In 2022, assuming that all agricultural products originating in Western Sahara benefited from tariff preferences when imported into the EU, the savings from duty reliefs were EUR 9.7 million out of EUR 85.6 million of exported products.²³

*Fisheries*²⁴

In 2016, it was estimated that EUR 9.5 million in import duties into the EU could be saved on the total value of seafood originating in Western Sahara (EUR 134 million).

In 2022, customs duty savings amounted to EUR 34.7 million on EUR 504 million of exported seafood, according to estimates.

The implementation of the agreement therefore saved EUR 44.4 million on imports into

²³ For this calculation, the total value of exports of melons and tomatoes was extracted from the data provided by FOODEX. For melons, a normal customs duty of 8.8% (applicable in the EU under the most-favoured-nation clause) is applied. For tomatoes, the unit price was set at EUR 1.17 in 2022, based on the average price of total exports of tomatoes, and the regular customs duty varied from 8.8% to 14.4% depending on the time of year. The duties saved were calculated at a rate of 8.8% for the periods 1 January to 15 May 2022 and 1 November to 31 December 2022; a rate of 14.4% was applied for the period 16 May to 31 October 2022 (because of limitations in the data due to the fact that exports are declared by month, exports in May were assumed to have been distributed evenly throughout the month).

²⁴ Without the application of the tariff preferences, customs duties of 6.9% on average would have been applied to the products concerned.

the EU of products originating in Western Sahara for the year 2022.

3.2. Impact on the socio-economic development of Western Sahara

Based on projections by the High Planning Authority (HCP), in 2022 Western Sahara had just over 600 000 inhabitants, with 193 127 people in the Dakhla-Oued Ed-Dahab region and 412 005 in the region of Laâyoune-Sakia El Hamra, the vast majority of whom live in urban areas (91.5%).²⁵ From the point of view of the Human Development Index (HDI), the territories of Western Sahara are more developed than the regions of Morocco located to the north.

However, the lack of a trained local workforce remains a frequent problem holding back economic activity. This is why the authorities are investing in vocational training e.g. in the areas of agriculture, fisheries and tourism services. Higher education establishments are providing training in the fields of management (financial and business) and technology.

3.2.1. Impact on employment

As this report aims to assess the impact of the Agreement on the economy of Western Sahara, the analysis of the impact on employment focuses on the agriculture and fisheries sectors.

Agriculture sector

Given that no agricultural production in the Laâyoune-Sakia El Hamra region is currently destined for the European market, no agricultural jobs in Laâyoune-Sakia El Hamra are directly dependent on the implementation of the Agreement. In the Dakhla-Oued Ed-Dahab region, according to figures provided by Morocco, up to 14 000 direct jobs are created by the agricultural sector, a figure stable since 2016, despite the impact of the COVID-19 pandemic in 2020 and 2021, and the ricochet effects of Russia's war of aggression against Ukraine in 2022.

Depending on the type of agricultural holding, the type of production and the harvesting period, between 5 and 18 people are employed per hectare of cultivable land. On an agricultural holding visited by the European Commission delegation²⁶, there were between 1 000 and 1 600 farm workers, depending on the period of the harvest, working 300 hectares of cultivated land. These jobs are seasonal and vary according to the growing and planting seasons of the fruit and vegetable products in question.

As 85% of local agricultural production is destined for the European market, it is estimated that around 11 900 jobs are directly linked to the export of products originating in Western Sahara to the EU. For example, out of 85 942 jobs in the Dakhla-Oued Ed-Dahab region in 2022²⁷, up to 11 900 are directly dependent on the trade in agricultural products with the European market, i.e. one in seven jobs.

