

WSRW Report – November 2020

Sweden and the Plunder of Western Sahara



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WSRW

WESTERN SAHARA
RESOURCE WATCH



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Western Sahara Resource Watch (WSRW) works in solidarity with the people of Western Sahara, researching and campaigning against Morocco's resource plundering of the territory. WSRW is a wholly independent, international non-governmental organization, based in Brussels.

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One step forward, one step back

Swedish companies keep supporting the Moroccan government's efforts to illegally occupy the territory of Western Sahara. The involvement of Swedish enterprises in the territory covers the businesses of shipping, tourism, fisheries and renewable energy.

The most disturbing development over the last years is the potential role that Swedish company Azelio might have in the development of the Moroccan renewable sector in the occupied territory. The company refuses to clarify its role.

Morocco's renewable sector is to an increasing extent taking place in Western Sahara. In 2019, the Nordic embassies were even hosting a conference in Casablanca where Nordic companies – including Azelio – met with Moroccan interests. No one from Western Sahara was invited to take part in the conference, even when that is where Morocco is increasingly placing its investments. Also, ABB has taken part in the sector. ABB has stated it has made no efforts to obtain consent from the Saharawi people to operate in the territory.

Two very positive incidents took place during the year 2020.

Most importantly, the company Epiroc announced in September that it will no longer take part in supplying drilling equipment to the mining operations of the Moroccan state-owned company OCP in Western Sahara. The controversy has been going on since 2008, when the Swedish company Atlas Copco signed an agreement for such supplies. In 2018, the part of Atlas Copco that was responsible for drilling equipment was established in a separate company, Epiroc. This new establishment has now drawn the line.

Earlier this year, a company exporting gas from Stenungsund into Western Sahara declared that it will no longer carry out such exports in the future.

WSRW recommends all Swedish companies currently involved in Western Sahara to immediately halt their operations unless they have first secured the consent from people of Western Sahara through their UN-recognised representation, the Polisario Front.

For further information about the conflict and the position of the Swedish government, check the first edition of this report, "Sweden and the plunder of Western Sahara".¹

Just outside of Western Sahara's capital city El Aaiún, a large solar plant has been erected for the Moroccan Agency for Sustainable Energy (MASEN), a partner of Swedish company Azelio AB. The latter does not wish to answer questions on whether it has assisted in the development of MASEN's projects on occupied land.

The Swiss-Swedish company ABB has completed the construction of infrastructure for a wind farm in the occupied territory. The structure is a hybrid substation which ensures the evacuation of the energy generated by the 200 MW Aftissat wind farm, located to the south of the capital of Western Sahara.² The work is done for *Energie Eolienne du Maroc*, a subsidiary of Nareva that is owned by the Moroccan palace. Nareva owns all public wind farms in occupied Western Sahara.

In response to a letter by *terre des hommes schweiz*, ABB noted that it had "not had direct contact with local political stakeholders" regarding the issue of consent.

ABB's power grids sector – including hybrid substations – was taken over by the Japanese company Hitachi in 2020. The negotiations between ABB and Hitachi ended in the first half of 2020, and the company now managing this work is a new joint-venture called Hitachi ABB Power Grids. From 1 July 2020, ABB's ownership in that joint-venture is 19.9%, with Hitachi owning the remaining 80.1%. WSRW sent a letter to the new joint-venture in August 2020, requesting it to clarify its current contractual obligations in Western Sahara. No answers were given to any of the questions, but company responded "we believe that our projects, including this project, is a benefit to local communities and settlements (sic) through the improvement of local energy infrastructure. Implementation of such renewable energy projects reduces local pollution and dependence on fossil fuel sources, thus contributing to achieving the United Nations' Sustainable Development Goals 7 (affordable and clean energy) and 13 (climate action)".³



Swedish-Swiss company ABB takes part in Morocco's controversial production of energy infrastructure in occupied Western Sahara, without having checked what the people of Western Sahara mean about it.

Azelio AB is a Swedish solar technology company that specializes in solutions to efficiently store renewable energy from e.g. solar and wind power and make it available all hours of the day as electricity and heat.

The company has over the last years developed a tight partnership with the Moroccan Agency for Sustainable Energy (MASEN), which in turn is responsible for the large-scale development of energy infrastructure on occupied land in Western Sahara.

Morocco increasingly tenders renewable plants in occupied Western Sahara as part of package deals that lump them in with similar projects in Morocco proper. The construction of the first phases of large solar plants in Boujdour and El Aaiún were for instance part of a contract that also included adding further capacity to the Ouarzazate plant in Morocco. It has been confirmed that Azelio has successfully installed its storage system at the plant in Ouarzazate. As such, there is a need to get clarifications on the scope of Azelio's deal with MASEN: is it limited to the Ouarzazate plant, or does it include work on the plants in Western Sahara? However, the company refuses to go into details.

