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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.

2022 Report on the impact and benefits for the people of Western Sahara on extending tariff preferences to products originating in Western Sahara

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SUMMARY

This report is an update of the previous reports on the impact of the Agreement in the form of an exchange of letters between the European Union and the Kingdom of Morocco¹ on amending Protocols 1 and 4 of 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 ('the Agreement')². The report also assesses the compliance of the information exchange mechanism established under that agreement.

It uses the most recent statistical data provided by the Kingdom of Morocco (hereinafter 'Morocco'), as well as information from other sources, including information provided during consultations with non-governmental organisations and parties involved in Western Sahara. The updated economic data relate to the periods 2021 and 2022. The most reliable and up-to-date socio-economic data are for 2019.

The main findings of the 2022 report are set out below.

1. Operation of the Agreement

The Agreement has been regularly monitored with the customs administrations of the Member States. It has functioned well, without issues on its implementation being raised by Member States' customs authorities. The information system set up by the Kingdom of Morocco has also worked smoothly and provided the expected information.

2. Exports from Western Sahara to the European Union

The information collected from the available sources is in line with the findings of the 2021 report. Exports to the European Union (EU) and employment figures continue to show a steady and moderate upward trend. Without the preferences granted by the amendment of Protocols 1 and 4 to the Euro-Mediterranean Association Agreement between the European Union and the Kingdom of Morocco and thus without the elimination of customs duties for the goods concerned, exports of agricultural products would have cost the local economy some EUR 8.7 million more. This represents a significant sum for producers who are already seeing higher irrigation costs eating away at their profit margins. Moreover, the application of customs duties to products originating in Western Sahara would, in the absence of an agreement, probably have prevented the development of those products intended for the European Union because they would no longer have been competitive. The reported increase in exports, production and employment would not have taken place without such trade facilitation for local producers. In this way, the Agreement supports the development of two viable employment sectors: it is thought that around 22% of jobs in the region, accounting for around 42 000 people, depend directly on the export to the EU of products originating in Western Sahara³.

¹ [EUR-Lex - JOL_2012_241_R_0002_01 - EN - EUR-Lex \(europa.eu\)](#)

² [EUR-Lex - 22000A0318\(01\) - EN - EUR-Lex \(europa.eu\)](#)

³ The calculation method used here shows the number of direct jobs in the fisheries and agriculture sectors. This number should be set against the proportion of total goods produced in the territory of Western Sahara which are then exported to the EU: this gives an estimate of the direct jobs generated by trade with the EU and the application of tariff preferences. These jobs (around 42 000) account for a proportion of the jobs carried out by the active population in the territory (approximately 190 000 people). It should be mentioned, however, that this percentage could be even higher if it is taken into account that the viability of many farms and fishing activities depends on the Agreement with the EU.

Although the Agreement covers all production originating in Western Sahara, to our knowledge only two sectors, namely agriculture and fisheries, in Western Sahara and no others actually export to the EU.

(a) Agriculture

Since the publication of the 2018 report⁴, the output of agricultural products in Western Sahara has increased significantly from 64 000 tonnes to 101 000 tonnes in 2021⁵, with a total cultivated area of 1 300 hectares compared with 900 hectares. This represents an increase in volume of more than 60% in 6 years. The increase in production is in proportion to the increase in cultivated area but also indicates an improvement in cultivation methods and sustainable productivity per hectare.

The main horticultural regions of Western Sahara are Laâyoune-Sakia El Hamra and Dakhla-Oued Ed-Dahab⁶. In addition to supplying the local market, Western Saharan products are also sent for export to foreign markets, mainly the European Union. Indeed, 66% of the total agricultural production of Western Sahara depends directly on exports to the EU, i.e. 65 700 tonnes out of a total of 101 000 tonnes produced in the territory. The Dakhla-Oued Ed-Dahab region alone is 85.3% dependent on the export of its horticultural products to the EU. These exports consist of 55 200 tonnes of tomatoes and 10 500 tonnes of melons, representing a decrease of 1.52% compared to 2020 (66 700 tonnes) but stable in value terms: the total value of agricultural exports to the EU is around EUR 77.5 million (MAD 826 million)⁷.

The products are not exported to the EU directly, but packaged at private companies' packaging plants in Agadir, where they are subjected to the necessary phytosanitary checks before being exported. There are no direct exports of processed agricultural products to the European Union market from Western Sahara.

As for employment, in 2021 there were in this sector around 14 000 direct jobs in the region of Dakhla-Oued Ed-Dahab, a figure unchanged compared to 2020. It is estimated that this represents almost 12 000 jobs related to exports to the EU, a slightly lower figure compared to 2020.

Thus, the entry into force of the Agreement and its implementation since July 2019 have confirmed the expected positive effects in terms of production and exports (and therefore also in terms of employment and investment in the sector).

(b) Fisheries products

In 2021, 962 000 tonnes of fish products were caught and landed in Western Sahara with a value of EUR 629 million (MAD 6 692 million)⁸.

⁴ 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)). The 2018 report is based on data from 2016.

⁵ Source: Morocco FOODEX database.

⁶ The Guelmim-Oued Noun region, in view of the fact that only a very small part of the region is located in the territory of Western Sahara, is not taken into account in this report. Only 100 tonnes of vegetable products from this part of the region are destined for the European market.

⁷ The exchange rate used for the conversion of MAD to EUR in this report is the average exchange rate for 2021, EUR 1 = 10.65 MAD Source: [Exchange rate \(InforEuro\) | European Commission \(europa.eu\)](#)

⁸ Source: Morocco FOODEX database.

The seafood products most exported to the EU are frozen sardines, squid, cuttlefish, mackerel and crustaceans. Total exports of fishery products to the EU in 2021 from Western Sahara reached 147 000 tonnes, with a value of EUR 604 million (MAD 6 435 million). This represents a slight increase in volume (+ 6%), but a very large increase in value (+ 50.6%) compared to 2020⁹.

The number of jobs connected to the fisheries sector – directly and indirectly – was 133 478, an increase of 8% as compared to 2020 when there were 123 563 jobs in that sector. Compared to the 90 091 jobs recorded in the 2018 report, this is an increase of almost 50% in 5 years, although they are mainly indirect jobs¹⁰.

The public authorities have indicated that they intend to continue developing the fishing industry in Western Sahara through the facilitation of access to land for fish processing establishments and access to fishing licences. Initiatives have been adopted to assist young people, such as the provision of training and land for aquaculture farms, help in putting together administrative files, support in obtaining bank loans, etc. Women constitute a majority of the work force in this sector.

3. Use of natural resources

As regards the use of natural resources, freshwater resources are very limited. Agriculture is the most water-demanding sector in the territory. So far, the Commission has not received any reports of the mismanagement of groundwater. In order to mitigate the effects of irrigation, the public authorities have put in place a plan to combat desertification by launching desalination projects for surface water used for irrigation.

4. Fundamental rights

The Commission services and the European External Action Service (EEAS) consider that the EU's pragmatic approach, including trade agreements applicable to 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 continued commitment to support UN efforts to find a lasting political solution to the Western Sahara question.

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⁹ In the 2021 report, the average exchange rate given for the year 2020 was EUR 1 = MAD 10.526.D. After verification and updating, the average exchange rate for 2020 was EUR 1 = MAD 10 785 according to the [European Commission tool](#). For the sake of transparency, the figures in the 2021 report should be recalculated on the basis of updated data, which should lead to a difference of -2.6% when calculated in EUR. This 2022 report reflects the update of the average exchange rate for 2020.

¹⁰ 2018 report: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0346&from=EN>

1. Introduction

In response to the request from the European Parliament to the Commission and the European External Action Service (EEAS) to be kept regularly informed of the impact of the application of tariff preferences to products from Western Sahara and the potential benefits for the population concerned¹¹, this report takes stock of the implementation and effects of the Agreement during 2021, and contains external trade data up to September 2022.