Fisheries

The fisheries sector and its export activity are a source of employment in the territories

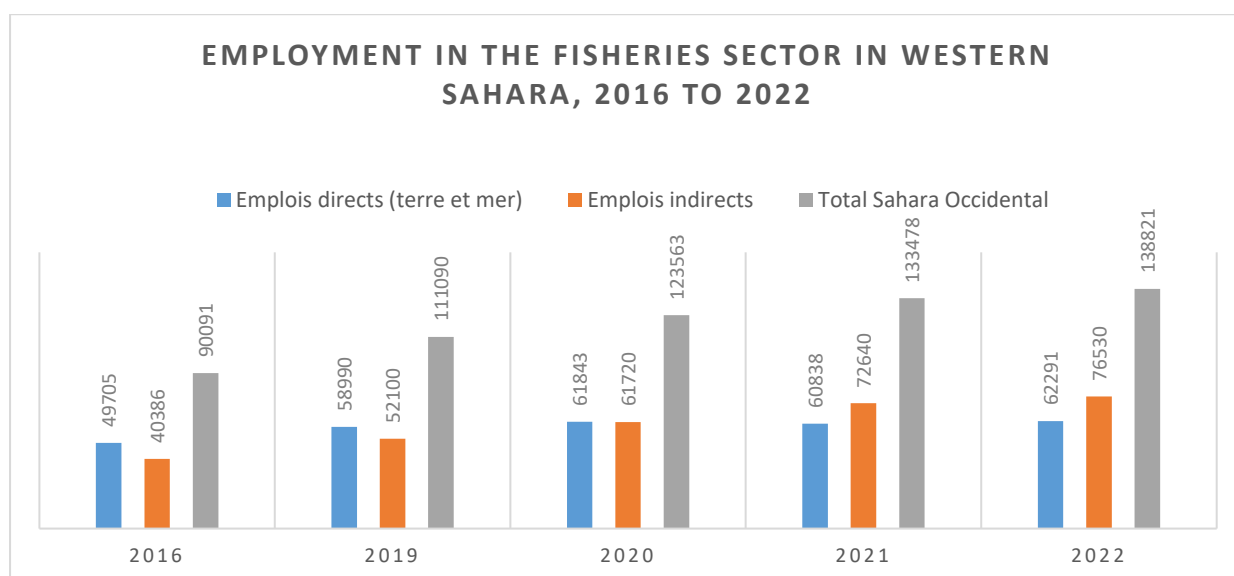
²⁵ In total, out of an estimated population of 605 132 people, 553 969 live in urban areas. Source: Report of the HCP, 'Le Maroc en chiffres' (Morocco in Figures), 2023 (published on 1.11.2023) [Tags](#) | [Downloads](#) | [Institutional website of the High Planning Commission of the Kingdom of Morocco \(hcp.ma\)](#), (p. 14).

²⁶ Technical visit to Dakhla on 13 December 2023.

²⁷ Regional population (193 127) x average activity rate of the territory (44.5%) = 85 941.5.

concerned. Since the 2018 report²⁸, there has been a year-on-year increase in the number of direct and indirect jobs compared to previous years. The number of jobs rose from 90 091 in 2016 to 138 821 in 2022, i.e. overall growth of 54% in six years. The sector recruited an additional 12 000 people over six years for direct jobs at sea and on land (i.e. on fishing vessels and in processing plants).

According to the information available, around 60% of the production of these fisheries establishments is destined for the Union. It can therefore be considered that 83 293²⁹ jobs depend on exports to the EU, including 37 375 direct jobs. Based on new and more recent information, the active population of Western Sahara in 2022 is estimated at 269 284, meaning that one in four jobs is linked to the trade in fisheries products with the EU.



