How to Prevent Egypt Slipping into a Deepening Crisis

BLUEPRINT FOR U.S. GOVERNMENT POLICY

DECEMBER 2014
Human Rights First

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Human Rights First is an independent advocacy and action organization that challenges America to live up to its ideals. We believe American leadership is essential in the struggle for human rights so we press the U.S. government and private companies to respect human rights and the rule of law. When they don’t, we step in to demand reform, accountability and justice. Around the world, we work where we can best harness American influence to secure core freedoms.

We know that it is not enough to expose and protest injustice, so we create the political environment and policy solutions necessary to ensure consistent respect for human rights. Whether we are protecting refugees, combating torture, or defending persecuted minorities, we focus not on making a point, but on making a difference. For over 30 years, we’ve built bipartisan coalitions and teamed up with frontline activists and lawyers to tackle issues that demand American leadership.

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"The United States wants to see Egypt succeed—and we know that a stable, prosperous and democratic Egypt is in the interests of not just the United States, but of the entire region. It is also in the interests of American businesses, which are looking for places to invest where they can count on not just security and stability, but the transparency and certainty that comes with good governance."

U.S. Secretary of State John Kerry in a letter to Thomas Donahue, President and CEO, U.S. Chamber of Commerce, October 2014, prior to major U.S. business mission to Egypt
Introduction

The United States government is confronted with a series of decisions about how to respond to a deepening political, economic, and human rights crisis in Egypt. Egypt remains important to U.S. national security interests—it’s part of the alliance fighting against ISIS and is battling an insurgency in the Sinai that worries several countries in the region, including U.S. ally Israel, to name just the current front burner issues—but the increasingly authoritarian Sisi regime is destroying the political opposition, consolidating control over the institutions of government, and driving Egypt into an uncertain future of festering internal conflict and polarization. The Muslim Brotherhood leadership is largely in exile or in prison. Liberal opposition voices, independent NGOs and human rights defenders are attacked.

Egypt’s direction under President Abdel Fattah el-Sisi does not serve U.S. interests, yet the United States appears reduced to a role of bystander, acquiescing to president Sisi’s actions, despite U.S. policy—articulated from the president on down—to support democratic development and civil society in Egypt. Human rights and democratic development have become more and more central to the debate over U.S. military aid, as Congress has put more human rights-related conditions and certifications on aid in the past few years.

Congress and the administration have several significant decisions before them now regarding military aid: Congress decides conditions for next year’s aid in appropriations before the end of 2014; Congress and the administration must decide how to handle the delivery of the remainder of the current year’s aid. The administration has withheld most of the 2014 military assistance because of concerns about the human rights situation—although its messaging on this question has been so opaque that confusion reigns about its current status, and influence that the administration could have wielded through seeking to uphold the conditions that Congress attached to the aid has dissipated.

In the short term, the U.S. government must decide these and other questions. U.S. military assistance to Egypt has for decades been a central part of the bilateral relationship and carries a greater symbolic significance than just the $1.3 billion annual appropriation. The Egyptian government seeks the seal of approval from the United States that the annual assistance represents, and many influential figures in the U.S. policy making process are keen to keep the aid relationship on a path it has followed since the Camp David Peace Agreement between Egypt and Israel in 1978. The Obama Administration has not released more than half of last year’s (FY 2014) Egypt Foreign Military Financing (FMF) appropriation because of concern over widespread violations in Egypt since the military takeover of July 2013. Pressures are now mounting on the administration to restore the interrupted flow of assistance, from U.S. arms manufacturers and from supporters of the President Sisi’s authoritarian government (including powerful U.S. allies like Israel, Saudi Arabia and the United Arab Emirates), and from some influential members of Congress. There are also members of Congress in both parties who would like to see military assistance to Cairo curtailed or restructured, or who support strong human rights conditionality on the provision of further assistance to the Egyptian government.

An economic summit on Egypt planned for March 2015 provides another opportunity for the
U.S. government to use its influence to advance human rights in Egypt.