This report includes an update of the data from the previous annual reports published on 23 December 2020¹² and 22 December 2021¹³. It builds on the Commission's analysis and the EEAS contribution published in 2018¹⁴ on the impact of the agreement and the potential benefits for the population concerned. In accordance with the provisions of the Agreement, this report consists mainly of an assessment of the sustainable development impact of the Agreement and its socio-economic and environmental effects in Western Sahara.

The periods covered by the updated economic data are 2021 and 2022. Comparisons have been made with previous years, in particular with the data from the 2018 report in order to gain an overview of the impact over a period of several years, and also with the 2021 report to assess developments over one year. The most reliable and up-to-date socio-economic data are those for 2019. A comparison is made with the data for 2018 (see the 2021 report). Indicative data have also been identified where possible for more up-to-date information to make the link more effectively between the economic and social data.

The importance of the process conducted under the auspices of the United Nations on Western Sahara was taken into account in the preparation of the report.¹⁵ It also takes into account 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 the pending appeals are resolved, it remains relevant and valid to present this periodic report on the impact of the Agreement in the meantime¹⁶.

The report presents general elements to understand the specific situation of Western Sahara as well as a description of the latest judicial and procedural developments.

As provided for in the Agreement, the main tool for the elaboration of this report has been an exchange of information with Morocco to assess the impact of the Agreement, which takes place on an annual basis¹⁷. The specific arrangements for this evaluation exercise were

¹¹ Texts adopted - EU-Morocco Agreement on the amendment of Protocols 1 and 4 to the Euro-Mediterranean Agreement (Resolution) - Wednesday, 16 January 2019 (europa.eu)

¹² 2020 report: [2020-report-benefits-preferential_access.pdf](#) (europa.eu)

¹³ 2021 report: [2021_Report on the benefits for the people of Western Sahara on extending tariff preferences to products from Western Sahara](#) (europa.eu)

¹⁴ [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))

¹⁵ Reports of the Secretary-General of the United Nations Mission for the Referendum in Western Sahara (MINURSO), <https://minurso.unmissions.org/secretary-general-reports>.

¹⁶ Judgments in Case T-279/19 and in Joined Cases T-344/19 and T-356/19 Front Polisario v Council.

¹⁷ 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

adopted by Decision No 1/2020 of the EU-Kingdom of Morocco Association Committee of 16 March 2020¹⁸. Information from other available sources was also used¹⁹.

In addition, the Commission and the EEAS contacted a wide range of entities with different degrees of interest and representativeness in the territory²⁰. 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 provided in writing or at a meeting. Three of these entities²¹ replied positively and shared some information, while two other organisations²² indicated that they refused to participate in the consultation.

In the absence of significant new developments, an on-site visit this year by the Commission and EEAS was not considered necessary. However, the Commission continues to oversee the correct application of the Agreement and is in regular contact with the customs authorities of the EU Member States to monitor its application and gather any information on any issues with its application.

Thus, the 2022 report focuses on developments since the 2021 report. It presents the available data on production and employment rates and other local indicators up until the end of 2021. Comparative data are also presented for exports to the EU of products originating in Western Sahara up until September 2022.

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).

¹⁸ OJ L98, 31.3.2020 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22020D0468>)

¹⁹ For example interviews with stakeholders, digital archives of the administrative authorities of Laâyoune-Sakia El Hamra and Dakhla-Oued Ed-Dahab, academic articles and journalistic articles.

²⁰ The European Commission and the EEAS contacted the following associations and groups:

- Association saharienne pour le développement durable et la promotion de l'investissement (ASDI - Saharan Association for Sustainable Development and Investment Promotion)
- Bilaterals.org
- Collectif des défenseurs sahraouis des droits de l'homme (CODESA - Association of Sahrawi human rights defenders)
- 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)
- Confédération syndical des travailleurs sahraouis territoire occupé du Sahara occidental (CSTS - Trade Union Confederation of Sahrawi Workers' Occupied Territory of Western Sahara)
- Conseil national des droits de l'homme (National Human Rights Council)
- Frontline Defenders
- La ligue du Sahara pour la démocratie et les droits de l'homme (Saharan League for Democracy and Human Rights)
- Observatoire du Sahara pour la paix et la démocratie et les droits de l'homme (Sahara Observatory for Peace and Democracy and Human Rights)
- Polisario Front
- Western Sahara is not for sale
- Western Sahara Resource Watch (WSRW)

²¹ CIDH Africa, CGEM and CSTS

²² Polisario Front and WSRW

2. Operation of the Agreement

2.1. The information system set up by Morocco

In its non-legislative resolution of 16 January 2019²³, 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 EU customs legislation’.

Morocco agreed to set up a mechanism covering the exports under the Association Agreement as amended by the Exchange of Letters. This mechanism, set up very quickly by Morocco, systematically and regularly provides accurate information to enable the EU to have transparent and reliable data on the origin of these exports to the Union. The system provides information about all exports to the EU of products originating in Western Sahara that comply with the origin requirements of the Agreement, on the basis of the criteria of tariff headings and production (origin) at aggregated level.

The information provided covers, by product, information on the volume (quantity) and value of these exports by region based on the Harmonised System or Combined Nomenclature codes. The information is broken down by EU Member State in terms of volume, if such export data exist in the defined period (month) and for the EU Member State concerned. The data on goods exported to the EU are based on the criterion of origin, regardless of the place where they may have been packed or loaded for export. Thus, the database provides information on the exports of products that, according to the Agreement, originate in Western Sahara.

The data are provided by month, and are available from 20 July 2019 (the day following the entry into force of the Agreement). The data are collected by the Moroccan authorities on an ongoing basis, but are made available every month after being validated. The Commission and the customs authorities of the EU Member State have direct access to these data. Although the system does not cover only products originating in Western Sahara²⁴, it makes it possible to ascertain the quantities and prices of imports of products originating in the territory of Western Sahara. The information contained in the database on products originating in Laâyoune-Sakia El Hamra and Dakhla-Oued Ed-Dahab covers all products originating in Western Sahara under the Agreement and exported to the EU.

The Commission services carry out regular analyses of the statistics, which allow the identification of any significant changes in trade patterns that may require further investigation. This system has enhanced the quantity and quality of information on exports

²³ 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)).

²⁴ The Morocco FODEX system provides data on products originating in the regions covered by the Association Agreement with Morocco as amended by the Exchange of Letters.

from Western Sahara since the entry into force of the Agreement, and the information is now available for the period July 2019 to September 2022. The Commission services consider that the data available in the IT system on the exports covered by the Agreement are reliable and accurate. The system is supplemented by the administrative and customs cooperation procedures provided for in the Association Agreement.

2.2. Assessment of the implementation of the Agreement

The assessment of the implementation of the Agreement made in previous reports remains valid.

The system put in place by Morocco enables the EU to have statistics on the imports into the EU of products originating from the two regions that essentially correspond to Western Sahara. The criterion used for the elaboration of export data is the origin of the products, as provided for by the Agreement. This information enables the statistical monitoring of such exports, which can help – together with other statistical trade tools made available by the Commission – to identify any trends in imports originating in Western Sahara and detect any sudden changes in trade patterns that may require further investigation.

The system is supplemented by an IT tool, the Morocco FOODEX, made available to customs under the Association Agreement: The administrative cooperation provisions establish a procedure for verifying the origin of products to make sure that they are entitled to preferential treatment. They provide for procedures for the verification of movement certificates and invoice declarations, to be carried out randomly or whenever the customs authorities of the importing State have reason to doubt the authenticity of such documents, the originating status of the products concerned or the fulfilment of the requirements necessary to comply with the origin rules. This verification, for which the Moroccan customs authorities are responsible, must be carried out following a request made to them by the customs authorities of the EU Member States under the conditions laid down in the Agreement (concerning products originating in Western Sahara).