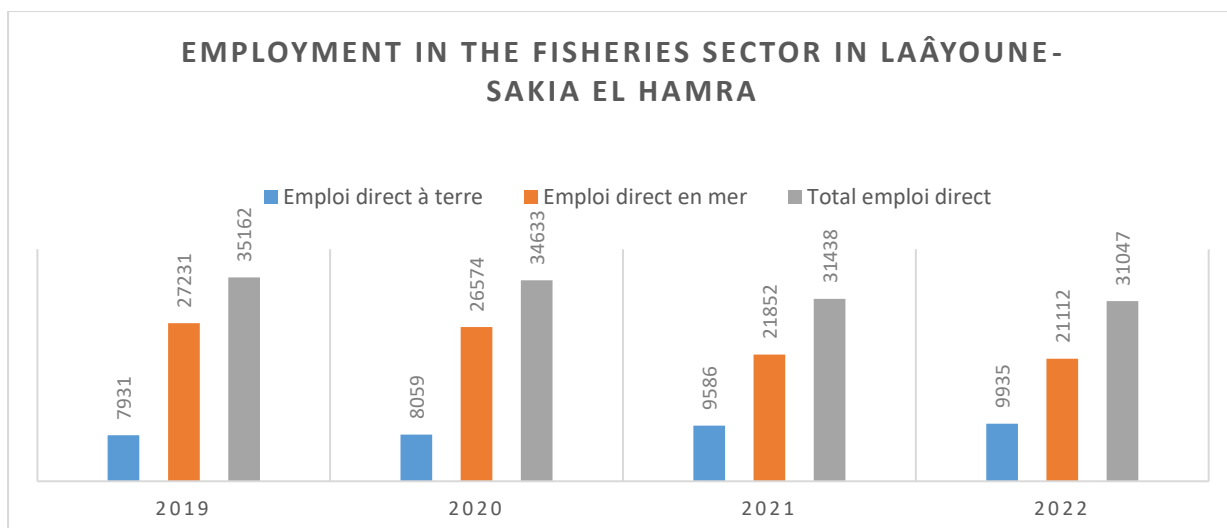
Key:

Direct jobs (land and sea) Indirect jobs Total for Western Sahara

Interestingly, although the total number of jobs in the territories concerned has increased compared to last year (see table above), the number of direct jobs at sea in the region of Laâyoune-Sakia El Hamra decreased between 2019 and 2022, with 27 231 direct jobs at sea in 2019, compared to only 21 112 in 2022 (see table below). Over the same period in the Dakhla-Oued Ed-Dahab region, the number of direct jobs at sea rose from 14 358 in 2019 to 15 669 in 2022.

²⁸ 2018 report: <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:52018SC0346&from=FR>

²⁹ 138 821 (total jobs) x 60% (European market share)



Key:

Direct jobs (on land) Direct jobs (at sea) Total direct employment

As per 31 December 2022, Western Sahara had 146 fish processing establishments authorised to export to the EU in 2022, divided between the two regions.³⁰ This is five more than the 141 establishments identified in 2016. The breakdown by region is as follows:

- Dakhla-Oued Ed-Dahab: 92 institutions in 2022 compared to 89 in 2016;
- Laâyoune-Sakia El Hamra: 54 establishments in 2022, compared to 52 in 2016³¹.

It is normal that the number of processing establishments authorised to export to the EU varies from year to year.

The workforce in the fisheries sector is mainly female, notably in the canning industry (65 to 70 percent of jobs held by women).

At the same time, the EU sectoral support financial contribution under the Fisheries Agreement³² also contributes to the creation of direct and indirect jobs. For example, in Dakhla, sectoral support has helped young entrepreneurs who wanted to develop aquaculture projects by providing them with administrative and technical assistance and by financing the equipment needed to start aquaculture activities (guard ropes, boats, etc.). Supported by the Moroccan National Agency for the Development of Aquaculture, this project will eventually facilitate the integration of 507 young local entrepreneurs, resulting in the creation of 507 direct jobs and

³⁰ Corrigendum: the 2021 report identified 181 establishments authorised to export to the EU. A verification of the number of authorised establishments on 31 December 2021 found that in fact 146 authorised establishments were identified.

³¹ TRACES-NT Platform (European Commission, DG SANTE)

The information concerning the region of Laâyoune-Sakia El Hamra relates to the province of Laâyoune and the province of Boujdour, which are considered part of the territory of Western Sahara.

³² Under the Sustainable Fisheries Partnership Agreement between the EU and Morocco and the implementation protocol thereto (concluded on 18 July 2019 – OJ L 77, 20.3.2019, p. 8), the EU pays Morocco a financial contribution for the implementation of a sustainable fisheries policy and ocean governance, subject to annual and multiannual programming. It should be noted that the last implementation protocol expired on 17 July 2023; the agreement is still in force.

around 1 000 indirect jobs.

