Egypt's foreign policy within a challenging regional context

SUMMARY

In the post-Arab Spring period, Egypt's foreign policy has largely been shaped by the state of affairs in the Middle East and the eastern Mediterranean. Civil wars and unrest have proliferated in the region, creating a knock-on effect felt first by Iraq and then by Syria, Lebanon and Libya. Conflicts in neighbouring countries, often fought by proxies, have affected Cairo's internal political and security interests and influenced Egyptian foreign policy. One such conflict has to do with the persistence of Islamic terrorist networks, such as Ansar Bayt al-Maqdis (ABM), in northern Sinai. Another is between the Palestinian factions and between Hamas and Israel, in both of which Egypt has been a mediator. Fighting against groups such as the Egyptian Islamic Jihad and the Islamic State of Iraq and the Levant (ISIL)-Sinai Province has been a key reason for Egypt's interest in reinforcing alliances with Israel, the Arab Gulf countries, the United States, Russia and the European Union. Following Egyptian President Abdel Fattah al-Sisi's re-election for a second term in 2018, competition with regional players, such as Turkey, and the role of political Islam, have become more dominant and intertwined with Egypt's geopolitical and economic interests.

In 2020-2021, Egypt successfully mitigated the impact of the coronavirus pandemic on its economy and was the only Middle East and North Africa (MENA) country with a positive GDP growth (3.6%). Despite declining revenues in some sectors, such as tourism, ratings agencies predict that the country will continue to score the highest levels of GDP growth in the MENA region in 2021-2024. Reinvigorated, Egypt seems to be looking for greater strategic influence and power. The country aims to continue partnering with the EU in areas of strategic importance and is likely to play a decisive role in Libya and the eastern Mediterranean. Some initiatives, such as its mediation in the Libyan civil war, participation in the East Mediterranean Gas Forum, and joint military naval exercises with EU Member States, speak of the main prerogatives of Egyptian foreign policy and its incremental alignment with EU interests. The European Parliament supports enhanced EU-Egypt cooperation but has raised red flags with regard to the situation of human rights in the country.
Long-term determinants of Egypt's foreign policy

Egyptian foreign policy before Abdel Fattah al-Sisi's presidency was marked by the Hosni Mubarak era spanning 1981-2011. Over that 30-year period, Egypt developed relations and alliances that protected its national interests abroad and expanded its regional leverage. These included bilateral relations with Israel and the Arab Gulf countries but also the United States, the Soviet Union (subsequently Russia) and the EU Member States. Egyptian foreign policy during al-Sisi’s first term (2014-2018) pursued a careful strategy to maintain the existing balance and social order while also containing any threat to regional order. Egypt’s main regional rival was Turkey; this rivalry dates back to al-Sisi’s military takeover of Egypt in 2013, in which he deposed the Muslim Brotherhood government of Muhammad Morsi, with support, also in financial terms, from Turkey. The European Council on Foreign Relations has noted that ‘from that point on, Egypt and Turkey sided with two competing regional camps: Cairo joined a Saudi- and Emirati-led alliance intent on countering the perceived threat from Islamists, and Ankara established a partnership with Qatar’.

Ever since he came to power, President al-Sisi has been pushing for economic and political reforms, at the core of which lies Egypt’s Vision 2030. Economic reforms and strong investment in urban and green development have shielded Egypt relatively well during the coronavirus pandemic. In 2020, Cairo scored the highest rate of GDP growth in the Middle East and North Africa – 3.6% – double that of Turkey (1.8%). Standard and Poor’s confirmed Egypt’s B rating (with a stable outlook) is similar to that of Turkey (B+). Unemployment in Egypt has declined to 7.2% (Q2-FY2020-2021). Yet, according to World Bank estimates, the country’s GDP will drop to 2.3% in FY2020-2021, due to the pandemic and especially the renewed surge in Covid-19 cases since the end of 2020. Economic activity is slowing down, not least because of the scarcity of resources and especially water, and this could have adverse social implications. Sustainable management of natural resources and energy, mainly the Grand Ethiopian Renaissance Dam, remains a conflictual issue among the Nile states.

One of Egypt's key security concerns is international terrorism and different jihadist networks present on its territory and in the Middle East and North Africa (MENA) region. Egyptian jihadists played an important role in inspiring and plotting the 9/11 attacks. One of them, Mohamed Atta, led the four teams that perpetrated the attacks. There is also a long list of Egyptians who have played roles as leaders and intellectuals of al-Qaeda and other jihadi movements dating from decades ago. Ayman al-Zawahiri, a physician and founder of Egyptian Islamic Jihad (EU) or al-Jihad, served time in prison for his alleged role in the assassination of President Anwar Sadat (6 October 1981). Al-Zawahiri would join forces with bin Laden in the late 1990s and, despite claims that he had passed away, he published a video message on the 20th anniversary of the 9/11 attacks in 2021. The main Egyptian jihadist figures are descendants of an earlier generation of Egyptian Islamists who split off from the Muslim Brotherhood's leadership in the 1960s and embraced the messages of Sayyid Qutb, founder of the 'third type jihad' also marked as 'offensive jihad'. The long-term intention of both al-Zawahiri and Sayyid Qutb was to create a united Islamic Emirate to take the place of the lost Ottoman Caliphate, across a continuous band from Turkistan to the Atlantic coast.

