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"Egypt: Challenges and Opportunities for U.S. Policy"
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Thank you, Madam Chair, Ranking Member Deutch, distinguished Members of the Subcommittee, for inviting me to testify at this hearing entitled "Egypt: Challenges and Opportunities for U.S. Policy." It is an honor to be here with you to discuss this important topic.

Nearly three years after the Egyptian military's July 2013 ouster of Mohamed Morsi from the presidency, an event that many in Egypt and elsewhere hoped would reset the country's failing democratic transition, Egypt is headed in the wrong direction—politically, economically, and security-wise. Under President Abdel Fattah al-Sisi, Egypt has become an extraordinarily repressive and intolerant security state, one that aims to stifle dissent, diminish civilians' roles in governance and expand the role of security agencies, and turn a diverse citizenry into obedient, uniform subjects. The scale of oppression is worse than under Mubarak's three decades of autocratic rule or Morsi's one year in office. Under Sisi, Egypt is also a more difficult partner for the United States in several key respects. At present, there are far more challenges than opportunities for the United States in Egypt.

To some observers, Egypt under Sisi may appear to have achieved a kind of stability through harsh repression. Evidently Sisi retains the support of significant portions of the Egyptian population, and there is no obvious better alternative to his rule at present. Egypt exists in a dangerous and turbulent neighborhood, with threats right on and inside its borders. But many of its current problems are self-inflicted. Moreover, as we have seen in Egypt in recent years, public opinion can be fickle. The policies of the current regime are generating or worsening the

conditions that feed broader discontent, the alienation and radicalization of young Egyptians, and future unrest. It is impossible to predict when and how the next wave of popular unrest could come to Egypt, or whether and when Sisi will consolidate his power over what currently is not a fully cohesive set of state institutions. But authoritarian rule imposed in an attempt to control a youthful, economically-marginalized population with unmet aspirations for greater opportunity simply is not sustainable. The Egyptian government's brutal crackdown since 2013 against dissent, peaceful independent political participation, and free expression, combined with terrorism and other security challenges, corruption, government inefficiency and neglect, and worsening economic problems that hit especially hard the tens of millions of Egyptians who live near or below the poverty line, are a recipe for a social explosion at some point in the future.

U.S. Security and Strategic Interests

To be sure, Egypt remains important to the United States, due primarily to its geostrategic location and its large population, which according to recent reports has reached 91 million people--the largest in the Middle East and North Africa. We have to continue to try to work with Egypt to achieve U.S. security goals, including advancing Arab-Israeli peace, defeating ISIS-affiliated groups and other jihadists in the Sinai Peninsula and elsewhere in Egypt, and maintaining strategic privileges provided by Egypt effectively in return for military aid that help the U.S. military project power in the region, such as expedited approval for U.S. overflights and Suez canal passage for our Navy ships. And an Egyptian government that is aligned with our broader regional objectives, such as those regarding Iran, Iraq, and Libya, remains an enduring U.S. interest. The United States should not and cannot walk away from Egypt. As we pursue near-term security cooperation, we must keep in mind the overarching U.S. interest in an Egypt that can achieve lasting, genuine stability and that is not contributing to the problems of terrorism and radicalization plaguing the Middle East.

But any sound U.S. policy must be based on a clear understanding of the hard realities of Egypt today, as well as on a sober assessment of the limitations of U.S.-Egypt relations. Beneath both countries' familiar rhetoric about a "strategic partnership," bilateral ties are increasingly strained in many areas. It would be unwise for the United States to over-invest hopes and resources in Egypt at present. The United States needs urgently to recalibrate its policy toward Egypt to give more weight and attention to the human rights crisis occurring under Sisi and respond to the lack of cooperation from Egypt in several key areas. We should adjust aspects of our economic and military assistance to demonstrate our concerns about the current course on which Sisi is leading the country and to make sure that we are not contributing inadvertently to the problems that Egypt faces. As we work with the government in Cairo on a range of issues, we must also make clear that we cannot have a robust, or even a business-as-usual, relationship with an Egyptian government that treats so many of its own citizens so poorly and that is not a full partner to the United States. This is not just a question of values. There is a genuine risk that the unaccountable security state in Egypt today is unable to address Egypt's urgent social, economic and political challenges productively and may be expanding the pool of

Egyptians susceptible to radicalization and violence --developments that threaten Egypt's stability as well as U.S. interests.