In summary, it is estimated that the agreement is expected to create more than 49 000 direct jobs in Western Sahara³³, which represents around 18 % of the territory's active population.

3.2.2. Impact on economic development

The fishing industry is an integrated industry in Western Sahara, encompassing fishing activity, aquaculture and the processing of fishery products. The aquaculture industry benefits from public-private partnerships and is the subject of invitations to tender to which European companies respond.

As regards agriculture, production and export capacity remains stable compared to previous years. However, significant investments by the Moroccan government in public-private partnerships³⁴, in particular in relation to desalination stations, have contributed to the launch of construction sites to transform an additional 13 000 hectares into irrigable land: 8 000 hectares in Boujdour and 5 000 hectares in the vicinity of Dakhla. The aim of the projects is to increase the current agricultural land area and the corresponding volume of agricultural production by one thousand percent by 2030, with an increase in the number of direct jobs in the sector in the order of 50 000 to 100 000. According to the information received, this would also provide employment and local settlement opportunities for sub-Saharan migrants transiting through the territory³⁵. During the technical visit held in December 2023, the European Commission noted the progress in building the Dakhla desalination station and the gradual installation of a wind farm, a source of renewable energy, with an overall cost of more than EUR 200 million (MAD 2.3 billion).

These two sectors could see their logistics chains evolve with the creation of the Dakhla Atlantic Port and the industrial and commercial area of the Port of Laâyoune, under construction.

Finally, these territories are economically attractive to both local and foreign investors due to their close to zero taxation. During the visit of the Commission delegation, many of those spoken to confirmed the tax breaks granted to households and companies throughout the territory concerned: no VAT, no income tax, no housing tax, land tax or corporation tax for businesses in Western Sahara. This advantageous tax situation incentivises the establishment of new businesses. According to the CIDH, these tax exemptions have existed since 1975³⁶. The granting of the tariff preferences provided for in the Agreement is also an indirect incentive to invest in desalination stations in order to increase irrigation capacity and consequently cultivable farmland, with a view to exports to the Union. According to the information received, local civil society (and, in particular, young people) is very much involved in protecting the local environment.³⁷

In the context of the territorial development programme for 2016-2021, out of a total revised

³³ Total 49 317 = 37 375 direct jobs in the fisheries sector + 11 942 direct jobs in the agricultural sector.

³⁴ Examples of private companies contributing to the project: Dakhla Water and Energy Company (DAWEC, co-managed by Morocco and ENGIE, for the follow-up works; Envision (Chinese supplier of turbines), and Fisia Italimpianto (Italian company specialising in wind energy).

³⁵ Interview with CGEM on 12 December 2023

³⁶ Interview with the CIDH on 22 January 2024

³⁷ Interview with CGEM on 12 December 2023

budget at the end of 2022 of over EUR 8 billion (MAD 86.9 billion), 50 % is earmarked for the Laâyoune-Sakia El Hamra region (300 projects amounting to EUR 4 billion (MAD 43 billion)) and 31 % for the Dakhla-Oued Ed-Dahab region (170 projects worth EUR 2 billion (MAD 27 billion)). The remaining 28% is for the financing of regional projects.

4. Impact of the Agreement on the use of natural resources

In March 2013, in its interim report on the evaluation of the effectiveness of fundamental human rights in the southern provinces³⁸ the Moroccan Socio-economic and Environmental Council (CESC) noted that ‘there is a clear lack of consideration of environmental constraints in the southern regions. State resources for monitoring and preventing coastal pollution risks, although improving, remain limited. Excessive pumping of water resources is a serious threat. Activities to protect biodiversity and ecologically important sites, if they exist, are almost impossible to find.’ The CESE also stated in its analysis that ‘protecting the environment is an aspect of local policy which is completely ignored. [...] However, the challenges facing the Saharan regions in protecting water and fisheries resources, preventing pollution, particularly of the coastline, and the potential for clean and renewable energy (solar and wind) generation are immense.’