The United States must decide how to confront attacks on human rights NGOs, including restrictions on U.S. funding to Egyptian civil society, and the persistent vilification of the U.S. government by Egyptian state media. It also needs to re-evaluate the overall aid package to Egypt and the fundamentals of the U.S.-Egypt relationship. The U.S. government needs to find better answers to the questions of what leverage it has with its Egyptian partner, and how to use that influence to better serve American and Egyptian interests. A failure to identify and deploy its leverage in recent years has led Washington to support a series of repressive, unpopular regimes in Egypt, in turn resulting in an erosion of U.S. credibility in the country and region.

This blueprint sets out specific recommendations for how Congress and the administration should address the current set of aid questions especially focused on support for Egypt’s civil society and human rights defenders.

It is based on research conducted during a Human Rights First fact-finding trip to Egypt in November 2014, including dozens of discussions with human rights defenders, civil society activists, journalists, academics, lawyers, independent experts, officials from U.S. and other governments, and others.

This blueprint follows a series of recent Human Rights First reports on Egypt since the fall of the Mubarak regime in February 2011, including Back to Square One: The U.S. Government and Political Change in Egypt, January 2014; How to Turn Around Egypt’s Disastrous Post-Mubarak Transition, December 2013; Egypt: Attacks on the Media, May 2013; Egypt’s Human Rights Crisis Deepens, March 2013; How to Make Change in Egypt a Human Rights Success Story, December 2012; Egypt’s Transition to Democracy One Year On, January 2012; Promoting Reform in Egypt, November 2011; and How to Seize the Moment in Egypt, April 2011.

**Climate of Fear**

Recent weeks have seen a deepening of the crisis facing Egyptian civil society. The case against former President Mubarak’s part in the killing of hundreds of protestors in early 2011 was dropped on November 29, seen as a symbolic exoneration of the regime against which tens of millions of Egyptians rose up in January and February 2011. The ruling added to the impression that the judiciary is swayed by political preferences, further undermining the rule of law and strengthening a culture of impunity for those who attack government critics, including human rights activists and other dissidents.

On November 26, civilian courts sentenced 78 children to between two and five years in prisons for taking part in pro-Muslim Brotherhood protests, adding to the thousands of people already jailed in mass trials which the United Nations describes as “unprecedented in recent history”.

The same day, November 26, the Egyptian cabinet approved a draft anti-terrorism law that would give the government blanket power to ban groups on sweeping, loosely defined charges including disrupting public order.

Although the November 10 deadline for non-governmental organizations (NGOs) to register under a repressive law governing their
HOW TO PREVENT EGYPT SLIPPING INTO A DEEPENING CRISIS

operations or face closure passed without raids on their offices or the further detention of human rights defenders, civil society figures and their work remain vulnerable and many expect their organizations to be forced to close, and fear arrest. Some human rights defenders are already in jail, while other activists have left the country after receiving death threats or hearing that they are on a list of people targeted for arrest. More repressive measures are threatened. On November 16, five student protestors were referred to a military court because their alleged damage to university property constituted an attack on a "vital state institution". Theirs was the first case referred under a new decree (Law 136 of 2014) issued at the end of October, putting all "public and vital facilities" under military jurisdiction for two years. This means that any crimes alleged to have taken place at such places (including universities and factories) can be prosecuted by military courts, expanding the growing jurisdictional scope of the military court system even further, at the expense of the civilian judiciary.

The current situation is often compared to life under Mubarak, with civil society figures noting that despite the repression of the Mubarak years, there was at least some space in which to operate, particularly post-2005, and that state institutions could be relied on to operate with some level of competence.

Another common analysis is that there is no political space in Egypt that is not controlled by the government. The last remaining senior Muslim Brotherhood figure not already in exile or jail was arrested in late November. Civil society analysts generally agree that if parliamentary elections take place next year they will produce little or no meaningful opposition to the government and take Egypt further away from the inclusive politics it needs to move beyond polarization.