To be sure, Egypt's future is up to Egyptians, and U.S. influence in Egypt is not abundant. Even during the 30-year rule of Hosni Mubarak, it was a myth that the United States had some vast influence over Egyptian domestic politics. And since Mubarak's ouster and the re-ordering of some parts of the power structure, longstanding strains of nationalism and anti-American attitudes in the body politic have strengthened. Sometimes these nationalist sentiments reflect Egyptians' desire for a more "independent" foreign policy following a popular revolt against an autocratic leader who was closely aligned with the West. But more often in the media and other institutions this nationalism takes ugly, backward, even xenophobic forms. Furthermore, since 2011, the drifting apart of the United States and Egypt that began under Mubarak --what the scholar Steven Cook aptly has termed "the long goodbye"--has accelerated. With the main achievement of the bilateral relationship, Egypt-Israeli peace, long solidified and representing an event far in the past for most Egyptians and Americans, no shared larger goal has emerged to re-energize U.S.-Egypt ties with a new sense of purpose. Egypt and the United States at this point have mainly a transactional relationship, marked by a lack of trust and frustrations on both sides.

Yet it would be incorrect to conclude that U.S. influence in Egypt is absent. The United States is the most powerful country in the world and as such, remains Cairo's most important military and political relationship by far. U.S. engagement, assistance policy, diplomatic pressure and overall posture toward Sisi's government will not change Egypt. But a more consistent approach based on correct priorities and that uses what influence we do have wisely could make a positive difference over time; inaction surely will not. If we really care about Egypt not becoming a source of instability and insecurity, we need to send a strong signal of support for the people of Egypt, especially for those citizens who espouse democratic values. We must send a strong signal to the Egyptian government of our doubts and concerns about the current course Egypt is on, and the urgent need for a course correction. To be sure, this will not be easy, and it will require fortitude, perservance, and a long-term view by the United States, and the willingness to tolerate increased tensions in the bilateral relationship. But it is the only responsible policy for the United States.

Some Difficult Realities of Sisi's Egypt

• Repression and a Human Rights Crisis Far Worse Than Under Morsi or Mubarak

As the attached POMED fact-sheet describes in more detail, since then-defense minister Sisi removed Morsi from office, the military-backed government has carried out a vast and relentless campaign of repression against its Muslim Brotherhood and other Islamist opponents, secular and liberal activists, university students, journalists, and ordinary citizens caught up in the dragnet. The scale and severity of this campaign, which is not atypical following a military takeover of the political system, goes far beyond what took place under former presidents Morsi or Mubarak and correctly is described as a crisis. Human rights groups

report that some 40,000 Egyptians have been arrested since 2013. Many of these people have been locked up for belonging to the now-illegal Muslim Brotherhood, and still others for violating the 2013 protest law, which effectively makes peaceful demonstrations against the government illegal and subject to harsh prison sentences and fines. Thousands of Egyptians have been put on trial and sentenced to prison--and more than 1,000 defendants have been sentenced to death, often in rushed, mass trials--in what credible observers describe as politically-motivated proceedings lacking minimum due process standards. Conditions in detention centers and prisons are very poor, with rising reported incidents of torture, abuse, denial of medical treatment, and overcrowding, and with thousands of Egyptians trapped in pre-trial detention for extended periods without adequate judicial recourse. In the past year, Egyptian human rights groups have raised alarms about what they describe as the emergence of two new systematic policies employed against hundreds of Egyptians by security agencies that are frighteningly reminiscent of practices employed by Moamar Qaddafi in Libya or Saddam Hussein in Iraq—enforced disappearances of activists and extra-judicial killings of alleged government opponents. In one widely-publicized potential example of unaccountable security agencies run amuck, some informed observers believe that security forces may have been involved in the abduction, torture, and killing of Italian doctoral student Guilio Regeni this winter. Egyptian rights researchers report that many such incidents have occurred against their fellow citizens, though with little international attention.

Some of these human rights abuses are being committed as dangerous excesses in Egypt's counter-terrorism campaign. Egypt faces a genuine terrorism threat. But indiscriminate and violent responses by the state risk making the problem even bigger by generating millions of Egyptians who are deeply aggrieved against the government and highly susceptible to radical, violent narratives and recruitment. This is a particular worry in the north Sinai Peninsula, where the Egyptian military is engaged in a difficult campaign against Egyptian jihadists affiliated with the Islamic State —a campaign that to succeed, must gain the trust and cooperation of local Sinai communities to work against the jihadists. Such trust-building continues to be elusive in the face of far-reaching security measures, including destruction of homes, that often hurt the civilian population and breed resentment, and the ongoing state neglect of persistent local demands for better governance, safety, and economic and social inclusion.