The procedures for verification of origin are provided for in the Association Agreement and are applicable directly by EU Member States' customs authorities. The Commission is in regular contact with the latter in order to evaluate the application of the provisions of the Agreement. Since the Agreement entered into force there has been only one case reported to the Commission where a Member State's customs have requested – as a consequence of regular random sampling – verification of the origin of products from Western Sahara, and, so far, there have been no cases of denial of preferential treatment following the verification process.

3. Impact of the Agreement on the economy of Western Sahara and on the use of natural resources

3.1. Impact on the population concerned and on economic sectors

This report examines the impact of the Agreement on the economy and on the people

concerned in two regions of Western Sahara: Laâyoune-Sakia El Hamra and Dakhla-Oued Ed-Dahab. Although a small part of the Guelmim-Oued Noun region is also included in the demarcation of Western Sahara, that region is not taken into account for the purposes of this report, as no goods exported to the European Union are produced there.

This report therefore focuses on the regions of Dakhla-Oued Ed-Dahab and Laâyoune-Sakia El Hamra and on developments in the socio-economic situation there since the 2021 report, on the basis of the available information. In the absence of definitive demographic data for the years 2021 and 2022, the section on demographic and social change presents final data for 2019 and proposes estimates for 2022. The section on economic trends is based on more up-to-date data, covering the period from 2021 to 2022 and provides comparisons with the 2021 report (2020 data) and the 2018 report (2016 or 2017 data).

3.1.1. Demography and economic profile of Western Sahara

Demographic and social change

The Dakhla-Oued Ed-Dahab region covers a territory of 130 898 km² while the Laâyoune-Sakia El Hamra area covers 139 480 km², a total of 270 378 km² for the territory under consideration²⁵.

According to the 2014 census²⁶, there were 510 713 inhabitants in the regions concerned, the vast majority living in urban areas. According to local projections made in 2017²⁷ and 2018²⁸ for the year 2022, the Dakhla-Oued Ed-Dahab region has 193 127 inhabitants and the Laâyoune-Sakia El Hamra region has 412 005 inhabitants, making an estimated total population for Western Sahara of 605 132 inhabitants in 2022. This represents an increase of more than 20% in 8 years. The most populous cities are the regional capitals: Laâyoune and Dakhla. The urbanisation rate is around 80.1% for Dakhla-Oued Ed-Dahab and 96.1% for Laâyoune-Sakia El Hamra, with a steadily declining rural population in both regions²⁹³⁰.

Originally, the local population was mainly composed of nomadic herders not familiar with the service sector or agricultural or industrial activity. These are now growing sectors, hence the need for a trained workforce. In order to overcome the lack of qualified local labour in these sectors, vocational training has been developed for the local population in the areas of agriculture, fisheries and tourism.

²⁵ The regions of Dakhla-Oued Ed-Dahab and Laâyoune-Sakia El Hamra do not correspond exactly to the geographical demarcation of Western Sahara recognised by the United Nations: a small part of the Laâyoune-Sakia El Hamra region is outside Western Sahara, while a small part of the Guelmim-Oued Noun region is located within it.

²⁶ The last official census dates from 2014.

²⁷ 2017 forecast: 193 127 inhabitants in 2022 and 264 178 inhabitants in 2030 according to the 2017 *Annuaire statistique régional Ed-Dakhla-Oued Eddahab* (Regional Statistical Yearbook of Ed-Dakhla-Oued Eddahab). Table No 23: <https://www.hcp.ma/region-eddakhla/attachment/1406232/>

²⁸ 2018 forecast: 395 865 inhabitants in 2022, 446 090 inhabitants in 2030, according to the 2018 *Annuaire statistique régional Laâyoune Sakia el Hamra*. Table 12, <https://www.hcp.ma/region-laayoune/attachment/1702728/> (p. 10).

²⁹ According to the *Ed-Dakhla-Oued Eddahab Regional Statistical Yearbook*, 2017. Tables 22 and 25, <https://www.hcp.ma/region-eddakhla/attachment/1406232/> (p. 20).

³⁰ According to the *Annuaire statistique régional Laâyoune-Sakia El Hamra*, 2018.. Table 12, <https://www.hcp.ma/region-laayoune/attachment/1702728/> (p. 10).

For example, the Technopole of Foug El Oued offers multidisciplinary higher education in management (trade and business) and technology. Education is provided by Mohammed VI University and the Research Centre, which are two projects completed under the Moroccan authorities' 'South Provinces Development Programme 2015-2021' (project cost: EUR 190 million, MAD 2 080 million). In addition, a university centre and a specialised secondary school are being established (52% completed by April 2022)³¹. In line with a wider programme, there are plans for the province of Dakhla to host a 'City of trades', in particular a college where vocational training will be provided. The Laâyoune Marine Fishing Technology Institute also trains 220 students per year, of whom four were women in the academic year 2019-2020³².

The working age population (estimated at 192 942 people³³) is to be found mainly in urban areas (62% in Dakhla-Oued Ed-Dahab and 92% in Laâyoune-Sakia El Hamra)³⁴. According to the regional databases, the unemployment rate in the Dakhla-Oued Ed-Dahab region fell from 7.3% of the active population in 2018 to 6.5% in 2019. This represents a total of 5 397 jobseekers (compared to 6 455 in 2018), two thirds of whom are between 15 and 35 years old and one third of whom do not have any qualifications at all, whether at medium or tertiary level. In Laâyoune-Sakia El Hamra, the unemployment rate is slightly higher, at around 7.5% in 2019³⁵.

However, overall, the employment situation for women remains uneven. Although women constitute the majority of the workforce in the fisheries processing sector³⁶, in Dakhla-Oued Ed-Dahab women accounted for only 15.8% of the working population in 2019, an increase compared to 2018 (14.9%), but down from 2017 (16.2%). However, when comparing trends in the female unemployment rate in the same region, there was a significant decrease from 2017 to 2019, when unemployment fell from 38.2% in 2017 to 23.5% in 2019³⁷.

Economic profile of Western Sahara

³¹ Source: Moroccan authorities

³² Annuaire statistique régional Laâyoune-Sakia El Hamra, 2020. Table 59, <https://www.hcp.ma/region-laayoune/attachment/2258168/> (p. 55).

³³ Active population in Dakhla-Oued Ed-Dahab region: 83 317 in 2019, of which 51 365 in urban areas. Source: <https://www.hcp.ma/region-eddakhla/attachment/2140102/>

Active population in Laâyoune-Sakia El Hamra: 109 625 in 2017, of which 101 303 in urban areas. Source: [KINGDOM OF MOROCCO \(hcp.ma\)](https://www.hcp.ma/region-eddakhla/attachment/2140102/)

³⁴ Active population in the Dakhla-Oued Ed-Dahab region: 83 317 in 2019, of which 51 365 in urban areas. Source: <https://www.hcp.ma/region-eddakhla/attachment/2140102/>.

Active population in Laâyoune-Sakia El Hamra: 109 625 in 2017, of which 101 303 in urban areas. 2018 Annuaire statistique régional Laâyoune-Sakia El Hamra . Table 3, <https://www.hcp.ma/region-laayoune/attachment/1702728/> (p. 70).

³⁵ 2020 Annuaire statistique régional Laâyoune-Sakia El Hamra Table 1, <https://www.hcp.ma/region-laayoune/attachment/2258168/> (p. 74).

³⁶ Source: interview with CIDH on 26 October 2022

³⁷ Source: <https://www.hcp.ma/region-eddakhla/attachment/2140102/>

In Western Sahara, the main economic activities are industry (phosphate production, fish processing, renewable energy), agriculture (in particular early fruit and vegetables, and pastoral nomadism), maritime fishing and, on a smaller scale, tourism. These activities are being developed, with significant growth in the construction of renewable energy infrastructure (wind, solar, green hydrogen)³⁸.