On 16 May 2019, Emmaus Stockholm sent a letter to Azelio, asking whether the company would clarify that it does not engage in projects on occupied land.⁴ The letter was not responded to.

WSRW prodded Azelio to respond to Emmaus Stockholm's request on 18 August 2020,⁵ and received the following evasive reply: "Our purpose is to store solar energy to provide access to renewable energy in places that currently lack electricity grids or where access grid access is poor. These areas are located mainly in the earth's sun belt. In these regions, we collaborate with established organizations where we act as a technology supplier. We do maintain close contact with Swedish government organizations in order to listen to government recommendations. Those recommendations we follow."

In early 2019, Azelio struck a joint technical and business development agreement with MASEN to carry out a "large-scale verification process" by the end of that year, followed by Azelio's first market installation in 2020. That target has been met: during the fourth quarter of 2019, Azelio completed its verification project with MASEN at the Noor Ouarzazate Solar Power Station (which is in Morocco proper) and the first electricity has been produced by the end of the year. It was announced that a verification of the storage was to be initiated during the first quarter of 2020.⁶

The aim of the verification project was to generate data showing the technology's performance levels in a real-world environment. This means that the technology will become bankable since Azelio's customers – read: Masen – will be able to use this data to seek funding for projects involving Azelio's technology.

"We have an ambitious development and commercialization of our technology, where Masen's profound experience in renewable energy is of great value. Being present on one of the world's leading arenas for renewable energy marks a big step for Azelio and is the platform from where we take the next step in becoming a global industrial player", Jonas Eklind, CEO of Azelio, told.⁷

MASEN's Director of Research and Development, Industrial Integration sits on the board of Azelio since 2018.

The company is headquartered in Gothenburg, has production facilities in Uddevalla, development centres in Gothenburg and Åmål, as well as international offices in China, Spain and Morocco. The company was established as Cleanenergy in 2008, changed its name to Azelio in June 2018.

Wisby Tankers AB

The Swedish shipping company Wisby Tankers has been a key supplier of petroleum products to the occupied territory since 2010. A report published by WSRW in partnership with Emmaus Stockholm in 2014 showed that two chemical tankers of the company shuttled between refineries in Spain and the occupied territory.⁸ In average, the Lidköping firm shipped half a million litres of petroleum products daily into Western Sahara. The products are used by the Moroccan army, administration and businesses.

WSRW's observations of vessel traffic in occupied Western Sahara through 2019, suggests that the company remains heavily involved.

The transport of petroleum/oil products into Western Sahara harbours took place on 160 occasions in 2019: 81 times the tankers called in at the port of El Aaiún and 79 times in Dakhla. Some of the vessels called at two of these ports during the same journey, while others only delivered to one port. Some of the transports fuelled other vessels – mostly so-called reefer vessels – just off the port of Dakhla, without ever entering Dakhla harbour.

The total quantity of refined petroleum products arriving at the two ports in 2019 was estimated at 757,500 tonnes, valued at around USD 375 million.

According to WSRW's calculations of the vessels entering the ports of Western Sahara, Wisby Tankers' two vessels *Wisby Argan* and *Wisby Cedar* shipped 21.6 % of the petroleum products arriving the occupied territory.⁹

Emmaus Stockholm wrote Wisby Tankers on 4 January 2017 and again on 11 June 2020, but has not received an answer. WSRW wrote Wisby Tankers on 12 June 2017, 15 August 2017 and 11 June 2020, but never received any reply.



During the first years of Wisby Tankers' operation in Western Sahara, 'Wisby Barbados' was on voyage between Spanish refineries and Western Sahara. Since then, three more Swedish tankers have been in operation. This picture is from Tenerife, 2008. The traffic continues as never before.

The Swedish fishermen

Swedish fishermen have been operating in the territory for almost two decades, and there is little change in the activity level.

One boat operating in Western Sahara today is known to be owned by a Swedish family. The vessel, *Nordic*, flies a Moroccan flag, and is owned by an Icelandic subsidiary of Swedish company Zandic Management & Trading AB. The Icelandic subsidiary also owns two fishing vessels with Icelandic flag, *Hoffell II U-802* and *Sudurey TH-9*, which both are lacking quotas for Iceland. The latest registered harbours for the two vessels as of September 2020 were Dakhla and Agadir. Their operations in the area remain unknown.