But Sisi's crackdown goes far beyond a campaign against jihadists, other radicals, and even his Muslim Brotherhood opponents. It extends to those who are alleged to have challenged official narratives or somehow offended conservative state sensibilities or "public morals." It includes pro-democracy youth who represent potential organizers of peaceful movements and protests of the kind that led to the ouster of Mubarak. Many in the Egyptian leadership apparently see such youth as a major threat to stability and public order and are determined to block a repeat of the January 25 protests. Under Sisi's leadership, state agencies have locked up leading youth activists for "terrorism" or other security threats. In addition, the state has prosecuted record numbers of Coptic Christians, atheists, writers, and others deemed "outside the mainstream" for blasphemy. Perpetrators of communal attacks on Coptic Christians rarely are brought to justice. Egypt is now second only to China in the number of journalists in prison. Art galleries

and cafes have been shut down and a new law to tighten controls over social media, one of the remaining spaces for debate and open expression for young Egyptians, is looming.

Finally, the authorities are pursuing a crackdown on human rights organizations. These groups form the core of Egypt's independent civil society and despite intense pressure against them, continue to monitor and document violations, defend victims of abuse, promote accountability, and raise public awareness of international human rights norms and democratic values. As the attached POMED time-line describes, the state has re-opened a nefarious 2011 case under which U.S. and German democracy groups were prosecuted in a systematic attempt to put numerous local (and possibly foreign) NGOs out of business through investigations into illegally receiving foreign funding and other allegations widely seen as baseless. Prominent human rights workers have been interrogated, subject to travel bans and asset freezes without due process, harassed, vilified by the media, and even arrested, with reports of harsh prison treatment for some. Some activists have been forced to flee Egypt after receiving death threats.

If successful, the attempt to crush the human rights movement, along with related moves to eliminate other legitimate independent institutions and otherwise shrink the civic sphere to sanctioned pro-state voices, would be ominous for Egypt's future. Not only would there be no credible indigenous organizations to document and report, for Egyptians and the international community, on developments inside the country. But as the veteran Egyptian human rights campaigner Gamal Eid wrote in the New York Times in April, human rights groups and other citizen-based organizations also can serve as crucial mediators between the government and society, helping to articulate citizens' demands and generating constructive solutions for social problems. When this mediating zone is destroyed, as it was in Assad's Syria or Qaddafi's Libya, societies have a much harder time managing conflict and unrest, and violent confrontations and the breakdown of public order become much more likely. Indeed, stifling independent political activity more broadly under the guise of "restoring order" or "protecting state prestige" dangerously closes off channels for peaceful participation and increases resentment against the government. It is worth asking why, when Egypt faces a genuine terrorist threat, so many state resources are being deployed so assiduously against peaceful activists, journalists, and other such citizens. It is also worth asking whether a state carrying out such vast repression will possess the necessary moral authority and legitimacy before key sectors of its own population to succeed in the urgent campaign against the false narrative of the Islamic State.

Deepening Economic Challenges

With its large, youthful population, enviable geographic location close to Europe, sub-Saharan Africa, and the Middle East, and other resources, Egypt has huge economic potential that sadly has never been tapped fully by any of its leaders. President Sisi correctly made getting Egypt's economy back on track after the turmoil of the post-Mubarak era among his first promises to the Egyptian public, pledging to undertake difficult reforms while protecting the poorest, most vulnerable citizens from more hardship. He urged Egyptians to be patient, noting that there are

no quick fixes to the country's deep-seated economic problems, and that it might take a few years for improvements to be felt.

Unfortunately, two years into Sisi's presidency, economic challenges are mounting, not easing. Inflation is rising, hitting the pocketbooks of tens of millions of poor Egyptians already struggling to make ends meet. The persistent unemployment crisis continues, by some reports reaching 40 percent among young Egyptian job-seekers. Attempts to revive the tourism industry have floundered in the face of security concerns. Foreign direct investment has not flocked to Egypt at anywhere close to the levels needed, due to worries over security, an uncertain investment climate, and an often poorly-functioning judicial system. Without boosts in these key sources of hard currency, Egypt has had trouble propping up its own currency, continuing to put pressure on its depleted foreign reserves to do so while delaying what may be an inevitable devaluation of the Egyptian Pound.

The government has continued to finance its growing budget deficit through borrowing, siphoning funds from the local banking sector that could be lent more productively to small and medium businesses, and taking on more international debt. Egypt's perennial problem of growing state expenditures, heavily tilted toward costly subsidies and wages and other patronage to key interest groups, and declining revenue, due to weak economic output and insufficient tax income, continues. Increasingly it appears that Egypt is living on borrowed economic time. Egypt has avoided a fiscal and an energy crisis thanks largely to the huge aid packages from wealthy Gulf allies seeking to bolster the post-Morsi order, but it is not certain that such generosity will continue indefinitely. Egypt's large informal economy has provided another cushion against a full-blown crisis, but it too is a poor long-term answer. The informal sector simple cannot provide the stable, well-paying employment needed to absorb enough job-seekers, boost productivity, and widen the state's tax-base.