The renewable mini grid of Western Sahara

A new generation of renewable energy projects is being developed in Western Sahara. For more than ten years, in both Dakhla Oued Ed-Dahab and Laâyoune-Sakia El Hamra, investment projects have been proliferating in wind and solar energy production and sustainable desalination, rapidly transforming the region's energy landscape. The ambition is, in the long term, to make Western Sahara one of the leading regions of northwest Africa in terms of green energy.

As of 2023, Western Sahara will have the capacity to produce 900 megawatts (MW) of renewable energy, production well beyond its own requirements (200-250 MW/year). The territory can therefore be qualified as self-sufficient in the production of green electricity, although it also needs to use gas turbines and diesel generators to stabilise the grid. In addition to the existing wind and photovoltaic farms and projects around Laâyoune and Boujdour, the wind farm project in Dakhla can also produce 100 MW. In the start-up phase, this park will take advantage of the very strong winds in the area to generate wind power as the main source of local energy.

As a beneficiary of Moroccan and European investment (notably German and Italian), the port of Dakhla is moving towards the development of a decarbonised low-cost industrial platform. This will give it a significant competitive advantage in the processing of local products, in particular seafood products that are processed in local processing plants and exported to the EU. These projects are likely to encourage other forms of industrial production, in particular in the chemicals sector but also in other energy-intensive sectors, which would then benefit from the tariff preferences granted by the agreement with the EU to products manufactured using green energy. Western Sahara would thus be on the path of stable and sustainable energy self-sufficiency in the long term, and its industrial activities would be competitive and have a low carbon footprint.

Phosphate production is a major industry in Western Sahara. However, there are no exports of phosphates from Western Sahara to the EU. As indicated in the 2018 report, this is due to the fact that there is not yet any production in Western Sahara of processed phosphate products, and there is no interest in the EU in processing phosphate from Western Sahara in its raw state. However, raw phosphate could be used in Morocco to produce phosphate derivatives. Processing in Morocco is sufficient to confer preferential origin under the Association Agreement with Morocco. Once processed, these products count as originating in Morocco and can then be exported to the EU under preferential conditions. Therefore, in respect to phosphates, the Agreement has had no impact, and this sector is therefore not analysed in this report.

³⁸ Source of information in box: CGEM - General Confederation of Moroccan Enterprises

With the entry into force of the Agreement, 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. Because of its unfavourable growing conditions (water stress, wind erosion), Western Morocco has to concentrate its agriculture on products with high added value: niche fruit and horticulture products, the production of which takes place in greenhouses. However, its southern geographical location and the stability of its climate, without major temperature variations, make it possible to benefit from an early harvest and production lasting almost all year round. This constitutes a real trade advantage vis-à-vis the EU, the main customer of products originating in Western Sahara, with some complementarity with European production later in the season.

In terms of income growth, the 2019 regional accounts show GDP growth rates of 6.7% for Laâyoune-Sakia El Hamra, and 4.1% for Dakhla-Oued Ed-Dahab³⁹. By comparison, Morocco's growth rate is weaker, at 2.9%⁴⁰. However, this difference can be explained by significant investments by the Moroccan authorities, which make up 35% of the GDP of these two regions, compared to 20% for Morocco on average⁴¹.

According to available statistics, GDP per capita is slightly up on 2018. In 2019, GDP per capita was EUR 8 090 (MAD 86 166) in Dakhla-Oued Ed-Dahab and EUR 4 808 (MAD 51 207) in Laâyoune-Sakia El Hamra, i.e. + 0.6% and + 4% respectively compared to 2018. These levels are well above the average for Morocco, where per capita GDP was EUR 3 271 (MAD 32 394) according to the HCP and the Ministry of National Education in 2019⁴². It should also be noted that incomes in the regions of Dakhla-Oued Ed-Dahab and Laâyoune-Sakia El Hamra are significantly higher than in the neighbouring Moroccan regions⁴³.

This difference in income is reflected in a human development index (HDI) which is higher than the Moroccan average: in 2014, Dakhla-Oued Ed Dahab had an HDI of 0.851, and Laâyoune-Sakia Al Hamra had an HDI of 0.784, compared to an average of 0.742 in Morocco. This can be explained *inter alia* by the large proportion of households connected to the public water supply network in these two regions, which was 93.8% and 96.1% respectively in 2021. The electricity network connectivity rate in 2021 was also high in Laâyoune-Sakia Al Hamra (99%) and slightly lower in Dakhla-Oued Ed Dahab (94.1%)⁴⁴.

3.1.2. Agricultural sector

In 2021, total agricultural production in Western Sahara was around 101 000 tonnes on a total of 1 300 hectares, of which 24 000 tonnes was produced in the Laâyoune-Sakia El Hamra

³⁹ Le rapport des comptes régionaux de l'année 2019 (hcp.ma) (Regional accounts report 2019) gives an estimate for 2019. These semi-definitive data were revised by the Moroccan authorities in November 2022. They noted a slight increase compared to the statistical data collected in 2021.

⁴⁰ Source: The High Planning Commission (HCP) of Morocco. The Haut Commissariat au Plan (HCP) or High Planning Commission in Morocco, is an independent government statistical institution, established in 2003. It is the main source of economic, demographic and social statistical data. La situation économique nationale en 2019 (hcp.ma)

⁴¹ Source: HCP

⁴² Per capita GDP in Morocco, 2004 to 2021: https://www.hcp.ma/PIB-par-habitant-en-Dhs_a3498.html

⁴³ No data available to determine the share of each sector (agriculture, fisheries, industry, services, mining, administration) in the GDP of Western Sahara. Moreover, although Western Sahara has relatively higher GDP per capita than the neighbouring regions, the economy is largely export-driven due to a limited domestic market.

⁴⁴ Source: HCP

region and 77 000 tonnes in the Dakhla-Oued Ed-Dahab region. In comparison, the 2018 report indicated that 64 000 tonnes of early produce had been harvested on an area of 900 hectares⁴⁵.

These data show an increase in local production of more than 58% from 2016 to 2021, which could be due to a proportional increase in the production area together with a relatively limited expansion of plantation infrastructure.

By region, the production of agricultural products in Western Sahara in 2020 and 2021 remained stable. Agricultural production in the Laâyoune-Sakia El Hamra region consists of fodder crops. No agricultural products are exported from there to the EU. Therefore, all agricultural products originating in Western Sahara and destined for the EU come from the Dakhla-Oued Ed-Dahab region.

Production of agricultural products in Western Sahara by region in 2020 and 2021		
	2020	2021
Dakhla-Oued Ed-Dahab	76 000 tonnes	77 000 tonnes (+ 1.013%)
Laâyoune-Sakia El Hamra	24 000 tonnes	24 000 tonnes (0%)
Total	100 000 tonnes (+8.7%)	101 000 tonnes (+1%)

For exports by product, data for 2020 and 2021 show a slight decrease in terms of volume:

Agricultural products originating in Dakhla-Oued Ed-Dahab exported to the EU27				
	Volume 2020 (tonnes)	Volume 2021 (tonnes)	Value 2020⁴⁶ (in millions of EUR)	Value 2021 (in millions of EUR)
Fresh tomatoes	55 200	55 200 (+0)	65.5	66.3 (+1.2%)
Melons	11 500	10,500 (-8.7%)	12.2	11.2 (-8.2%)
Total	66 700	65 700 (-1.5%)	77.7	77.5 (-0.3%)

So, of the 77 000 tonnes produced in the Dakhla-Oued Ed-Dahab region, 65 700 tonnes are then exported to the EU, or 85.3% of the regional tomato and melon crops.

The value of these exports in 2021 was EUR 77.5 million (MAD 826 million), i.e. EUR 66.3 million of tomatoes and EUR 11.2 million of melons, similar to the EUR 77.7 million⁴⁷ (MAD 837 million) in 2020.