Ten years later, in 2022-2023, significant water management efforts are underway, including through seawater desalination projects that capitalise on the territory’s renewable energy potential.

4.1. Water Resources

The main constraint in Western Sahara is access to water, due to the type of soil and scarcity of precipitation³⁹, which a long period of drought since 2020 has exacerbated. Current water resources are insufficient to meet the growing need for water, a resource which is becoming ever more scarce (as a result of population growth, tourism, development of economic activities).

At present, groundwater remains the main water source used for irrigation of agriculture in the area concerned. A total of 1 300 hectares are irrigated by a drip system, fed by water drawn from underground aquifers. In coastal areas, greater groundwater extraction can lead to seawater infiltration, with the groundwater becoming contaminated with brine, rendering it unusable for agriculture. At the same time, the ongoing use of current agricultural production areas, even with the use of drip technology, means that the volume of water needed to support this production will continue to be drawn directly from groundwater in order to maintain the current production of niche agricultural products, which consume a lot of water (melons, tomatoes, red fruit). The state of the aquifer is closely monitored by the competent Moroccan authorities. In order to sustainably manage existing resources, a policy of prohibiting the construction of additional wells has been put in place in the territories concerned, limiting at this stage the potential for extending the area of land under cultivation. However, it is difficult to quantify accurately the level of reserves and their replenishment rate, and thus determine

³⁸ Rapport-Effectivite-des-droits-humains-fundamentaux-dans-les-provinces-du-sud.pdf (sodipress.com), consulted on 15 November 2023.

³⁹ In the region of Laâyoune-Sakia El Hamra, the average recorded over the past decade has been around 60 mm (Monograph of the Region of Laâyoune Sakia El Hamra 2020, p. 7), with an average of 30 mm a year for the region of Dakhla Oued El Dahab (Regional Monograph, 2018 edition)

with certainty the sustainability of their use.

The Moroccan authorities are planning to increase the use of desalinated water in order to allow the development of local agricultural activity while not over-exploiting the aquifer. In the context of a national plan to provide the territory of Western Sahara with drinking water, two desalination plants are currently being built along the coast of the territory⁴⁰; they will be powered mainly by renewables (wind and solar), combined with conventional energy sources to take up the slack in the event of insufficient production. Once these desalination plants are operational, the aim is for the majority of the desalinated water (75%) to be intended for a new agricultural project: in time, these desalination plants could make it possible to bring up to 13 000 additional hectares of irrigable land under glass in the territory of Western Sahara. This new agricultural land would be irrigated exclusively by desalinated seawater. Until these desalination stations are in operation, the area of usable agricultural land is limited to what currently exists.

4.2. Impact on soils

Soils may be affected by run-off resulting from potentially unsustainable use of fertilisers and pesticides associated with intensive agricultural production. Drip technology does not necessarily reduce run-off of these products, and systematic measures are needed to avoid any accumulation that may eventually lead to soil contamination. The European Commission has not obtained information allowing the situation in this respect in Western Sahara to be assessed.

4.3. Environmental impact of the fisheries sector

The impact of fishing and seafood processing on the maritime and coastal environment of the territories concerned is difficult to quantify. However, general comments can be made.

The maritime space of Western Sahara is characterised by an abundance that fosters the development of aquaculture and fishing. However, it continues to face threats linked to pollution from maritime transport and land-based economic activities, as well as natural and anthropogenic hazards. In 2016, only 0.0007% of Moroccan and Saharan waters were protected areas, while the UN's global commitments set a target of conserving 30% of land and seas through all forms of protection by 2030⁴¹. In addition, public authorities still need to adopt decisions on alignment with international conventions on maritime pollution and on strengthening governance⁴².

In order to meet the challenges of a sustainable maritime space, public investment is planned for the creation of fishing villages and landing sites⁴³. These infrastructure developments are to be accompanied by a project to raise awareness among fishermen about the sustainable management of resources⁴⁴.