To be sure, there is no quick fix for Egypt's economic problems, especially the complex one of unemployment, which requires labor market reforms, major changes to the educational system, and boosting different productive sectors and small and medium businesses. But Sisi's government has hesitated even to launch a serious program to fix these and other problems. Indeed, despite government rhetoric, Sisi's commitment to a reform path is uncertain. Many of the government's economic measures are a confusing array of ostensibly pro-reform moves, followed by statist reversals, paralysis, or ministerial shuffles. Some Gulf officials privately express deep frustration with the situation. The reasons for the lack of adequate progress are too many to list here. But they certainly include Sisi's over-reliance on costly but highly dubious mega-projects such as the planned building of a new capital city, at the expense of more urgent and worthwhile investments in human development and basic infrastructure. And the expanding and privileged economic role of the military is antithetical to the development of a more competitive, fair, market-based economy.

The combination of intensifying repression, growing economic hardship, ongoing labor unrest, unmet Mubarak-era demands for social justice, deteriorating state services, and looming needed but unpopular subsidy and other reforms does not bode well for Egypt's stability.

Improving the economy will be arduous for any leader of Egypt. But without a clear vision, social dialogue and buy-in from key constituencies, and adequate safety-valves for dissent, the task becomes even more daunting, and international aid and other offers of support far less useful.

Troubling Egyptian Government Attitudes Toward the United States

Sisi has spoken often of his wish to maintain a "strategic," strong relationship with the United States. The actions of some parts of his government, however, belie this rhetoric. Under Sisi, American citizens have been arrested, put on trial, and imprisoned on politically-motivated charges. For example, civil society activist Aya Hegazi, an Egyptian-American from Virginia, and her husband are standing trial for what many observers describe as trumped-up charges of child abuse while running an NGO that helps Cairo street children. Other U.S. citizens have been deported from Cairo Airport and deemed security risks. Absurd stories describing nefarious U.S. government plots to weaken Egypt through foreign assistance and other "infiltration" and even depicting the United States as an enemy regularly appear in the media, including in the state-owned press. The Egyptian government has obstructed the implementation of economic aid projects for higher education and civil society development, among others, including by refusing to register NGOs responsible for helping to implement such initiatives to benefit Egyptian citizens. Sisi has so far refused U.S. requests to exonerate the employees of U.S. democracy organizations convicted of criminal charges in 2013 on trumpedup allegations in a flawed trial. And as a recent report by the Government Accountability Office (GAO) described, Egyptian officials routinely decline to cooperate with end-use monitoring and human-rights vetting requirements for U.S. security assistance.

Certainly, there are Egyptian officials who appreciate U.S. economic and military aid and who want to work constructively with the United States. But they may not be the most powerful actors in the system at present. And the troubling incidents described above are frequent enough to suggest that Egypt is playing a double game in which its government seeks to keep U.S. aid and other support flowing, on its terms, while targeting U.S. citizens with impunity, obstructing other cooperation, and demonizing the United States to its public. And it suggests that despite a nearly \$80 billion investment of U.S. aid in Egypt since the 1970s, and close security ties, the United States does not share values or a worldview with Egypt's leaders.

Also worth noting is Egypt's weakened role in the Middle East and thus its diminished role as a U.S. partner on regional diplomacy. It is a U.S. truism that Egypt is a leader of the Arab world and a key regional actor, heightening its importance as a US ally. But beginning in the late Mubarak era, Egypt diverged from U.S. regional policy on some important issues and saw its influence outside its borders reduced as a result of the stagnation of decades of autocratic rule. Since the 2011 uprising, and continuing under Sisi's presidency, Egypt has turned inward, preoccupied by turmoil at home and consumed by economic, security, and political challenges on the domestic front. To be sure, Egypt retains weight in the region, but this is nowadays more due to its size and potential for spreading instability beyond its borders than to its ability to project decisive influence in regional affairs. Today, Egypt is less a leading regional actor,

problem-solver or exporter of economic dynamism and other public goods than a country whose stability and security is a source of concern to its neighbor Israel and to the present center of gravity in the Arab world, the Gulf countries. Indeed, Egypt currently is a nation that depends on aid from its Gulf allies and others simply to keep its economy afloat.