In recent months, Egypt has added its value as a military partner to the United States by joining efforts to fight the so-called Islamic State, ISIS. Many human rights activists in Egypt characterize the current U.S. government's relationship with Egypt as similar to that between Washington and Cairo during the Bush-Mubarak years, but without the U.S. support for pro-democracy activists. "It's a terrible thing to say about Obama's administration, especially after his speeches in 2011, but Bush was better," offered one leading human rights defender. "In the Mubarak days at least the U.S. looked as though it was somehow on our side as well as the government's—that we both got support. Now it's just all for them," said another "There's no pushback." The U.S. government is commonly perceived as waiting for things to get worse before it will act, and of not knowing what it will do when a red line is crossed.

In December 2011, authorities investigated NGOs which received foreign funding, and convicted and sentenced staff from international organizations—including Freedom House, the National Democratic Institute, the International Republican Institute and the International Center for Journalists—for allegedly operating without authorization despite their repeated attempts to become registered. The position of both international and Egyptian civil society has deteriorated since.

The government's decision to enforce Egypt's 2002 Law on Associations (often referred to as Law 84) after increasing the penalties for violations has had a chilling effect on NGOs. Since 2002, the government allowed many groups to operate as different types of corporate entities, without registering under the repressive
law. The law clearly violates international standards on freedom of association, and in practice makes it impossible for an Egyptian NGO to be both legally registered under Law 84 and independent.

The law prohibits NGO engagement in “unauthorized activities,” enables the government to shut down any group, freeze its assets, confiscate its property, decide who is on its governing board, block its funding, and deny it permission to affiliate with international organizations. The law expressly authorizes the government to interfere in the internal affairs of associations. Specifically:

- The administrative authority has the right to call a General Assembly meeting (Article 25);
- The association must send a copy of the papers tabled before the General Assembly to the administrative authority at least 15 days before convening the Assembly (Article 26);
- The association must provide the administrative authority with a copy of the minutes of the General Assembly meeting within 30 days from the meeting (Article 26);
- The Minister of Social Affairs may appoint acting members of the Board of Directors where there are insufficient members to hold a meeting (Article 40); and
- The Minister may dissolve the board of directors if the board has not convened a meeting of the General Assembly for two consecutive years (Article 42).

The law also includes vague grounds for dissolution, which include:

- Subscribing to or joining any club, organization, society or authority outside Egypt without first informing the administrative authority; and
- Threatening the national unity or public order or public attitude.

The government originally required all NGOs to register in May 2014 and then extended the deadline to November 10. It provides prison terms for what would become “unauthorized activities” if the groups refuse to register under Law 84 (even if they have legal status in some other way) or are not granted registration. As of November 11, the Egyptian authorities reported that only nine foreign and eight Egyptian organizations had newly registered under the Law, and the legal status of the remainder would be investigated on a case-by-case basis.

All Egyptian NGOs are happy to comply with a registration requirement, and some have operated for some time as civil companies or law firms. But because of the restrictions of Law 84, most have not registered as NGOs from fear that it would undermine their ability to function independently or do their jobs. New penalties for breaking the law, passed in September 2014, allow for crippling fines, life in prison, and in certain cases the death penalty.

“There is constant fear, personal and professional,” one young human rights defender working at an NGO told Human Rights First. Some defenders and other activists are in prison for peacefully dissenting against the government. One prominent human rights defender is 29 year-old lawyer Yara Sallam. An alum of the University of Notre Dame in Indiana, she is serving a three-year prison sentence after being arrested while buying some water in the vicinity of a peaceful protest in June 2014. She was convicted with 22 others and all were sentenced to three years in jail. She appears to have been victimized because of her work for a human rights organization. There are countless
others in prison across Egypt who have been jailed on suspicion of peacefully challenging the government’s repression.

In November 2014, prominent French journalist Alain Gresh was detained in Cairo after being overheard talking about politics with colleagues. He was released after a short questioning, but the incident reveals the level of risk involved in the most innocuous of activities.