On the basis of the data provided above, and assuming that all these products originating in Western Sahara benefited from preferences, exports to the EU in 2021 benefited from savings

⁴⁵ By way of comparison, in terms of exports from Morocco to the EU in 2021, 1 425 000 tonnes of fruit and vegetable products were exported to the EU with a total value of EUR 1 788 million (MAD 19 779 million), slightly down compared to 2020 in terms of volume and value.

⁴⁶ The average exchange rate in 2020 is applied here (1 EUR = 10.785 MAD) [Exchange rate \(InforEuro\) | European Commission \(europa.eu\)](#)

⁴⁷ Exchange rate 2020.

in terms of unenforced customs duties⁴⁸ of approximately EUR 8.7 million (MAD 92.86 million):

- melons: EUR 1 million (MAD 10.61 million) saved from a value of EUR 11.2 million (MAD 119 million) exported.
- tomatoes: EUR 7.6 million (MAD 81.2 million) saved from a total value of EUR 66.3 million (MAD 706 million) exported.

Given the sharp increase in the volume and value of exports compared to 2018, products originating in Western Sahara continue to benefit from the preferential tariffs applied to them. In 2018, savings on non-taxed agricultural products originating in Western Sahara and destined for the EU were already estimated at EUR 6.7 million (MAD 71.5 million).

While previous versions of this report mentioned no objections or significant problems for European farmers, the situation had changed by 2022. In July 2022, the French Council of State (*Conseil d'État*) referred a request for a preliminary ruling to the Court of Justice of the European Union on behalf of the *Confédération paysanne* (farmers' union). The questions referred for a preliminary ruling concerned the import of certain agricultural products originating in Western Sahara pursuant to Article 23a of the Customs Code, more precisely the import of cherry tomatoes and melons originating in Western Sahara under conditions not compliant with EU law for the determination of non-preferential origin, and the obligation to indicate the origin of fresh fruit and vegetables on packages and packaging⁴⁹.

3.1.3. Fishing sector

As outlined in the 2018 report, Western Sahara has a sizeable integrated fishing industry, comprising both fishing activity and fish processing. It comprises vessels of different ownership and nationality, typically landing their catches in Western Saharan ports where the fish is processed into different products (canned, frozen, transformed into other processed products, fish-meal, etc.).

The fisheries sector, together with the phosphate mines, forms the main economic basis for the whole region of Laâyoune-Sakia El Hamra, and the engine of regional economic development. The port of Laâyoune is ranked among the world's leading sardine ports⁵⁰.

In 2021, 962 000 tonnes of fish products were caught and landed in Western Sahara⁵¹ with an estimated value of EUR 629 million (MAD 6 692 million). By way of comparison, the

⁴⁸ 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 is set at EUR 1.2 in 2021, based on the average price of total exports of tomatoes, and the regular customs duty varies from 8.8% to 14.4% depending on the time of year. The duties saved were calculated based on a rate of 8.8% between 1 January and 15 May 2021 and 1 November to 31 December 2021; a rate of 14.4% was applied for the period 16 May to 31 October (due to 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).

⁴⁹ Request for a preliminary ruling from the *Conseil d'État* (France) lodged on 15/06/2022: EUR-Lex - 62022CN0399 - FR - EUR-Lex (europa.eu)

⁵⁰ Monographie de la région Laâyoune-Sakia El Hamra 2020. <https://www.hcp.ma/region-laayoune/attachment/2258177/> (p. 69).

⁵¹ The data are for fish landed in Western Saharan ports, normally captured in waters adjacent to Western Sahara although they may also come from elsewhere.

total catch made in Morocco in 2021 was 452 000 tonnes, with a value of EUR 728 million (MAD 8 055 million).

After processing in Western Sahara, 147 000 tonnes of processed fishery products were exported to the EU with a value of EUR 604 million (MAD 6 435 million). This represents a slight increase in volume (+ 6%), but a very large increase in value (+ 50.6%) compared to 2020.

Catches and exports to the EU of fishery products in 2020 and 2021								
	Total catch 2020		Exports to the EU in 2020		Total catch 2021		Exports to the EU in 2021	
	Volume (tonnes)	Value (in millions of EUR) ⁵²	Volume (tonnes)	Value (in millions of EUR) ⁵³	Volume (tonnes)	Value (in millions of EUR)	Volume (tonnes)	Value (in millions of EUR)
Laâyoune-Sakia El Hamra	384 300	196	58 700	168.5	371 000	255255	59000	219
Dakhla-Oued Ed-Dahab	570 100	294.1	81 800	233.7	591 000	374	88 000	385
Total	954 400	490.1	140 500	402.2	962 000	629	147 000	604

This increase in the value of exports is particularly noteworthy when comparing exports from Laâyoune-Sakia El Hamra between 2020 and 2021, the value of which increased by more than EUR 50 million for almost the same volume of exports.

Exports of fishery products to the EU are presented in the table below, by region and by product category⁵⁴.

<i>Fishery products originating in Western Sahara, exported to the EU in 2021</i>	
Product	Volume (thousands of tonnes)
Dakhla-Oued Ed-Dahab	
Frozen fish products	69.5
Frozen sardine	25.5
Frozen octopus	19.5
Frozen cuttlefish	8.3
Frozen squid	7.2
Frozen mackerel	7.6
Frozen crustaceans	0.2
Other	1.2
Fish meal	10.9
Fish oil	0.8

⁵² Average exchange rate 2020

⁵³ Average exchange rate 2020

⁵⁴ Source: FOODEX, November 2022

Canned fish:	5.0
Canned sardine	3.9
Canned mackerel	1.1
Fresh fish products	1, 3
Other	0.1
Total	87.7 (approx. 88)
Laâyoune-Sakia El Hamra	
Frozen fish products	41.0
Frozen sardine	17.6
Frozen octopus	8.8
Frozen squid	6.1
Frozen cuttlefish	4.0
Frozen mackerel	3.2
Frozen crustaceans	0.2
Other	1.0
Fish meal	10.0
Fish oil	3.3
Canned fish:	4.3
Canned sardine	3.1
Canned mackerel	1.2
Other	0.1
Total	58.7 (approx. 59)

The Commission has no particular concerns regarding a negative impact on the EU market of the exports of fish and fish products from Western Sahara.

3.2. Impact on employment and investment in Western Sahara

3.2.1. Impact on employment

As this report aims to assess the impact of the entry into force of the Agreement on the economy of Western Sahara, the analysis of the employment impact focuses on the agricultural and fisheries sectors. Together, these two sectors account for an average of 30% of jobs in the territory concerned⁵⁵.

Agricultural sector

The level of employment in agriculture in the Dakhla-Oued Ed-Dahab region⁵⁶ in 2022 remained stable at 14 000 jobs, as in 2021 and 2020. According to the available figures, 85.3% of total agricultural production in the Dakhla-Oued Ed-Dahab region is exported to the EU. This represented 65 700 tonnes in 2021, out of total production of 77 000 tonnes. On

⁵⁵ Annuaire statistique régional Laâyoune-Sakia El Hamra 2020. Table 8 – Breakdown of the employed population aged 15 and over in the three southern regions by industry and residence in 2019 <https://www.hcp.ma/region-laayoune/attachment/2258168/> (p. 77). This figure is an estimate based on the available information.

⁵⁶ Dakhla-Oued Ed-Dahab is the only Western Sahara region exporting agricultural products to the EU.

this basis, it is estimated that around 85.3% of the region's 14 000 agricultural jobs depend directly on exports to the EU: however, the total could be much higher once indirect jobs generated by exports are taken into account. Nevertheless, this represents around 11 942 jobs directly linked to the export of products originating in Western Sahara to the EU, a slight decrease compared to 2021 (12 110 jobs). For example, out of 83 317 jobs in the Dakhla-Oued Ed-Dahab region⁵⁷, 11 942 are directly dependent on trade in agricultural products with the European market, i.e. one in seven jobs.