Recommendations for U.S. Policy

What can and should the United States do to address some of the core challenges of Sisi's Egypt: intense repression and a crackdown on peaceful activism; terrorism involving different radical groups in the Sinai and the Nile Valley; the struggling economy; Egyptian actions against Americans and lack of cooperation on assistance? There is no quick fix that the United States (or any other country) can pursue in Egypt and as described above, U.S. influence is not vast. But a course correction is needed. With a recalibration of U.S. policy to include carefully-targeted, consistently-pursued measures, we stand a better change of exerting a positive influence over time, and at least not inadvertently making these problems worse or even being complicit in the repression. U.S. policy toward Egypt must balance the need for short-term security cooperation with the Egyptian government with attention to the medium-term risks for Egypt's stability if the current intense repression continues and a long-term concern for the welfare of the Egyptian people. Below, I offer a few suggestions for steps that the United States should take in its relations with Egypt to make a course correction, to better balance a range of U.S. interests, and to signal to Sisi that a business-as-usual relationship with Washington is not possible until Egypt moves onto a more constructive path.

Human Rights Diplomacy and Supporting Democratic Values

The United States must make human rights a much higher priority in Egypt. Significant democratic progress is unlikely in the foreseeable future, but it is possible to envision an easing of the human rights crackdown that would relieve pressures in Egyptian society and expand the space for peaceful expression. Our goal should be supporting Egyptians who want a more tolerant, democratic country remain alive and buy time, to help keep open even a small political space for peaceful participation and peaceful change.

U.S. officials across the interagency must speak out in public, not just in private, about the human rights crisis, emphasizing the potential for violent repression to widen the pool of disaffected, aggrieved Egyptian youth and to hinder Egypt's efforts to achieve genuine stability. To be sure, Egypt often lashes out harshly in response to U.S. (and other international) criticism and pressing these issues can add tension to the bilateral relationship. But the United States is always stronger and more respected when we consistently uphold our democratic values and support those Egyptians who share them, and when we take a long view that Egypt's future can be better and that its people deserve far better, even as it is on a worrying path now. While Sisi's government may bitterly complain when the United States raises human rights, even sensitive issues, it is unlikely that Egypt will cease cooperation on core areas of security partnership in response—especially in areas that are fully in Egypt's own interests such as combating the Islamic State. And U.S. human rights concerns are not a "Western imposition" or

holding Egypt to unfair Western standards, as Sisi has asserted. Egypt has many human rights provisions enshrined in its 2014 constitution, and is a signatory to key international human rights instruments. Furthermore, Egyptian human rights organizations and the quasi-official National Council for Human Rights monitor and speak out about a range of human rights abuses, and the United States typically is echoing these indigenous concerns. Finally, the argument that Egypt will be more responsive to private diplomacy rather than public criticism is not supported by experience, and can become an excuse for inaction. Egypt remains sensitive to its international image and seeks U.S. and other international endorsement of its political trajectory. There are examples in recent years where the United States has been able to achieve small, yet meaningful, progress on human-rights related issues in Egypt due to a combination of public statements, private pressure, and sustained efforts in coordination with our democratic allies.

The United States should prioritize the following issues in its diplomacy with Egypt:

- Insist that Egypt pardon or otherwise exonerate the 43 employees, including American citizens, of U.S. and German democracy organizations wrongly convicted in 2013 on spurious charges. The United States must make clear that failure to resolve this deeply negative episode in the bilateral relationship will remain an obstacle to stronger relations with Sisi.
- Urge Egypt to drop Case 173 against human rights NGOs and other civil society groups and end harassment of human rights workers and other peaceful activists and allow these organizations to operate and receive foreign funding under internationallyaccepted standards of freedom of association and assembly.
- Work with our democratic allies in Europe and elsewhere to raise Egypt's human rights crisis at the session of the UN Human Rights Council (HRC) in Geneva that is now underway, building on important U.S. efforts at the March 2014 session. The HRC represents an important opportunity for the United States to show leadership on this issue and to work with our allies in a multilateral manner on Egypt—which only strengthens our influence. Failure to lead on or join a statement in Geneva would be an important missed opportunity for this administration.
- Press Egypt to improve conditions for detainees and prisons, including by allowing
 international and local organizations to monitor such conditions, and to improve its
 policies on pre-trial detention, which has become a means to keep thousands of
 Egyptians locked up for long periods without due process. Stress to our Egyptian
 counterparts that torture and other abuse of detainees is very likely to contribute to
 widespread grievances by citizens against the state and make radicals' recruitment of
 young Egyptians easier.
- Call for accountability for alleged cases of brutality by security forces and an end to practices of extra-judicial killings and enforced disappearances.
- Urge Sisi to call for a halt to anti-Americanism in the Egyptian media and the unfair deportation, arrest, and trial of U.S. citizens, and make clear that failure to do so will harm the bilateral relationship in material ways.