For NGOs the threat is more severe—many have drastically pared back their work in the face of the intimidation, or suspended their activities completely. Human Rights First visited the offices of human rights NGOs in Cairo eerily empty of activity or paperwork. “A few staff come into the office now and then but we’re trying to get our work done from home or from other places around the city in case there’s a raid. It could happen any time and we’re trying to be as ready as we can be,” said the director of one.

Although no raids have yet happened on NGO offices following the November 10 deadline and some NGOs are hoping to negotiate further with the Ministry for Social Solidarity, many believe it is only a matter of time before they are shut down.

“The threat is imminent, it’s like a psychological war,” says one activist based at another prominent NGO. “We’re waiting for the knock on the door—every time the doorbell rings there’s an ‘Uh-oh who’s that?’ feeling,” she told Human Rights First.

Crisis of Confidence

Despite Egyptian government attempts to talk up confidence in the economy, there are worrying indicators that persistent political unrest will continue to impair the financial recovery Egypt desperately needs.

Civil society activists and others fear that the military-backed Sisi government is incompetent—unable to cope with the myriad threats from terrorism in Sinai and beyond, with a breakdown in law and order, or with the unemployment crisis. A common analysis is that there is a political vacuum, with dissenting voices pushed out of the public debate.

Mohamed Ali Bishr, the only senior leader of the Muslim Brotherhood who was neither in exile nor in jail was arrested in late November. “There is no politics, no space for any opposition,” a veteran activist told Human Rights First.

Another common fear is that the generals won’t be able to revive the economy—“it’s like having a bunch of engineers trying to run a surgery,” says a senior civil society leader.

Unrest and violence continues to scare off investors and cripple tourism, which was down 24 percent in the first half of this year. In late November, the Walt Disney Corporation contradicted Egyptian Minister for Investment Ashraf Salman’s claims that the company was in discussion with the Egyptian government to open the first Disney Park in the Middle East.

The IMF says that the economy is recovering slowly but that more subsidies will have to be cut—something that carries substantial political risk for the government. Inflation will hit 10.9 percent this year and 13.4 percent next. And while poverty rates in the region have generally fallen over the last decade, poverty rates in Egypt have risen from 17 percent in 2000 to 26
percent in 2013. Youth unemployment in Egypt continues to surpass 30 percent.

“We’re on the brink again, in many ways,” says a businesswoman in her early thirties. “Things could explode at any time for random reasons—two train crashes the same week could see the anger spill over.”

To stimulate the economy, the Sisi government has announced a small number of massively ambitious projects, notably expanding the Suez Canal (estimated costs $8.4 billion) and building a million new houses (estimated costs $40 billion). Announcement of the projects temporarily buoyed the Egyptian economy, but there is widespread cynicism that the projects will be vulnerable to corruption and primarily serve the economic interests of the military.

“These Soviet-style mega-projects aren’t what young business people need,” one entrepreneur in his thirties told Human Rights First. “We need reforms that encourage competition, that help small start-ups, not construction projects to keep soldiers in work”.

Corruption remains a major challenge to Egypt’s economy, and one that the United States should tackle. Corruption is widely recognized as a major obstacle to Egypt’s progress, and has damaged previous attempts at political reform. Petty and grand corruption is rife. “We have to pay bribes for administrative things, like getting a driving license or registering your car or getting things done with the public notary,” says one woman in her twenties. Relatives of political detainees told Human Rights First that prison guards expect to be bribed to move visitors to the front of the queue.

International anti-corruption organization Transparency International rates Egypt 114th of 177 countries in its latest Corruption Perceptions Index. The international Anti-Corruption Business Portal, funded by the British, Danish, German and Norwegian governments among others, notes that:

- The political climate since the revolution in Egypt has been marred by instability, and anti-corruption laws have been poorly enforced in the country. The situation has further deteriorated after Morsi was removed from leadership.
- Companies are likely to encounter corruption in meetings with public officials. Officials in various government departments are known for bribery, embezzlement and tampering with official documents.
- Corruption and bribery are reportedly common when companies deal with public services, customs and taxes, public utilities and procurement.