In the context of the Sustainable Fisheries Partnership Agreement between the EU and

⁴⁰ A seawater desalination station is planned for Boujdour, in the region of Laâyoune Sakia el-Hamra. Another station is being built 75 km from Dakhla, with a daily production capacity of 90 000 m³ of desalinated water. This project is expected to be completed in 2025, although delays have been noted. Total project cost: MAD 2.3 billion or EUR 212 million.

⁴¹ [Target 3 \(cbd.int\)](#)

⁴² [2021 national report: The sustainable development objectives of Morocco in the context of COVID-19: après la résilience, la relance \(hcp.ma\)](#) (p. 116).

⁴³ *Idem*.

⁴⁴ Report 'Morocco 2030', (p. 75).

Morocco, a Joint Scientific Committee (JSC) composed of scientists from both sides⁴⁵ meets at least once a year. This allows for discussions with Morocco on the state of the resources targeted by the European fleet (excluding species covered by the relevant regional fisheries management organisation⁴⁶) and recommends scientific and management measures to the parties⁴⁷. According to the latest findings of the JSC⁴⁸, with the exception of black hake and Atlantic pomfret⁴⁹, the target species are not considered to be overexploited.

It should be noted that several stocks of fish or associated species in the waters adjacent to the territory of Western Sahara are also located in the exclusive economic zones of other states. These stocks are therefore subject to assessment and recommendations by the relevant regional fisheries organisations, namely the International Commission for the Conservation of Atlantic Tunas⁵⁰ and the Fishery Committee for the Eastern Central Atlantic⁵¹.

5. EU-Morocco cooperation and fundamental rights⁵²

Official and objective international sources on the human rights situation in Western Sahara are rare and can be found mainly in the most recent UN human rights reports (see the latest report of the Secretary-General to the UN Security Council of 3 October 2023 on Western Sahara⁵³).

Western Sahara is listed by the United Nations as a non-self-governing territory whose status remains the subject of a negotiation process under the auspices of the UN. A specific UN-led process is helping the parties concerned to reach a just, lasting and mutually acceptable political solution, based on compromise, in accordance with the principles and objectives of the United Nations Charter.

Western Sahara is considered by Morocco as an integral part of its territory, including as regards the country's human rights policy. As a consequence, and without prejudice to the EU's own position on Western Sahara, the human rights situation in Western Sahara has traditionally been monitored by the EU pursuant to the institutional framework governing bilateral EU-Morocco relations. The institutional framework provided for in the Association Agreement between Morocco and the European Union establishes a subcommittee on human rights, democratisation and governance issues. Formal discussions in this framework are complemented by regular exchanges at various levels, including UN human rights forums.

⁴⁵ Committee established by Article 8 of the Sustainable Fisheries Partnership Agreement between the EU and Morocco (concluded on 18 July 2019 – OJ L 77, 20.3.2019, p. 8).

⁴⁶ The International Commission for the Conservation of Atlantic Tunas (ICCAT) adopts (binding) recommendations and resolutions to maintain populations of ICCAT species at levels that will allow maximum sustainable catch.

⁴⁷ Reports published: https://oceans-and-fisheries.ec.europa.eu/fisheries/international-agreements/sustainable-fisheries-partnership-agreements-sfpas/morocco_en#scientific-advice.

⁴⁸ The JSC met in June 2023, and the report is being finalised.

⁴⁹ 3 tonnes of Atlantic pomfret originating in Western Sahara were exported to the EU in 2022.

⁵¹ <https://www.iccat.int/fr/Meetings.asp>

⁵² <https://www.fao.org/cecaf/publications/fr/>

⁵² This chapter should be read in the light of footnote number 17.

⁵³ Report of the Secretary-General, 3 October 2023, <https://www.un.org/securitycouncil/content/reports-submitted-transmitted-secretary-general-security-council-2023>

5.1. EU-Morocco cooperation

The EU has consistently encouraged the parties to continue their respective efforts to promote and protect human rights in Western Sahara. The EU has reiterated its resolute support to the Personal Envoy of the Secretary-General, Staffan De Mistura, and to the UN process, and stands ready to contribute to increased regional cooperation. The mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) was renewed for a period of one year – until 31 October 2024 – by UNSC Resolution 2703 of 30 October 2023.