Given that no agricultural production in the Laâyoune-Sakia El Hamra region is destined for the European market, no agricultural job in Laâyoune-Sakia El Hamra is directly dependent on the implementation of the Agreement.

Fishing sector

The fishing sector and its export activity generate employment in the two regions in question, Dakhla-Oued Ed-Dahab and Laâyoune-Sakia El Hamra. In the 2018 report – which shows the number of jobs for 2016 – around 90 091 jobs in Western Sahara were considered to be directly and indirectly linked to fishing activity⁵⁸. A year-by-year increase in the number of direct and indirect jobs compared to previous years can be seen. The number of jobs grew from 90 091 in 2016 to 133 478 in 2021, up 48% over five years. In 2021, this rapid increase seemed to be running out of steam, with an increase of only 8% compared to 2020. According to the information available, around 50% of the production of these establishments is destined for the Union: it can therefore be assumed that 66 739 jobs are directly or indirectly dependent on exports to the EU. Thus, out of an estimated labour force of 192 942⁵⁹, almost one in three jobs depends directly or indirectly on the trade in fisheries products with the EU.

However, these elements should be qualified: the increase mentioned depends largely on indirect jobs, which are already difficult to quantify. In terms of direct jobs, the increase was from 49 705 direct jobs in 2016 to 60 838 direct jobs in 2021, an increase of 22% over five years. The number of indirect jobs increased by 80% over the same period from 40 386 to 72 640. According to the 2018 report, indirect jobs are concentrated on land, i.e. in seafood processing plants.

Number of jobs in 2021 generated by the fisheries sector				
Region	Direct employment on land (processing industry)	Direct employment at sea (coastal fishing)	Indirect employment	Total
Dakhla-Oued Ed-Dahab	14 626	14 774	43 880	73 280
Laâyoune-Sakia El Hamra	9 586	21 852	28 760	60 198
Total Western Sahara	24 212	36 626	72 640	133 478

⁵⁷ Active population in Dakhla-Oued Ed-Dahab region: 83 317 in 2019. Source: <https://www.hcp.ma/region-eddakhla/attachment/2140102/>

⁵⁸ 2018 report: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0346&from=EN>

⁵⁹ Active population of the Dakhla-Oued Ed-Dahab region: 83 317 in 2019, of which 51 365 in urban areas. Source: <https://www.hcp.ma/region-eddakhla/attachment/2140102/>

Active population in Laâyoune-Sakia El Hamra: 109 625 in 2017, of which 101 303 in urban areas. Source: [KINGDOM OF MOROCCO \(hcp.ma\)](https://www.hcp.ma/region-eddakhla/attachment/2140102/)

Interestingly, although the total number of jobs increased compared to the previous year, the number of direct jobs at sea shows a significant decrease compared to 2020. This relates in particular to the Laâyoune-Sakia El Hamra region, where there were 27 231 direct jobs at sea in 2019, compared to only 21 852 in 2021.

The minimum wage of a worker in the maritime industry in the region concerned is EUR 330 (MAD 3 500) per month, equivalent to the minimum wage in Morocco. For a technician, the monthly salary is around EUR 375 (MAD 4 000).

The number of processing establishments connected with the fishing sector authorised to export to the EU in 2021 was 181, divided between the two regions, with an increase of 5% compared to 2020 (172 establishments recorded) and 28% as compared with the 141 establishments recorded in 2018. The breakdown by region is as follows:

- Dakhla-Oued Ed-Dahab had 106 establishments in 2021, and 89 in 2016;
- Laâyoune-Sakia El Hamra had 75 establishments in 2021 and 52 in 2016⁶⁰.

The agriculture and fisheries sectors are both labour intensive, hence the entry into force of the Agreement is a key factor for maintaining and even increasing the rate of employment, especially at a time of economic crisis. Female employment in the fisheries sector is considerable, notably in the canning industry (65 to 70 percent of jobs held by women). It also has a high concentration of migrant labour, owing to higher wages there than in other jobs to be filled.

In the Dakhla-Oued Ed-Dahab region, the AS-DOE project provides sectoral support for young entrepreneurs wishing to develop aquaculture projects. Supported by the Moroccan National Agency for Aquaculture Development, this project facilitates the integration of 507 young entrepreneurs in the region by providing administrative and technical assistance. This has resulted in the creation of 507 direct jobs and around 1 000 indirect jobs. Prior to this, according to CIDH Africa⁶¹, a programme for indigenous peoples was set up in 2008 to train unemployed young people in coastal fishing.

In summary, it is estimated that the agreement creates direct jobs for around 42 000 people in Western Sahara⁶², which means that the jobs of around 22% of the working population depend directly on the application of this agreement and the preferential tariffs that make these activities competitive.

3.2.2. Impact on investment

According to CIDH Africa, the territory of Western Sahara benefits from a much higher investment rate than the neighbouring Moroccan regions. Overall, investment can be broken down into Moroccan (70%), foreign (20%, particularly in the renewable energy sector and ports) and local (10%).

The Moroccan Government is continuing to implement the 2016-2021 Development Programme, with 88% of the programme completed (303 projects) or being implemented

⁶⁰ Department of Fisheries.

Report on benefits for the people of Western Sahara and public consultation on extending tariff preferences to products from Western Sahara of 11 June 2018.

⁶¹ Information obtained from a consultation meeting with CIDH Africa on 26 October 2022

⁶² 30 419 direct jobs in the fisheries sector + 11 942 direct jobs in the agricultural sector.

(257 projects). The programme focuses on investment in various relevant sectors such as phosphates, renewable energy, agriculture, and port and road infrastructure. Out of a total estimated budget of over EUR 7 billion (MAD 80.8 billion), 52% is earmarked for the Laâyoune-Sakia El Hamra region (270 projects amounting to EUR 3.8 billion (MAD 42.2 billion)) and 20% for the Dakhla-Oued Ed-Dahab region (157 projects worth EUR 2.2 billion (MAD 24.2 billion)). The remaining 28% is for the financing of regional projects.

3.3. Trends from January to September 2022

Based on information provided by FOODEX and the data from the Moroccan authorities, here is a comparison of the first three quarters of 2021 and the first three quarters of 2022.

Exports to the EU	January to September 2021		January to September 2022		Change in volume, January-September 2021 compared to the same period in 2022	Change in value, January-September 2021 compared to the same period in 2022
	Volume (tonnes)	Value ⁶³	Volume (tonnes)	Value ⁶⁴		
Tomatoes	43 770	EUR 47.3 million	44 119	EUR 53.4 million	+0.8%	+12.9%
Melons	10 693	EUR 11.2 million	8 488	EUR 9 million EUR	-20.6%	-19.6%
Fisheries products	111 436	EUR 452 million	99 998	EUR 435 million	-10%	-3.8%
Sweet peppers	0	EUR 0	43.8	EUR 43 614	n.a.	n.a.

It can be seen that the value of exports of tomatoes originating in Western Sahara increased significantly in 2022 compared to 2021, while the volume of exports remained stable.

It should also be noted that, during the first three quarters of 2022, a new vegetable product, namely sweet peppers, was exported to the EU, with a volume of around 44 tonnes and a value of EUR 43 614.

3.4. Impact on the use of natural resources

3.4.1. Water Resources

The primary constraint in Western Sahara is access to water, due to the type of terrain and the

⁶³ Average exchange rate 2021.

⁶⁴ Average exchange rate between January and September 2022 (EUR 1 = MAD 10.57). Source: [Rate of exchange \(InforEuro\) | European Commission \(europa.eu\)](#)

very scarce rainfall⁶⁵. Available research and data show the presence of groundwater in the territory. However, it is difficult to quantify the level of reserves accurately and their replenishment rate, and thus determine with certainty the sustainability of their exploitation. Groundwater is an important component of water resources in this part of northern Africa. It has certain advantages: regularity, low cost of use, and good geographical distribution. It is also a resource less vulnerable to climatic hazards and pollution from plant protection products (pesticides, etc.) used on seeds.