A new law passed by the Sisi Administration in April 2014 prevents third parties from challenging contracts made with the government, increasing the scope for corruption. Many state-land and other business deals were revoked after court challenges brought by activists and lawyers alleged companies were sold off too cheaply during the Mubarak era. Since 2011, Egyptian courts issued at least 11 rulings ordering the state to reverse deals signed by former administrations.

"Although the law prior to this change was abused constantly, and to a large extent by vexatious litigants, this amendment effectively removes part of the judicial and civilian oversight over government deals," said Moustafa Bassiouny, an economist at Middle East business analysts, Signet Institute.

The United States can help tackle corruption in Egypt with vigorous implementation of the 2004 Presidential Proclamation 7750, which bars entry into the United States of foreign corrupt officials who have solicited or accepted bribes, if
the bribe has “serious adverse effects on the national interests of the United States,” which includes serious adverse effects on the international economic activity of U.S. businesses, U.S. foreign assistance goals, the security of the U.S. against transnational crime and terrorism, or the stability of democratic institutions and nations.

Pursuant to this authority, the Secretary of State (via the Under Secretary for Political Affairs) can designate individuals and implement the entry ban on them, their spouses, children, and dependents. While the State Department does not disclose the names of those denied entry under the Proclamation, reports have indicated that the Proclamation has been used to deny a visa to the United States to Kenya’s Attorney General Amos Wako in 2009 for acts deemed “obstructive in the fight against corruption,” and appears to have been used to deny a visa to a former Tanzanian official who was being investigated under corruption charges.

Anti-corruption legislation passed in 2007 also enables the Secretary of State to prohibit entry to officials if there is “credible evidence” they have been “involved in corruption.” Although the 2007 law applies only to corruption relating to the extraction of natural resources, there is no explicit requirement for there to have been harm or serious adverse effects on U.S. national interests.

Signaling that the U.S. is active in the fight against petty and large-scale corruption will help U.S. credibility with the Egyptian public and demonstrate to the Egyptian government that Washington expects the old culture of corruption to end. It would serve as a necessary counterweight to the centralization of unaccountable military control that has accelerated since the military seized power in 2013.

### U.S. Government Response

Washington has generally chosen to stay quiet about its close military ally’s crackdown on civil society, choosing instead a path of “waiting ’til something really bad happens,” before responding. Measured against President Obama’s rhetoric supporting civil societies operating under repressive governments, including specific citations of Egypt, U.S. policy appears disjointed, incoherent, and sometimes contradictory, not least in providing military aid to a series of Egyptian regimes.

Having suspended part of last year’s military assistance on human rights grounds, whatever the administration decides to do about disbursing last year’s aid, and whatever Congress decides to do about the 2015 appropriation, will send a powerful message about how the United States government views recent human rights developments in Egypt.

There are many constraints, and many powerful interests to be satisfied in the Egypt appropriations debate, and expectations should not be set too high as to what can be achieved in the coming months. However, there are a few core principles that the administration and Congress must adhere to if they want to signal support for human rights and peaceful, democratic reform in Egypt. What the United States government actually does about military assistance will speak much more loudly about human rights conditions in Egypt than any speech delivered by the President, the Secretary of State or any other senior official. Words in this context are not just cheap; they are empty, and in the eyes of many Egyptian human rights activists have been shown to be so.
For example, in March 2011, President Obama declared that “...history is on the move in the Middle East and North Africa, and that young people are leading the way. Because wherever people long to be free, they will find a friend in the United States. Ultimately, it is that faith—those ideals—that are the true measure of American leadership.” It is a test of leadership that much of Egyptian civil society feels the U.S. government has failed as the U.S. continues to supply equipment and training to the repressive government that attacks human rights activists.