It is also possible that the company Swemar AB, which has been engaged in the territory for several years, still maintains management responsibility for vessels in Western Sahara. This has not been confirmed.

Three former Swedish-owned vessels have recently been sold to Western Sahara fisheries operations: *Rockall*, *Mosun* and *Sunnanland*. Older exports of Swedish fishing vessels were highlighted in a Greenpeace report in 2013.¹⁰

Lastly, the Swedish fisherman Magnus Roth is the main owner in the Lithuanian company Baltlanta UAB, which carries out large scale fisheries in the territory under the EU-Morocco Fisheries Partnership Agreement, with the vessels *Daukantas* and *Ieva Simonityte*.

Two of the fishing companies in Fiskebäck, a fisheries community in Gothenburg, were in 2015 convicted for having carried out illegal fishing in the waters offshore the territory. They had to pay 4 million Swedish crowns (about 420.000 euro) in fines. The profit had been made from 13 months of fishing with two vessels between April 2007 and May 2008, at a value of at least 20 million Swedish crowns.

The companies were sentenced because they did not possess the required permits from Swedish/EU authorities in the spring of 2007. The EU-Moroccan Fisheries Partnership Agreement (FPA) had just come into force and the Swedish Fisheries Authorities were immediately contacted by the European Commission. Moreover, Sweden had voted against the Agreement in 2006 since it considered fishing activities in Western Sahara to be in breach of international law. This position was later confirmed by the European Court of Justice in 2018.

The two accused fishermen claimed that they had private agreements with a Moroccan fish factory owner and holder of fishing licences in order to facilitate the development of a fishing fleet off Dakhla and that the vessels had only been rented.

"During the last 20 years, I have never experienced illegal fisheries at these volumes, and for such a value", state prosecutor James von Reis said. The judicial process took almost eight years.

The kiting operators

In the WSRW-Emmaus Stockholm report in 2017, it was revealed that the Swedish kite surfing tour operator kite.se in recent years had sold tours to the town of Dakhla, in occupied Western Sahara. WSRW sent three mails to kite.se at the time, enquiring as to whom has permitted the companies to organise and sell tours to the territory, why they refer to Dakhla as being located in "Morocco" in its information material and how the firm assesses its contribution to legitimizing and normalizing the Moroccan claims to the territory through its marketing and operations. The company did not respond, but corrected the terminology on its information channels.

In 2020, Kite.se again claims Dakhla is in "Morocco" on its website. Kite.se marketed a trip to Dakhla in "Morocco" for the dates 15-22 March 2020.¹¹ After writing kite.se on 9 September 2020, the page was removed.¹² Instead, a new page called "Western Sahara" has appeared. When website users try to book through a booking form, one can choose "Morocco" as destination.¹³ WSRW has received no response from the company to its enquiries.

Stockholm Kiteboardcenter similarly invites to kite camps in Dakhla. In 2017, WSRW three times asked whether Stockholm Kiteboardcenter is the one organising these camps, but did not receive an answer. No consent has seemingly been obtained from the people of the territory. In March 2020, the website again marketed a kiting camp in the occupied territory.¹⁴ "That is 2019 blog. Corona now. no trips", the company briefly stated to WSRW on 16 September 2020. "The response is not contributing to clarify the question we asked", WSRW responded. "Shall we interpret your response of 10 September to our request that Kiteboardcenter will not market this destination in the future?", WSRW asked. No response has been received.

The Falsterbro-based company Ksurf in 2019 marketed kiting trips to Dakhla, calling it "south Morocco's kitesurfing paradise!".¹⁵ WSRW contacted the company on 9 September 2020, without response.

An apparently new player is the Gothenburg office of the French travel agency UCPA, selling trips to Dakhla "on Morocco's southernmost coast". UCPA's headquarters in France wrote to WSRW that "despite the fact that we do have activities in Dakhla, our production there is not direct. We don't have employees there. We work in partnership with companies and hotels established there, as any Tour operator often does". Regarding obtaining consent from Saharawis, UCPA stated "we do not need any authorisation as we do not work directly. But I'm sure that our partners do".

UCPA wrote that it had referred to Dakhla as in "Morocco" as "a practical aspect for our french travellers to situate the site". Follow-up questions on consent and as to why an incorrect geographical labelling can be practical for its clients have not been responded to.¹⁶ Neither has UCPA clarified whether it has undertaken any assessment, or whether any of its partners have obtained permission to operate in the territory.

