Morocco-Israel Normalization and U.S. Policy Change on Western Sahara

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On December 10, President Trump announced that Morocco would normalize relations with Israel, and that the United States was recognizing Moroccan sovereignty over the disputed territory of Western Sahara. Morocco affirmed that normalization will include “official contacts with counterparts and diplomatic relations as soon as possible,” direct flights, and economic and technical cooperation. How quickly these commitments might advance remains to be seen.

Morocco’s willingness to normalize relations with Israel follows similar moves by the United Arab Emirates and Bahrain in September 2020, and comes after Sudan in October announced tentative plans to do so. Arab government decisions formally to normalize relations with Israel have generally come after years of discreet coordination to counter common concerns such as Iran and Islamist populist movements (including the Muslim Brotherhood). These developments raise questions about the future of cooperation and rivalry among key actors in the Middle East, U.S. arms sales to the region, Saudi Arabia’s willingness to follow suit, and Arab state support for Palestinian national demands.

U.S. recognition of Moroccan sovereignty over Western Sahara—a preeminent Moroccan goal for decades—has implications for U.S. relations with Morocco and regional rival Algeria, and possibly for regional stability and the future of the U.N. peacekeeping operation in the territory, MINURSO. Congress may consider the implications of making such a significant shift in long-standing U.S. policy, including whether other countries may cite it as setting a precedent for other disputed or “non-self-administering” territories. Over the years, many Members of Congress have expressed support for Morocco’s position, while others have called for an independence referendum and/or expressed concern about human rights conditions in Moroccan-administered areas.

Normalization with Israel

Morocco’s relationship with Israel dates to the 1960s, and has reportedly included security and intelligence cooperation. The two countries established diplomatic liaison offices in the 1990s, but Morocco decided to close them in 2000 during the second Palestinian intifada (uprising). Tourism has nonetheless continued, partly because many Israeli Jews are originally from Morocco.
Negotiations linking normalization and U.S. Western Sahara policy reportedly began in 2017. As recently as August 2020, Moroccan Prime Minister Saad Eddine el Othmani declared that normalization was a "red line." El Othmani heads a moderate Islamist party with a plurality of seats in parliament, while King Mohammed VI is the arbiter of national decision-making. Morocco has historically sought to support the Israeli-Palestinian peace process in concert with other Arab states, and King Mohammed VI called Palestine Liberation Organization (PLO) Chairman Mahmoud Abbas on December 10 to express his continued support for a two-state solution. As some analysts have noted, achieving its goals on Western Sahara may help mute internal opposition to Morocco’s decision on normalization; in addition, Morocco may have assessed that domestic reactions would be relatively mild in light of Arab responses to earlier normalization deals with Israel.

Western Sahara Shift

Morocco controls roughly 85% of Western Sahara, west of a berm constructed during the 1975-1991 war against the independence-seeking Polisario Front (Figure 1). The Polisario views areas east of the berm as its “liberated territories.” The U.N. brokered a ceasefire in 1991 but did not achieve a peace settlement. MINURSO was established to oversee a referendum on final status, but is currently tasked with observing the ceasefire. For background, see CRS reports on Western Sahara and Morocco.

The United States did not previously recognize Morocco’s claim, despite warm relations. Previous Administrations, and the Trump Administration prior to December 10, praised Morocco’s “autonomy” proposal while calling on Morocco and the Polisario to negotiate a “mutually acceptable political solution”—a goal the U.N. Security Council has endorsed since 2004 (most recently on October 30). The United States also has not recognized the Polisario’s self-declared Saharawi Arab Democratic Republic (SADR). The Polisario decried the President’s announcement.

How many other countries have recognized Moroccan sovereignty over the whole of the territory is disputed. According to Morocco’s Foreign Ministry, eighteen countries have opened consulates in Moroccan-administered areas, which may be viewed as recognition. Jordan and Bahrain recently pledged to do the same. (President Trump committed to open a U.S. consulate in Moroccan-administered Dakhla.) Dozens of countries maintain diplomatic relations with the SADR, which the African Union recognizes as a member state.

Military tensions have recently escalated in the territory. In November, Morocco’s military cleared Polisario protesters from blocking a road through the demilitarized buffer zone, and the Polisario declared it would no longer respect the ceasefire and launched attacks on Moroccan positions. Algeria, which hosts and backs the Polisario, criticized President Trump’s announcement as contrary to U.N. Security Council resolutions and likely to “undermine” de-escalation efforts.
Potential Issues for Congress

Oversight of U.S. Arms Sales and Investment Financing

News reports suggest that in tandem with the agreement on normalization and Western Sahara policy, the Administration plans to sell MQ-9B drone aircraft to Morocco, and has pledged to facilitate some $3 billion in investments in Morocco via the U.S. International Development Finance Corporation (DFC). Congress must be notified 30 days prior to such a military sale, and at least 15 days prior to a DFC financial commitment over $10 million.
Free Trade Agreement (FTA)

Neither the U.S.-Morocco FTA, nor implementing legislation enacted by Congress (P.L. 108-302), explicitly refers to Western Sahara. However, P.L. 108-302 defines goods eligible for preferential treatment under the agreement as those originating in the “territory of Morocco,” and H.Rept. 108-627 “notes that the FTA will cover trade with and investment in the territory of Morocco as recognized by the United States, which does not currently include the Western Sahara.” Rules of origin are specific to individual U.S. trade agreements.

Foreign Assistance

In an apparent sign of support for Morocco’s position, between 2013 and 2018, the House passed appropriations legislation that would have compelled some bilateral aid funds provided for Morocco to be implemented in Western Sahara. It has been the policy of successive Administrations not to do so, as this could be interpreted as a tacit acknowledgement of Moroccan sovereignty. Final enacted aid appropriations measures first substituted “should” for “shall” for FY2014 (P.L. 113-76, §7041[h] of Division K), and later provided that funds appropriated for bilateral economic assistance worldwide, without reference to Morocco, “shall be made available” for Western Sahara (P.L. 113-235, §7041[g] of Division J). Subsequent enacted measures have contained substantially similar provisions, most recently P.L. 116-94 (§7041[g] of Division G). The change in U.S. recognition policy arguably renders this issue moot, and could open the way for increased development and/or security assistance programming in support of Morocco’s objectives in the territory.

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