Two months later, President Obama declared that “…the United States of America was founded on the belief that people should govern themselves. And now we cannot hesitate to stand squarely on the side of those who are reaching for their rights, knowing that their success will bring about a world that is more peaceful, more stable, and more just.” Since then, the U.S. has often failed to stand squarely on the side of Egyptians fighting for their rights and has engaged with its civil society in an inconsistent, sometimes unhelpful way.

In May 2013, the U.S. State Department issued a document entitled “U.S. Support for Human Rights Defenders,” which made some headway both in addressing concerns of inconsistent engagement by the Cairo embassy with civil society and in setting realistic expectations about what the U.S. can and cannot do to assist human rights defenders in Egypt. It is a useful document for diplomats and civil society in outlining the sorts of actions taken by U.S. officials to support activists, but a year and a half later, it has still not been translated into Arabic, and Egyptian human rights defenders and even U.S. government officials engaged on human rights issues abroad have almost never heard of it. In many depressing ways, the lack of follow through with this initiative to support civil society symbolizes wider problems of tangled bureaucracy, internal communications and half-heartedness when it comes to defending Egyptian civil society.

In September 2014, President Obama stated that “From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society,” and that “…promoting civil society that can surface issues and push leadership is not just in keeping with our values, it’s not charity. It’s in our national interests. Countries that respect human rights — including freedom of association—happen to be our closest partners. That is not an accident. Conversely, when these rights are suppressed, it fuels grievances and a sense of injustice that over time can fuel instability or extremism. So I believe America’s support for civil society is a matter of national security.”

A presidential memorandum on “Deepening U.S. Government Efforts to Collaborate with and Strengthen Civil Society” was issued after the speech, together with a fact sheet spelling out a new initiative concerning the administration’s commitment to help civil societies, especially those in repressive countries.

The memorandum rightly emphasized interagency responsibility for promoting human rights by pronouncing that this work should not just be the preserve of the State Department or USAID, and directing “agencies engaged abroad…including those that do not traditionally work with civil society, to take actions that elevate and strengthen the role of civil society; challenge undue restrictions on civil society; and foster constructive engagement between government and civil society.”

Activists in Egypt and elsewhere have long complained of a lack of U.S. government-wide coherence when it comes to protecting and promoting civil societies abroad—with some
parts of the administration supplying weapons and political support to successive Egyptian dictatorships who have cracked down on civil society, and other parts of the U.S. government complaining about the repression. The new initiative will not prevent the U.S. from arming Egypt, but is designed to spread the responsibility for connecting with and protecting civil society to the Departments of Defense, Treasury, Commerce and others. It is critical that this initiative be prioritized in Egypt, and that parts of the U.S. government beyond the traditional elements in the State Department—notably the Department of Defense—engage with Egyptian civil society to promote a range of multilateral U.S.-Egyptian relationships to advance the vital U.S. national interest in the development of strong, independent civil society institutions in Egypt.

But if the initiative is to be more than another promising piece of rhetoric whose promises are not matched by delivery, it needs to be backed by a political will to make it happen.

On November 5, 2014, Ambassador Keith Harper, U.S. Representative to the Human Rights Council, criticized Egypt during Egypt’s Universal Periodic Review, recommending the repeal of amendment of Law 84 and the release of those detained solely for exercising rights to freedom of expression or for membership in a political group, and expressed “deep concern” for “steps taken by Egypt that have resulted in violations of freedoms of expression, peaceful assembly, and association, deprived thousands of Egyptians of fair trial guarantees, and undermined civil society’s role in the country.”

But within days of Ambassador Harper’s criticisms—as Egyptian NGO staff abandoned their offices in fear of arrest—the largest delegation of U.S. arms companies and other corporate leaders to visit since the start of 2011 traveled to Egypt. Enthusiastically welcomed by President Sisi, around 60 U.S. business leaders visited Cairo. Secretary of State John Kerry supported the trip, noting that a stable, democratic Egypt is “in the interests of American business” looking for “places to invest where they can count on not just security and stability but the transparency and certainty that comes with good governance.” Egypt’s civil society leaders must be wondering what country Secretary Kerry was talking about, and the Secretary’s remarks can only have further dashed their hopes that international support is likely to be offered to help their survival.