The adoption and entry into force in July 2019 of the amended protocols to the EU-Morocco Association Agreement extending preferential tariffs to products originating in Western Sahara contributed to the normalisation and relaunch of EU-Morocco relations and, as such, to maintaining their dialogue and constructive cooperation on the protection of human rights, which could otherwise have been affected or compromised. Some representatives of local civil society have noted a beneficial effect since the entry into force of the protocols, particularly in terms of social and economic rights, although others have stressed that the agreement does not benefit the entire population in Western Sahara. Nevertheless, this continued EU engagement and cooperation policy is largely in the spirit of the recommendations expressed in the latest report of the UN Secretary-General on the situation of Western Sahara and the latest resolution of the UN Security Council on Western Sahara⁵⁴.

5.2. Fundamental rights situation in Western Sahara

The joint political declaration of the European Union and Morocco following the Association Council in June 2019 set out, in the context of the area of shared values established by the two parties⁵⁵, the foundations and main areas of cooperation between the EU and Morocco. Human rights and good governance feature prominently among them.

In the area of press freedom, ‘Morocco/Western Sahara’ was in 144th place (out of 180 countries) in the World Press Freedom Index drawn up by Reporters without Borders in 2023⁵⁶. In this context, it was reported that journalists have been prosecuted for criminal offences related to freedom of expression, including on social media. These facts were reiterated by the European Parliament in its resolution of 18 January 2023⁵⁷.

Freedom of assembly and freedom of association remain sensitive areas. Local non-governmental organisations claim that they continued to face obstacles to their legal recognition, as well as obstacles to their right to assembly and association. Moreover, isolated reports point to increased surveillance of local activists, Sahrawi self-determination supporters and journalists. Other local bodies maintain that the legal framework guarantees the freedom to establish associations in Western Sahara and that the authorities may not refuse them, except in cases of a manifest breach of the procedural requirements laid down in the Law on Associations.

⁵⁴ Security Council Resolution 2703 of 30 October 2023, <https://digitallibrary.un.org/record/4025694>.

⁵⁵ Joint statement by the European Union and Morocco following the 14th meeting of the EU-Morocco Association Council (<https://www.consilium.europa.eu/fr/press/press-releases/2019/06/27/joint-declaration-by-the-european-union-and-the-kingdom-of-morocco-for-the-fourteenth-meeting-of-the-association-council/>)

⁵⁶ RWB ranking (<https://rsf.org/en/index>) accessed on 19 January 2024. In the 2022 report, Morocco was in 135th place

⁵⁷ [2023/2506\(RSP\)](https://www.europarl.europa.eu/press-room/en/infobox-item-attachment-item-20232506(RSP)).

Some civil society organisations have referred to unequal access to natural resources, jobs and other supplies and services for the population of Western Sahara. According to the same sources, unemployment remains an important concern as the supply of skilled jobs is limited.

Morocco is party to all major United Nations conventions on human rights, and cooperates in the reporting cycles. It is an active member of most of the treaty bodies and author of several resolutions promoting human rights. In October 2022, Morocco was elected – for the third time – as a member of the Human Rights Council (HRC) for the period 2023-2025. On 10 January 2024, Morocco was elected to the Presidency of the HRC for 2024.

The fourth cycle of the Universal Periodic Review (UPR) of Morocco took place on 8 November 2022, on the basis of the national report prepared by the Moroccan authorities, a compilation of information by the UN and a summary of stakeholder submissions⁵⁸. The review was characterised by an interactive dialogue in which 120 participating countries intervened, submitting 306 recommendations, of which 19 concerned the situation in Western Sahara. On 24 March 2023, the HRC adopted the outcome document resulting from the Moroccan UPR. Morocco retained 232 and rejected 32 recommendations, five of which concerned territorial integrity in relation to Western Sahara⁵⁹.