In the Western Sahara regions, this resource is unique and rare. This is all the more true as water resources are insufficient given rapidly growing needs. Water for early-growing crops has so far come from groundwater (also used for supply of drinking water). Groundwater is present in a large area (90 000 km²), is located at a significant depth (up to 1 800 m), and there is an estimated 3 billion m³ of permanent reserves. However, the groundwater in Laâyoune-Sakia El Hamra is mostly saline: of nine groundwater layers, just one contains fresh water (the Foum El Oued table)⁶⁶, which is used for irrigation and provides almost 40% of the city of Laâyoune's drinking water needs. No verification of the reserves could be carried out in the context of this report.

In order to manage water resources sustainably and enable agricultural activities to be developed, water is managed efficiently through the widespread use of drip crop irrigation systems. It is estimated that less than 3 million m³ per year, or around 0.1% of the volume available, is currently used for agriculture requiring large volumes of water.

There are plans to address the issue of scarcity of water via a large-scale ocean water desalination project. Since the 2018 report, a project to build a desalination unit for the irrigation of up to 5 000 hectares of arable agricultural land has been launched. This project involves building a seawater desalination plant for agricultural use costing some EUR 180 million (MAD 2 billion) at a distance of 75 km from the city of Dakhla. It will be supplied with energy generated by a wind park with an annual capacity of 40 MW. These two projects are expected to generate 10 000 permanent jobs. However, at the time of writing, the work, which should have begun in 2020, was still at the start-up phase.

One consequence of the project could be the relatively high cost of a cubic metre of desalinated water. According to a study⁶⁷, the price of the water generated by such a project would cost around EUR 0.95/m³. This would represent a twofold increase compared to a desalination project fuelled by fossil energy⁶⁸, and almost nine times the price charged for conventional water (EUR 0.11, or MAD 1.2)⁶⁹. The 'Morocco 2030' report⁷⁰, which focuses on the sustainable management of resources in Morocco and Western Sahara, warns that 'water savings are needed by combating the low efficiency of irrigation systems and by recommending less consuming crop choices'.

⁶⁵ In the region of Laâyoune-Sakia El Hamra, the average recorded over the past decade has been around 60 mm (Monographie de la Région Laâyoune Sakia EL Hamra 2020, p. 7), and an average of 30 mm a year for the region of Dakhla Oued El Dahab (Regional Monograph, 2018 edition)

⁶⁶ Monographie de la région de Laâyoune-Sakia El Hamra 2020, <https://www.hcp.ma/region-laayoune/attachment/2258177/> (p. 159).

⁶⁷ Techno-economic assessment of solar energy coupling with large-scale desalination plant: The case of Morocco (archives-ouvertes.fr) (p.1). This study analyses the desalination unit of Chtouka Ait Baha near Agadir.

⁶⁸ Desalination in Morocco: status and prospects, (p. 12)

⁶⁹ Article Les Inspiration Eco, 21 November 2022, Le warning des interprofessionnels (The warning of the interprofessional experts)

⁷⁰ Idem (p. 93).

3.4.2. Impact on the soil

In Western Sahara, 900 hectares of land are used for the production of crops in irrigated greenhouses. The ‘Morocco 2030’ report notes the degradation of irrigated soils in the country, as a result of a number of factors. Western Sahara is an area heavily affected by wind erosion, raising the question of the risk of desertification and the degradation of soils already weakened by farming⁷¹. Desertification is a challenge in the territory, hindering in particular port infrastructure and activities⁷².

In order to slow down the rate of degradation and enable intensive and sustainable agriculture to be developed, Morocco launched in June 2001 an action programme to combat desertification on its territory and in Western Sahara, adapted to the specific nature of the various regions. That plan made it possible to limit the proportion of degraded land in relation to the total area to the order of 5.35% between 2000 and 2015⁷³.

3.4.3. Environmental impact of the fisheries sector

The impact of maritime and seafood processing activity on the maritime and coastal environment of the regions concerned has not been quantified in this report. However, general comments can be made.

The maritime space of Western Sahara is characterised by a wealth of fisheries that fosters the development of aquaculture. However, the space continues to face threats linked to pollution from maritime transport and 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 sustainable development commitments set a target of 10%. In addition, decisions still need to be taken by the public authorities on alignment with international conventions on marine pollution and on strengthening governance⁷⁴.

In order to meet the challenges of a sustainable maritime space, public investment is planned for the creation of fishing villages and landing sites⁷⁵. These infrastructure developments would be accompanied by a project to raise awareness among fishermen about the sustainable management of resources⁷⁶.

However, the shift in the focus away from the Moroccan maritime axis between El Jadida and Kenitra will be in favour of the southern Atlantic coast (Dakhla-Agadir) and the Mediterranean coast (Tangier-Oujda). This will then lead to an increase in maritime traffic in

⁷¹ Le Programme d’action national de lutte contre la désertification: Actualisation et adaptation aux spécificités zonales (National anti-desertification action plan: Update and adaptation to the specific circumstances of the region), June 2013

<http://www.eauxetforets.gov.ma/Publications/PANLCD%20actualis%C3%A9%20rapport%20de%20synthese.pdf> (p. 19).

⁷² Monographie de la région de Laâyoune-Sakia El Hamra 2020: <https://www.hcp.ma/region-laayoune/attachment/2258177/> (p. 9)

⁷³ Rapport National 2021 – Les objectifs du développement durable au Maroc dans le contexte de la Covid-19, <https://www.hcp.ma/file/233296/> (p. 120).

Programme d’Action National de Lutte contre la Désertification et d’Atténuation des Effets de la Sécheresse, June 2001.

⁷⁴ *Idem*, (p. 116).

⁷⁵ *Idem*.

⁷⁶ Report ‘Maroc 2030’, (p. 75).

the territory concerned⁷⁷.

4. EU-Morocco cooperation and fundamental rights⁷⁸

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 2022 on Western Sahara⁷⁹).

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 provides for a specific 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.

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 also highlighted the beneficial impact that has been observed since the entry into force of the protocols, including in terms of social and economic rights. This ongoing engagement and cooperation policy on the part of the EU is largely in line with the recommendations expressed in the latest report of the UN Secretary-General on the situation in Western Sahara and the latest resolution of the UN Security Council on Western Sahara⁸⁰.

4.1. Current situation

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 parties, the foundations and main areas of cooperation between the EU and Morocco. Human rights and good governance feature prominently among them. According to the overall assessment of Morocco in the context of the EU Annual Report on Human Rights and

⁷⁷ *Idem*.

In addition, the *Institut royal des études stratégiques* (Royal Institute for Strategic Studies, *Ires*) underlines that: 'The creation of a coastal shipping line for goods connecting Casablanca and Dakhla, the reopening of the two maritime routes linking the Canary Islands to Tarfaya and Laâyoune are also provided for in this programme (Programme for the Development of the Southern Provinces (2015-2021))'.

⁷⁸ This chapter should be read in the light of footnote number 17, page 5.

⁷⁹ Report of the Secretary-General, 3 October 2022, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/611/86/PDF/N2261186.pdf?OpenElement>.

⁸⁰ Security Council Resolution 2654 of 27 October 2022, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/660/40/PDF/N2266040.pdf?OpenElement>.

Democracy in the World⁸¹, the country has continued to make progress on reforms to promote and protect human rights and fundamental freedoms. However, the results of the reform efforts have been mixed. On the one hand, significant progress has been made in some sectors, notably through the commitment of the public prosecutor to pursue a rights-based approach in line with international standards, measures on protection against and penalisation of gender-based violence, as well as initiatives to ensure better participation of women in electoral processes.