Egyptian attacks on civil society are no indication of good governance or stability, and the Secretary is wrong to suggest that the Sisi government is on the road to transparency and security.

The U.S. government’s tone deafness in addressing Egyptian civil society has long been a problem. The State Department’s Bureau of Democracy, Human Rights and Labor chose November 10—the deadline day for NGO registration in Egypt—to announce a $500 thousand project for groups working on religious freedom issues in Egypt. The timing was extremely poor, given the sensitivity around accusations of Egyptian NGOs being proxies of the U.S. government, not least in promoting discontent among religious groups. Though the accusations should be challenged and the conspiracy theories exposed, issuing the request for proposals on November 10 was needlessly provocative.

Another cause for concern from civil society actors in Egypt is the delay in the arrival of U.S. Ambassador Stephen Beecroft to Cairo. Although confirmed by the Senate in June, Ambassador Beecroft has yet to take up his post, leading to frustration from parts of
Egyptian civil society hoping for consistent, senior support on human rights issues.

**Recommendations**

As part of its bilateral and multilateral diplomatic engagement on Egypt, the U.S. government should implement the following recommendations.

**In addressing issues of U.S. aid to Egypt:**

1. **The Secretary of State should not make certifications about democratic progress that have no basis in reality.** In order to release the bulk of the remainder of the FY 2014 FMF, the Secretary of State must certify that the Egyptian government is “taking steps to govern democratically.” Under the current situation, Egypt cannot meet this test. U.S. officials should make clear that Egyptian parliamentary elections, promised for March 2015, are not sufficient evidence of transition to democracy. The administration should use the flexibility, where absolutely necessary, to release aid exempt from the governance conditions—such as aid for the purposes of counterterrorism or ensuring the viability of long-term contracts—in order to avoid making statements that would be seen as completely false and would undermine U.S. credibility as a promoter of human rights in Egypt and around the world.

2. **In its upcoming aid appropriation for FY 2015, Congress should continue to express concern about human rights and democratic progress in Egypt.** Conditions are far worse in Egypt now than they were in previous years and this should be reflected in the aid conditions adopted by Congress. Specifically, Congress should: i) attach conditions based on the human rights situation and democratic progress for FY 2015 FMF; and ii) not re-attach a national security waiver to the foreign assistance package provided to Egypt. Congress withheld this waiver, which the administration had repeatedly taken advantage of in recent years to avoid taking a clear position on human rights issues in Egypt, for the first time in 2014. Moreover, Congress should not provide the administration with any kind of retroactive waiver with respect to the suspended 2014 assistance.

3. **Congress—in harmonizing House and Senate bills for the FY 2015 appropriation—should retain the current Senate human rights conditions, in particular the release of “all persons detained for exercising their rights to free expression, association, and peaceful assembly.”**

4. **Congress and the administration should take advantage of the interruption in the decades-long status quo of the military aid relationship to review the framework of the aid package and implement some long-overdue reforms.** The administration and the Chairs of the relevant congressional committees should carry out a comprehensive re-assessment of the aid relationship with Egypt that could: rebalance military and civilian assistance, currently running at around six to one in favor of military assistance; review the ways in which military assistance is spent (for example the emphasis on new weapons systems as opposed to counter-insurgency and border security assistance) and
whether that serves the best strategic and military interests of the United States and Egypt; and develop ways that U.S. assistance could be better employed to meet the basic needs of the Egyptian people, such as support for weak state institutions, like the judiciary, both to improve the functioning of the justice system and to address deep problems like endemic corruption and impunity that hold back prospects for essential growth. Such a review should be carried out in time to inform the 2016 appropriations process and should include the views of all stakeholders, including representatives of Egyptian civil society.

5. **Congress should review whether Egypt merits the extension of “cash flow financing.”** Egypt and Israel are the only countries to benefit from this privilege, which permits it to purchase military equipment worth many times more than its annual aid allocation by obligating the projected future payments that it expects to receive. Ending cash flow financing would free the already complex appropriations debate from the entanglements of contract obligations projected far into the future.