• Restructuring Economic Assistance

It is long past time for an honest rethink of our bilateral economic assistance program. More than \$30 billion in economic aid to Egypt since the 1970s has helped Egypt achieved important things, but one need only look at our aid program has fallen far short of the kind of transformative development results that one might have hoped for with such a massive investment over so many years. And, while many Egyptians have benefited from U.S. economic aid programs and appreciate American support, we must be honest that our aid program has not built a wide constituency for the United States in Egypt or been a driver for strong relations with the Egyptian government or citizens across a range of areas. As a recent GAO report noted, there is a large backlog of hundreds of millions of dollars of unspent Economic Support Funds. There are many reasons for this backlog, including bureaucracy in Egypt and sometimes in the United States; a development environment in Egypt that can slow or halt the implementation of projects; an overreliance on the Egyptian government as the overseer or counterpart on many aid projects, as opposed to more robust partnerships with NGOs and the private sector; mismatches in U.S. and Egyptian priorities; turmoil and frequent cabinet and ministerial changes in Egypt since 2011; and last but not least, Egyptian government obstructionism on certain assistance programs through its refusal to register U.S. implementing organizations or other forms of non-cooperation. The assistance relationship is too often dominated by tensions and disagreements rather than cooperation and partnership. Overall, a central problem—not unusual in countries where aid is provided primarily for strategic reasons as opposed to shared values or development opportunities—is that the United States simply does not have a willing development partner in Egypt to the degree desired for greater success. Our goals and priorities are not fully aligned and sometimes it seems that the United States wants certain changes in Egypt more than Egypt does.

We should seek to maintain an economic aid program in Egypt: the solution to these challenges is not to close down the bilateral assistance program, as frustrating as it has become. Egypt still has many development needs, there are still positive contributions that the United States can make to these needs, and it would be shortsighted and possibly dangerous for U.S. interests to provide a massive security aid program to a repressive government in Egypt and nothing for the Egyptian people.

But the United States does need to pursue a significant restructuring of the ESF program, including through the following steps:

• When possible, reprogramming funds in the pipeline for a consolidated set of targeted new projects that directly support the Egyptian people, as opposed to their government, such as through merit-based scholarships and immunization programs and other initiatives to combat public health challenges. Avoid investing more resources in technical assistance programs with the Egyptian government unless commitment and political will are evident. In some cases, it may be necessary or most beneficial to reallocate funds appropriated for Egypt ESF to other countries, such as Tunisia, that offer

- much better official cooperation on assistance, are more receptive to U.S. aid, and can make better use of the resources.
- If such reprogramming and reallocation does take place, explain to the Egyptian public why. Not speaking publicly about some of the challenges in the assistance relationship will only leave the door open to those in Egypt who want to disparage the United States and advance a negative, inaccurate narrative.
- Reprogramming obligated funds in the pipeline may be administratively complicated, time-consuming, and disruptive, so focus mainly on targeting current and future year ESF on the areas described above that provide direct, tangible benefits for the Egyptian people.
- Avoid future projects (and consider winding down current projects) that partner with Egyptian government institutions for "democracy" initiatives. Such projects are not only unlikely to achieve any results in the current repressive environment, they are a farce.
- Provide support for human rights groups through multilateral mechanisms such as various United Nations funds.

• Foreign Military Financing and Military Cooperation

Key goals of our military aid and security relationship with Egypt must be to help the Egyptian military combat internal terrorist threats from the Islamic State through effective counterterrorism strategies, not approaches that make these problems worse, and to use U.S.-supplied weapons and other assistance responsibly and in line with human rights guidelines. To this end, the United States should:

- Continue to pursue the restructuring of FMF to focus on four categories related to counter-terrorism and border security and the phasing out of some legacy weapons programs and the cash-flow financing privilege for Egypt by Fiscal Year 2018.
- Implement the recommendations in the recent GAO report concerning the implementation of much stronger safeguards to make sure that US-supplied weapons are not being used in mass human rights violations by Egyptian forces, especially as US shifts its FMF more toward "counterterrorism" and away from legacy programs.
- Press the Egyptian government for the ability to monitor the use of U.S. supplied weapons in the Sinai Peninsula to ensure gross violations of human rights are not occurring.
- As allowed by the Fiscal Year (FY) 2016 appropriations law, withhold 15 percent of FY 2016 FMF due to human rights violations and designate these funds for emergency support for Egyptian human rights defenders under attack by the government, such as through the Lifeline Fund, and for scholarships for Egyptian students.
- Withhold special perks like Excess Defense Articles until improvements occur in Egyptian cooperation on end-use and human-rights monitoring.