On the other hand, long-standing problems persist in other areas, notably linked to fundamental rights and freedoms. In 2021, the UN Special Rapporteur on the situation of human rights defenders, supported by other mandate holders in the context of special procedures, urged the Moroccan government to stop targeting human rights defenders and journalists due to their activities; she referred to reports indicating they had been subjected to intimidation, harassment, death threats, physical and sexual assaults, rape threats and surveillance, and treated as criminals.

In terms of press freedom, ‘Morocco/Western Sahara’ was in 135th place (out of 180 countries) in the global press freedom ranking drawn up by *Reporters without borders* in 2022⁸². In this context, it was reported that journalists have been prosecuted for criminal offences related to freedom of expression, including on social media.

Freedom of assembly and association also remains a sensitive area. According to information provided by independent sources, local NGOs continued to face obstacles to their legal recognition. 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 freedom to establish associations in Western Sahara and that the authorities may not refuse to return the confirmation of submission, except in cases of manifest breach of the procedural requirements laid down in the Law on Associations. In November 2021, the new government withdrew the draft criminal code with a view to amending the text in its entirety. The draft law had been pending adoption since 2016.

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 convention 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. 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, the UN’s compilation of information and a summary of stakeholder submissions⁸³. The review was characterised by an interactive dialogue in which 120 countries participated, submitting 306 recommendations, including on women’s rights, children’s rights, abolition of the death penalty, rights to freedom of expression, opinion and assembly, as well as the situation in Western Sahara. Morocco is invited to present its position on these recommendations at the 52nd session of the HRC in March 2023.

In its Resolution 2654, the UN Security Council welcomes steps and initiatives taken by Morocco, and the role played by the regional committees of the National Council on Human Rights (CNDH) operating in Dakhla and Laâyoune, and Morocco’s interaction with the special procedures of the UN Human Rights Council. The Resolution also stresses the

⁸¹<https://www.eeas.europa.eu/sites/default/files/documents/2021%20EU%20Annual%20Human%20Rights%20and%20Democracy%20Country%20Report.pdf>

⁸² [Ranking RSE](#), consulted on 15 November 2022. In the 2021 report, Morocco was in 136th place

⁸³ <https://www.ohchr.org/en/hr-bodies/upr/ma-index>

importance of improving the human rights situation in Western Sahara and the Tindouf camps, and encourages parties to work with the international community to develop and implement independent and credible measures to ensure full respect for human rights, including freedom of expression and of association, bearing in mind their relevant obligations under international law.

At the same time, the UN Security Council 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 also notes with great concern 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 funding in view of the deteriorating humanitarian situation, and aid agencies to facilitate the delivery of humanitarian aid in line with UN best practices. The EU has confirmed its commitment to provide humanitarian assistance to the Sahrawi refugees in the camps and has increased its involvement in resilience-oriented activities. The European Commission has taken note of the request in UNSC Resolution 2654 to increase funding for humanitarian aspects, to facilitate the delivery of humanitarian aid to the Tindouf refugee camps and to take the necessary steps for the registration of refugees.

The EU provides financial and technical support to Morocco in the field of democracy and human rights to promote gender equality, good governance, the implementation of the migration policy and reform of the justice sector. The EU acknowledges the important role played by civil society, including through its support to civil society actors. Morocco also receives additional funding in this domain under the European Instrument for Democracy and Human Rights (EIDHR).

4.2. Western Sahara and related UN processes

Western Sahara is listed by the United Nations as a non-self-governing territory, whose status remains the object of a peace negotiation process conducted under the auspices of the UN. This specific UN-led process assists the parties in reaching a just, realistic, pragmatic, sustainable and mutually acceptable political solution to the Western Sahara issue, which is based on compromise in accordance with the UNSC Resolutions. After his appointment as the new Personal Envoy of the UN Secretary-General on 7 October 2021, Mr Staffan de Mistura started discussions with all parties concerned with a view to relaunching the UN-led negotiations, which are fully supported by the EU. The EU followed with great interest Mr Staffan de Mistura's visits to the region and took note of the dialogue initiated with the Moroccan authorities during his visits to Rabat in January and July 2022. The Personal Envoy's visits to the region have also taken him to Algeria and Mauritania.

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 2023 – by UNSC Resolution 2654 of 27 October 2022. The EU reiterated its resolute support to the Personal Envoy and the UN process, and stands ready to contribute to increased regional cooperation. The EU noted that the Resolution encouraged, on the one hand, the parties to show greater political will to find a solution and, on the other hand, neighbouring countries to contribute to the political process, while stressing the importance of all parties concerned developing their positions in order to move towards a solution.

The EU has repeatedly expressed its concern about the long duration of the conflict and its implications for security and human rights in the region. The EU has consistently encouraged

the parties to continue their respective efforts to reinforce the promotion and protection of human rights in Western Sahara.

5. Main findings

■ *Implementation of the Agreement: exchange of information system*

The Agreement is being implemented in a balanced way. The tools for proper implementation are in place and work well. Information is exchanged regularly and in a spirit of cooperation. The exchange system provides, on a monthly basis, information on exports of products originating in Western Sahara to the EU. It works well and has not led to difficulties in the research process.

■ *Impact of the agreement on local populations and the economy*

The data available since the entry into force of the Agreement show consistently that the agriculture and fishing sectors of Western Sahara have benefited from the tariff preferences granted under the Agreement. Both sectors show positive results, with increases in production from year to year. Without tariff preferences, producers and entrepreneurs in Western Sahara would have had less competitive access to the European market. The profit margin of certain local producers (e.g. canned fish producers) is limited and depends on the customs duties granted or not on these products. It is likely that these activities would not have been profitable without the tariff preferences granted to products originating in the territory.

In terms of employment and human development, agricultural and fisheries activities provide training and jobs for the population of Western Sahara. It should be noted that the number of jobs in these two sectors continues to grow, although in the fisheries sector this increase mainly relates to indirect jobs benefiting from fishing activity in Western Sahara.

■ *Ongoing monitoring of the impact and implementation of the Agreement*

At this stage, three and a half years since the entry into force of the Agreement, the Commission continues to monitor its implementation and manage the information provided by the Moroccan authorities, in close cooperation with EU Member States' customs authorities, which have reported no difficulties in the application of the Agreement, despite the COVID-19 pandemic. There is a constructive dialogue and regular contact between the European Commission and the Moroccan authorities in order to resolve any issues and ensure the correct implementation of the Agreement.

■ *Investments in infrastructure*

Some large-scale infrastructure projects are planned in Western Sahara. These local investments should contribute to the economic development of the territory and increase its attractiveness for local and international investors. There is an expectation that the new deep water facility, Port Atlantique, to be built near Dakhla, will facilitate the direct export of goods from Western Sahara to the EU without needing to pass through packaging plants in Agadir, which should result in savings for Western Saharan exporters. Significant investments are also under way in the renewable energy sector. These projects should, in the near future, supply all the electricity in the territory and allow the development of new

industrial activities which could potentially benefit from the Agreement.

■ *Use of natural resources*

The report confirms the current use of groundwater for the production of crops exported to the EU. It contains an update on a large-scale desalination project in the Dakhla region based on the use of renewable energy from a new wind park, which should provide sufficient water supply for both the population and irrigation, where it will reduce reliance on the use of groundwater, and will in addition provide electricity and generate employment.

■ *Overall political and human rights situation*

The EU supports the UN-led process and the efforts of the Personal Envoy of the UN Secretary-General Staffan de Mistura to achieve a just, lasting and mutually acceptable political solution. The Commission and the EEAS consider that the EU's pragmatic approach, including with respect to trade arrangements applicable to products from Western Sahara, are conducive to a better socio-economic environment and dovetail with our continued engagement in support of the UN's endeavours.
