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Subject: Council conclusions on the Court of Auditors' Special Report No 09/2019
titled 'EU Support to Morocco - Limited results so far'

Delegations will find in the annex Council conclusions on the Court of Auditors' Special Report No 09/2019 titled 'EU Support to Morocco - Limited results so far', as approved by the Council (Foreign Affairs) on 21 September, 2020.

COUNCIL CONCLUSIONS ON THE COURT OF AUDITORS' SPECIAL REPORT No 09/2019 TITLED 'EU SUPPORT TO MOROCCO - LIMITED RESULTS SO FAR'

1. The Council thanks the European Court of Auditors for their Special Report No 09/2019 'EU Support to Morocco', published on 11 December 2019.
2. The Council notes the appreciation by the Court that the European Commission made an appropriate risk analysis and needs assessment, on the basis of which it considered that Budget Support was the right choice of aid delivery instrument during the period 2014-2018.
3. The Council takes good note of the recommendations made by the Court on the large number of sectors covered by EU budget support cooperation and agrees that the benefits of budget support should be maximised in particular by ensuring higher concentration on fewer areas and by strengthening the dialogue and joint programming between the partners. The Council also takes note of the conclusion of the Court regarding the added-value of budget support provided between 2014-2018 in Morocco and its ability to support reforms. The Council appreciates the very large scope of the EU-Morocco partnership and the wide-ranging ambitions of the reform agenda pursued by the Moroccan authorities and the importance of preserving the predictability and continuity in future EU-Morocco co-operation.
4. The Council recalls the particular circumstances mentioned by the Special Report and affecting the EU-Morocco partnership during the assessed timeframe (2014-2018). These circumstances posed specific challenges to bilateral relations, including to the normal deployment of budget support operations.
5. The Council considers that the lack of political dialogue during most of the period under review strongly constrained strategic steering and exchanges between the partners, which affected in turn the effectiveness of sector policy dialogues. In this respect, the Court's observations should be duly taken into account for the future, including in the preparation of the next multi-annual programming cycle to make partnerships even more effective. Therefore, the Council encourages Morocco, the EEAS, and the Commission to continue their political dialogue recently stepped up in the new context of a reinvigorated EU-Morocco partnership so as to support sectoral policy dialogues and allow for the regular assessment of operational priorities.

6. Concerning the Court's recommendations on the implementation of EU budget support programmes, the Council concurs with the Court's view that it is key to continue to better identify and mutually agree with Morocco on ambitious, clear and specific performance indicators, providing incentives to reforms based on credible sector strategies, which will make disbursement effectively linked to the satisfactory attainment of these indicators.
7. The Council reiterates the importance of close monitoring of budget support operations. It appreciates the acceptance by the Commission of the recommendations on improving the monitoring procedures, in particular by strengthening the monitoring of the indicators of sectoral strategies. The Council welcomes the efforts under way to improve the sectoral strategies' monitoring frameworks.
8. The Council also acknowledges that the Commission and the EEAS have actively sought to ensure Moroccan cooperation in the effective implementation of EU financial support, and calls on Moroccan authorities to take further steps that would help to further increase efficiency in the management and implementation of the EU's financial assistance.
9. The Council acknowledges that, as observed by the Court, the visibility of EU support was insufficient during the period under review, which presented specific challenges. It urges the Commission and Morocco to ensure better visibility of EU support, as an illustration of the renewed EU-Morocco partnership.
10. The Council notes with particular interest the growing cooperation and dialogue between the Court of Auditors of the Kingdom of Morocco and its European counterparts, including the EU Court, and encourages them to further their peer-to-peer dialogue.
11. As highlighted by the Court, closer donor coordination is key in ensuring a more focused and efficient assistance, avoiding duplications and promoting synergies. In this regard, stepping up efforts towards EU joint programming between the Commission and Member States will be of particular relevance. Whilst the EU does play an active part in the overall coordination of donors, a well-established Morocco-led mechanism is useful and should focus its efforts on the most important needs of Morocco.

12. The Council calls on the EEAS, and the Commission, as well as individual Member States and Morocco, to take into account the lessons learned and incorporate the Court's observations and recommendations for the future. It notes with satisfaction Commission indication that efforts to implement them are already being deployed and looks forward to the Commission's report on their implementation.

13. The Council notes that Morocco is in the process of designing a renewed national development model, which is also expected to address post-COVID-19 socio-economic recovery challenges, and could provide a coherent framework for development cooperation. EU cooperation should consider how best to support the Moroccan government in its work to adopt and implement reforms identified as needed, as well as in its efforts to mitigate the consequences of the COVID-19 pandemic. In this light, the EEAS and the Commission should be pursuing a multi-faceted political and policy dialogue with the Moroccan counterparts, including civil society. Fully aware of the socioeconomic and political expectations of the Moroccan people for the pursuit and advancement of its reform agenda, the Council underlines the importance of developing EU cooperation with Morocco in line with the EU-Morocco Joint Political Declaration of June 2019, thus giving new impetus towards developing a true Euro-Moroccan partnership of shared prosperity. In line with the Court's recommendation, this cooperation should be continuously assessed, in order to optimize its effectiveness and impact.