Conclusion

The United States cannot make Egypt change course, and we must continue to work with the Egyptian government on a range of security priorities. But U.S. policy must include attention to a range of interests, including human rights, and not become dominated by counter-terrorism cooperation. Egypt is far too large, complex, and important, still, for such an approach, and backing the status quo without question is certain not to lead to positive results for the United States, or Egypt.



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Timeline of Egypt Crackdown on NGOs since July 2014

<u>July 18, 2014</u>: The Egyptian government issues a public ultimatum for all NGOs to register under the repressive Mubarak-era Law 84/2002, and threatens criminal prosecution for organizations that fail to register. A strong international response against this move is critical in preventing the immediate implementation of the threat.

<u>Late 2014</u>: An investigative judge appoints a technical committee from the Ministry of Social Solidarity to investigate whether some NGOs are operating without being registered under Law 84/2002, and to examine documents related to foreign funding.

<u>December 5, 2014</u>: Chairman of the Egyptian Democratic Academy Hossam al-Din Ali and his deputy, Ahmed Ghoneim, learn that they are banned from foreign travel (implying they are under criminal investigation). The travel bans are reportedly related to ongoing investigations into foreign funding of NGOs.

March 2015: Investigators summon Egyptian Democratic Academy staff members for interrogation.

<u>May 21, 2015</u>: Prominent human rights lawyer Negad el-Borai, Director of the United Group law firm, is summoned and interrogated by a judge for involvement in drafting a proposed law to counter abuse and torture in prisons, detention centers, and police stations. El-Borai is summoned again five days later.

June 2015: An investigative judge interrogates el-Borai for a third time for his work on a draft anti-torture law.

<u>June-July 2015</u>: Leading independent civil society groups, the Cairo Institute for Human Rights Studies and the Hisham Mubarak Law Center, are informed by the judiciary that they are under investigation; judicial officials refuse to provide any legal justification for the inquiry.

<u>November 8, 2015</u>: Hossam Bahgat, founder of the prominent NGO the Egyptian Initiative for Personal Rights, is detained for two days on charges of "publishing false news aimed at harming national security."

<u>February 17, 2016</u>: Ministry of Health officials issue an order to close the Nadeem Center for the Rehabilitation of Victims of Violence and Torture on the grounds that it is performing unlicensed work. The Nadeem Center refuses this order; it remains nominally open but unable to carry out its usual work.

<u>February 23, 2016</u>: Bahgat and Gamal Eid, founder of the Arabic Network for Human Rights Information, another well-established independent human rights group, are banned from traveling outside of Egypt by an order from Egypt's Prosecutor General.

<u>March 2016</u>: The Egyptian government formally reopens Case 173 to examine the legal status and foreign funding sources of NGOs. The case was initiated in 2011 and led to the 2011 and 2012 investigations, interrogations, and raids of five American and German pro-democracy NGOs in Egypt. Forty-three staff members from these organizations faced criminal trial and were later convicted in 2013.

March 3, 2016: Rights lawyer Negad el-Borai interrogated again over charges of managing an "illegal organization, [and] disturbing public order."

<u>March 13-15, 2016</u>: Three employees of the civil society organization Nazra for Feminist Studies, two employees of the Cairo Institute for Human Rights Studies (CIHRS), and one employee of the United Group are summoned to appear before the investigating judges for interrogation in Case 173.

<u>March 17, 2016</u>: The Egyptian government seeks to freeze all personal assets of Hossam Bahgat and Gamal Eid, along with the assets of Eid's wife and daughter, who is a minor. The defendants were not formally notified of the asset-freeze effort, only learning of their court hearing through media reports.

March 19, 2016: The Cairo Criminal Court postpones its decision on freezing the assets of Bahgat and Eid.

March 20, 2016: Nazra for Feminist Studies staff are summoned for further interrogation.

March 21, 2016: Judge Hesham Abdel Meguid issues a gag order on media coverage of Case 173.

March 24, 2016: A ruling on the freezing of assets of Bahgat and Eid is postponed.

<u>April 5, 2016</u>: Egypt's Ministry of Health attempts to close down the Nadeem Center for the Rehabilitation of Victims of Violence, but is thwarted when the center's staff refuses to leave.

<u>April 20, 2016:</u> The Cairo Criminal Court postpones its ruling on Bahgat and Eid's cases until May 23. Additional defendants are added to the asset-freeze case, including Moustafa Hassan, director of the Hisham Mubarak Law Center; Abdel Hafiz Tayel, Executive Director of the Egyptian Center for the Right to Education; and CIHRS Co-founder Bahey eldin Hassan, his wife and three of his children, and two additional CIHRS staff members.