In its Resolution 2703 of 30 October 2023, the UN Security Council reiterates the findings and assessment set out in Resolution 2654 (2022) and welcomes the steps and initiatives taken by Morocco, the role played by the regional committees of the National Council on Human Rights (NCHR) operating in Dakhla and Laâyoune, and Morocco's interaction with the special procedures of the UN Human Rights Council. The resolution also encourages the parties to continue their respective efforts to strengthen the promotion and protection of human rights in Western Sahara and in the Tindouf refugee camps, including freedom of expression and association, and to prioritise these efforts.

At the same time, the UNSC notes with great concern the continuing suffering of Sahrawi refugees, their dependence on external humanitarian aid and the consequences of the COVID 19 pandemic. The Security Council is seriously concerned by the lack of funding for those living in the Tindouf refugee camps and the risks associated with the reduction in food aid. It strongly encourages donors to provide additional funds, given the deterioration of the humanitarian situation, and the aid organisations to facilitate the delivery of aid in line with UN best practice. It calls urgently once again for the refugees in the Tindouf camp to be duly registered, and underlines the importance of all the necessary measures being taken to achieve that. At the same time, the EU has remained committed to providing humanitarian assistance to the Sahrawi refugees in the camps and has increased its involvement in resilience-oriented activities.

6. Conclusions

■ *Implementation of the Agreement: information exchange system*

The information exchange mechanism is operating in line with the provisions of the Agreement. The exchange system provides, on a monthly basis, information on exports of

⁵⁸ <https://www.ohchr.org/en/hr-bodies/upr/ma-index>

⁵⁹ <https://www.ungeneva.org/fr/news-media/meeting-summary/2023/03/afternoon-human-rights-council-adopts-universal-periodic-review>.

products originating in Western Sahara to the EU.

■ ***Impact of the Agreement on the population***

Agriculture and fisheries are still the only two sectors exporting to the EU. In 2022, 203 000 tonnes of products from Western Sahara were exported to the EU, compared to some 100 000 before the Agreement came into force; the value of exports from Western Sahara to the EU is EUR 590 million (MAD 6.410 billion), or 0.02 % of total imports to the EU in 2022. The implementation of the agreement saved EUR 44.4 million in customs duties in 2022, despite economic shocks in the market. Large operators in the agriculture and fisheries sectors have since 2019 developed an export market for products with high added value. These products, which are complementary and competitive, meet the demand of the European market.

The number of jobs has risen compared to 2021: it is estimated that the Agreement generated direct employment for more than 49 000 people in Western Sahara in 2022 (+ 7 000 compared to 2021), which represents just over 18% of the territory's active population.

For operators not belonging to these sectors of activity, in the absence of other categories of products exported to the Union, the Agreement seems to have more of an indirect bearing on their choice to invest in Western Sahara. Significant infrastructure projects are under construction in the field of seawater desalination and renewable energy. These local investments should contribute to the economic development of the territories and increase their attractiveness for local and international investors, while enabling the development of new industrial activities that could potentially benefit from the agreement.

■ ***Impact of the agreement on the use of natural resources***

Access to water for irrigation remains the main challenge for the territory. The European Commission has not been able to determine the volume of water in the aquifer that could be used for irrigation purposes. It is not possible in the long term to further expand agricultural land using groundwater, nor to dig more wells. In fact, the cultivated land area of Western Sahara has hardly increased since 2019 (from 900 ha to 936 ha in 2022 for Dakhla-Oued Ed-Dahab and remaining at 400 hectares for Laâyoune-Sakia El Hamra).

Drought in recent years is an overarching problem, exacerbated in desert areas by very low rainfall. Morocco is aware of the water stress in Western Sahara and has taken measures to address it by investing hundreds of millions of euros in the development of water desalination projects in the territories concerned, powered by renewable energy.

■ ***Protection of fundamental rights***

The European Commission and the EEAS are closely monitoring the human rights situation in Western Sahara. The EU continues to encourage the parties to continue their respective efforts to promote and protect human rights in Western Sahara. The EU has reiterated its support for the Personal Envoy and the UN process to find a just, lasting and mutually acceptable political solution.