6. The administration should make clear—in advance of the international economic summit for Egypt currently scheduled for March 2015—that it will condition its support for a financial rescue package, not just on essential economic reforms, but also on progress on human rights, especially with respect to the protection in practice of basic freedoms of expression, assembly and association. The summit provides an opportunity for the United States, working with other donor states, to encourage the Sisi government to fight corruption, and move toward restoration of the rule of law and respect for basic rights and freedoms—including making it possible for independent civil society organizations to function freely. On this firm foundation, the Egyptian authorities can move towards the stability that would permit the economy to begin to recover.

**In its efforts to support Egyptian civil society:**

1. The President and the Secretary of State should publicly urge the Egyptian government to stop attacks on NGOs and activists, including through state media outlets; announce a moratorium on NGO closures, raids or prosecutions of NGO leaders or staff members pending the adoption of a new NGO law by (the as yet unelected) parliament; repeal the notorious anti-protest law and immediately release all detainees who are currently detained for the peaceful expression of their views.

2. Challenge undue restrictions on Egypt’s civil society, including any restrictions placed on the receipt of funds to support the work of independent civil society organizations, as outlined in the September 2014 presidential initiative on civil society. U.S. agencies engaged abroad, including the Department of Defense and the U.S. Treasury, should publicly challenge the restrictions and engage with Egyptian civil society.

3. The new U.S. Ambassador, Stephen Beecroft, should take up his post in Cairo immediately, and he should be instructed to demonstrate U.S. government support for independent civil society activists and organizations in Egypt by meeting civil society activists in public or private, depending on their preference, and discussing with them how they think the
U.S. can help. The State Department should publish on the U.S. Embassy Cairo website, translated into Arabic, the 2013 U.S. Guidelines for Supporting Human Rights Defenders. This will help bring clarity to civil society’s expectations of what assistance it can and cannot expect from the U.S. embassy and government.

4. The White House and the State Department should promote the newly-announced presidential memo on civil society on relevant agency websites; it should be translated into Arabic and promoted on the U.S. Embassy Cairo website and other U.S. government platforms.

5. U.S. Embassy Cairo should make public, in Arabic and on its website, the annual report of the National Security Advisor on implementing the presidential memorandum on civil society as well as any additional specific information on implementation with respect to Egypt.

6. Senior State Department officials and the U.S. Ambassador to Egypt should publicly push for U.S. and international human rights organizations to be granted regular unimpeded access to Egypt.

7. U.S. agencies operating in Egypt should work with their counterparts in European, Gulf and other governments to urge Egypt to respect the rule of law in the interests of economic and political stability.

8. The State Department should support the fight against corruption in Egypt by vigorously implementing Presidential Proclamation 7750, which would deny entry to the United States to corrupt Egyptian officials who solicit or accept bribes, as well as to their family members and dependents who benefit from the corruption, thus refusing to enable corrupt foreign officials to benefit from U.S. resources or to find a safe haven in the United States.

Conclusion

This is a key moment for U.S. policy in Egypt. Pro-democracy and human rights forces are under severe attack. The U.S. has for years promised to support them but has inconsistently and ineffectively acted to do so. This report offers a snapshot on the current situation, but U.S. policymakers need to solve the bigger challenge of helping to steer the Egyptian regime away from the repression that is failing to bring necessary stability to Sinai and the rest of the country. Without a decisive turn away from repression, Egypt risks deepening political polarization and possible descent into escalating civil conflict. The U.S. government needs to figure out how live up to the rhetoric of President Obama in promoting and protecting civil society, which is facing an existential threat.

Washington should not wait for things to get worse, as they very well may, without concerted action by the U.S. government and its allies. The aid debate and the March 2015 economic summit in Egypt offer opportunities for the U.S. government to use its leverage for a better outcome in Egypt, and should be the beginning of a fundamental reconfiguration of the U.S.-Egypt relationship.
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