May 6, 2016: Malek Adly, Legal Director for the Egyptian Center for Economic and Social Rights, is arrested on charges of incitement to overthrow the government after filing a lawsuit to protest the transfer of two Egyptian islands to Saudi Arabia.

<u>April 25, 2016</u>: Ahmed Abdallah, Board Director for the Egyptian Commission for Rights and Freedoms, is arrested at his home, detained, and charged with incitement and terrorism.

May 17, 2016: Negad el-Borai is summoned for interrogation for the fifth time.

May 19, 2016: Mina Thabet, Director of Marginalized Group Programs at the Egyptian Commission for Rights and Freedoms, is arrested at his home, detained, and charged with incitement and terrorism.

May 23, 2016: For the fourth time, the Cairo Criminal Court postpones ruling on the case to freeze the assets of Bahgat, Eid, and the other defendants until July 17.

May 24, 2016: Radwa Ahmed, a lawyer with the Arabic Network for Human Rights Information, is summoned to court by the judge presiding over Case 173.

May 26, 2016: Cairo Airport authorities inform CIHRS Director Mohamed Zaree that he is under investigation and banned from foreign travel.



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Egypt Under President Sisi: Worse than Under Mubarak or Morsi

<u>Prison Conditions</u>: **Egypt has arrested more than 40,000 political detainees since mid-2013**. Former Egyptian-American political prisoner Mohamed Soltan has <u>described</u> prisons as "fertile ground for radicalization."

<u>Torture</u>: The El Nadeem Center for the Rehabilitation of Victims of Violence reported <u>137 deaths</u> due to torture while in detention in 2015. Other local organizations have documented hundreds of additional torture cases.

Extrajudicial Killings: Egyptian rights groups documented 754 extrajudicial killings by security forces in 2016.

<u>Forced Disappearances</u>: According to credible local sources, Egypt's state intelligence and security agencies **abducted and disappeared 204 people** between December 2015 and March 2016.

<u>Military Courts</u>: In April 2016, Human Rights Watch reported that **military courts have** <u>tried</u> at least 7,420 **Egyptian civilians since October 2014** under the courts' expanded authority granted by President Sisi.

<u>Death Sentences</u>: **An estimated 1,700 people have been <u>sentenced to death</u>** since 2014 in what many governments and rights organizations describe as unfair and politically motivated trials lacking due process.

<u>Terrorism Law</u>: The **2015 anti-terrorism law** <u>grants</u> the president, prosecutors, and security agencies <u>broad</u> <u>powers</u> to "ensure public order and security" equivalent to those granted by a state of emergency.

<u>Organized Violent Attacks</u>: **Violent attacks by militant groups have <u>intensified</u>** under Sisi, with attacks occurring in 2015 at a rate more than three times greater than in 2014, and more than 50 times greater than in 2010-2012.

<u>Freedom of Association</u>: Case 173 targeting American and Egyptian staff of IRI, NDI, Freedom House, and two other US and German NGOs, re-opened in 2016, with **dozens of civil society organizations now facing <u>closure and staff members facing criminal detention</u>, <u>prosecution</u>, <u>travel bans</u>, <u>and asset freezes</u>. Prominent local groups now under investigation include the Egyptian Institute for Personal Rights (EIPR), the Cairo Institute for Human Rights Studies (CIHRS), and the Arab Network for Human Rights Information (ANHRI).**

<u>Freedom of Press</u>: Egypt is now **second only to China in the number of journalists in prison**. The Committee to Protect Journalists <u>reported</u> in December 2015 that at least 23 journalists are jailed under the "pretext of national security" on a variety of charges, including spreading false news, illegally protesting, and joining terror groups.

<u>Freedom of Speech</u>: **Blasphemy cases** continue to be prosecuted, targeting authors, poets, and even <u>Coptic</u> <u>Christian teenagers</u> mocking the Islamic State.

<u>Freedom of Assembly</u>: Protests remain illegal under the 2013 demonstrations law, and **hundreds have been given lengthy jail terms on protest-related charges**, including prominent activists Ahmed Maher and Alaa Abdelfattah.

<u>Economy:</u> Egypt's **foreign reserves are now** <u>less than half</u> its **2010 levels.** Youth unemployment <u>stands</u> at 42 percent, with 850,000 new workers entering the job market annually.

<u>Corruption</u>: Egypt's former chief corruption auditor publicly <u>estimated</u> that approximately **\$76 billion was siphoned from Egypt's public sector through pervasive corruption** from 2012-2015. He was <u>placed</u> under house arrest in March 2016 and is now being <u>tried</u> on charges of spreading false news and disturbing the peace.