The Swedish office responded that it is "just a sales channel toward the Scandinavian market", and asked WSRW to direct questions to UCPA in France. The Swedish office has changed one of several references on its website that Dakhla is located in "southern Morocco".¹⁷

The Stenungsund gas sales

On 22 March 2020, a controversial exports of so-called LPG gas took place from Stenungsund to Western Sahara, aboard a chemical tanker named *Emmanuel*. The vessel had loaded a cargo of gas during a 27-hour call at a jetty in Stenungsund, from the late afternoon of 13 March until the evening of 14 March.

The exporter was Borealis, one of Austria's largest companies with headquarters in Vienna, Austria. Emmaus Stockholm, WSRW and the Austrian association *Österreichisch Saharaische Gesellschaft* protested to Borealis on 12 May 2020.

The firm clarified that it would work to avoid such involvement in the future.

"[In] line with our full commitment to responsible chains and ethics, we will in future make reasonable effort to explicitly request the customer to refrain from supplying our products into a port within the territory of Western Sahara, even if it is legally admitted", the CEO of Austrian chemical company Borealis, Mr. Alfred Stern, wrote in a letter to Western Sahara Resource Watch on 26 May 2020.¹⁸

"We commend Borealis' clear response to our concern and its promise not to carry out such exports in the future. Borealis and Equinor together set a good example for this industry. We particularly call on the Swedish shipping company Wisby Tankers to follow this path, and stop all transports of petroleum products from Spanish refineries into the occupied territory. This industry is fuelling the brutal Moroccan occupation", chair of *Österreichisch Saharaische Gesellschaft*, Karin Scheele told.

Scheele is former Member of European Parliament, where she was leader of the European Parliament's Intergroup for Western Sahara.

She underlined that the claim that exporting to Western Sahara "is legally admitted" can be questioned. Under international law, companies and governments would have to obtain permission from relevant authorities in the territory for it to be legal. Morocco, as occupying power, is not a relevant authority.

Epiroc

The 12-year long practice of Swedish companies supplying drilling equipment to the operation of the controversial Bou Craa phosphate mine in occupied Western Sahara has come to an end.

This was revealed in September 2020, when the Swedish mining equipment company Epiroc announced that it would make no more supplies to the controversial Bou Craa phosphate mine in occupied Western Sahara.

"We do not have any agreements for maintenance or supply for the Boucraa mine in Western Sahara and we have no plans to supply the mine in the future", VP Corporate Responsibility, Camilla Goldbeck-Löwe, wrote in an email on 8 September 2020.

Epiroc is a rather new Swedish company, established in 2018. The company was created as a result of a decision of the Swedish company Atlas Copco to split out its former business of mining equipment. At the time the split took place, Atlas Copco had been selling and servicing equipment to the controversial mine in Western Sahara for several years. Its first sales to the operation took place in 2008, and the deal was revealed by WSRW only in 2013.

Even though no comments were given from neither Atlas Copco nor Epiroc regarding the matter during the two years after Epiroc's establishment, it was a common understanding among the owners of both companies that the contract with OCP had been taken over by Epiroc, as was the case with other Atlas Copco contracts. When confronted by Business and Human Rights Resource Centre earlier this year, Epiroc stated that it was "looking into this issue at present".¹⁹

However, a tweet from Atlas Copco on 10 April 2019 caused confusion as to which entity now held the contractual obligation. Atlas Copco stated on social media that "the extraction of phosphate made by our customer follows the rules of international law".²⁰

"Atlas Copco has no operations in Western Sahara. The customer for the Bou Craa mine and Atlas Copco has agreed that there will be no new orders for delivery of equipment, spare parts and service to Western Sahara", Atlas Copco's Vice President Sustainability, Sofia Svingby, wrote to WSRW in a mail on 18 September 2020. The same was confirmed to Business and Human Rights Resource Centre in a letter 9 March 2020. "Atlas Copco has no operations in Western Sahara. The mining equipment business is now part of a separate publicly traded company, Epiroc AB. [...] There is no service performed by Atlas Copco personnel in Western Sahara", she wrote at the time.²¹



Good news from Epiroc: the company has put an end to its "parent" company Atlas Copco's assistance to the Bou Craa mine.

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“The Court’s conclusion is that the materials and information presented to it do not establish any tie of territorial sovereignty between the territory of Western Sahara and the Kingdom of Morocco or the Mauritanian entity. Thus the Court has not found legal ties of such a nature as might affect the application of General Assembly resolution 1514 (XV) in the decolonization of Western Sahara and, in particular, of the principle of self-determination through the free and genuine expression of the will of the peoples of the Territory.”

International Court of Justice, 16 Oct 1975