Egypt's role in MENA regional stability

The Israeli-Palestinian conflict

Egypt plays a particular role in the MENA region as the first Arab country that recognised Israel following the Camp David Accords of 1978, and through the Israel-Egypt Peace Treaty, signed in 1979, which led to the withdrawal of Israel from Sinai in 1982. The Camp David Accords comprise two framework agreements. The first provides the principles for achieving peace in the Middle East including through the establishment of an autonomy regime in the West Bank and Gaza. The second provides the framework for peace between Israel and Egypt, including the resolution of the Sinai issue. While the Israel-Egypt Peace Treaty was widely perceived as a diplomatic and political achievement, it led to the assassination of Egypt’s third president, Anwar Sadat, by the terrorist
organisation Egyptian Islamic Jihad. Following the 1979 treaty, Sadat’s successor, Hosni Mubarak, became the main mediator on behalf of the Palestinians with Israel. Egypt’s mediation role has grown since the Oslo process in the early 1990s. This role gained further importance after the Fatah and Hamas rift in 2007 and the latter’s takeover of the Gaza Strip. Even today, Egypt is an important mediator both between the Palestinian factions and between Hamas and Israel during the periodic outbreaks of violence, such as the one in May 2021. Importantly, Egypt mediated talks between Hamas and Israel and provided medical support to wounded Palestinians following the worst outbreak of Israeli-Palestinian violence in years, during which, after weeks of tensions, Hamas began firing rockets into Israel on 10 May 2021, to which Israel responded with airstrikes on Gaza. Egypt was viewed as an effective mediator, including by US Secretary of State Antony Blinken, after it brokered a ceasefire in the short but costly 11-day conflict.

### European Union Border Assistance Mission in Rafah

Cairo also has leverage over Hamas due to Gaza’s dependence on the Rafah Crossing Point into Sinai. Following the Israeli disengagement from Gaza in 2005, the Palestinian Authority and Israel concluded an agreement on movement and access on 15 November 2005. In that context, the Council of the European Union gave the green light for the establishment of the European Union Border Assistance Mission for the Rafah Crossing Point (EUBAM Rafah), a civilian mission under the common security and defence policy. EUBAM Rafah was launched on 24 November 2005 to provide a third-party presence at the Rafah Crossing Point. The mission is responsible for contributing to building up the Palestinian capacity, improving cross-border cooperation between the different border agencies, monitoring the operations at the Rafah Crossing Point between the Gaza Strip and Egypt and liaising between the Palestinian, Israeli, and Egyptian authorities regarding the management of the crossing. The mission’s mandate has been extended until June 2022.

The ceasefire took effect the day after the Egyptian Foreign Minister, Sameh Shoukry, met with Palestinian Fatah official Azzam Al-Ahmad in Cairo, on 20 May 2021. The effect of Egypt’s mediation efforts in the Israeli-Palestinian conflict was further enhanced thanks to the newly appointed Israeli Prime Minister Naftali Bennett’s first meeting with US President Joe Biden in Washington on 27 August 2021. The main topics discussed were Iran’s nuclear ambitions and the options for advancing peace and security for Israelis and Palestinians.

However, Egypt’s relations with the US risk deteriorating slightly, due to Joe Biden critical stance on the human rights situation in the country. In September 2021, the Biden administration announced that it would not block military aid to Egypt, but would temporarily withhold US$130 million worth of military aid to Egypt until Cairo takes specific steps related to human rights. To help resolve the Israeli-Palestinian crisis of May 2021, the US has had to work with key regional actors, such as Egypt, and take practical measures to end the conflict. Following the Biden–Bennett meeting in Washington, and taking into account President Biden’s concerns over human rights, President al-Sisi launched the National Strategy for Human Rights 2021-2026 on 11 September 2021. On 13 September 2021, President al-Sisi met with Prime Minister Bennett; this was the first visit to Egypt by an Israeli prime minister in over a decade. The two leaders discussed efforts to revive the peace process between the Israelis and Palestinians, as well as other regional issues such as the Iran nuclear deal.

### Egypt and Iran’s nuclear ambitions

The major players in the Middle East – including Egypt, Saudi Arabia and Turkey – are aware that the US administration is faced with the task of reconsidering its support for Israel and re-entering the Iran nuclear deal signed in 2015 (the Joint Comprehensive Plan of Action (JCPOA)). In November 2020, President-elect Biden promised to move quickly to re-join the nuclear deal so long as Iran came back in compliance. While Biden’s pledge pleased the other signatories to the nuclear deal, including the EU, who disagreed with former President Trump’s withdrawal from it in May 2018, restoring the deal could prove complicated in the context of Iranian and US politics, also given the strong Israeli opposition. On 3 August 2021, Ebrahim Raisi took over as Iran’s new president; Raisi has welcomed the negotiations with world powers aimed at reviving the JCPOA but said they must guarantee ‘national interests’. He urged the US to immediately return to the deal and lift all the sanctions that have crippled the Iranian economy since May 2018.
Libyan conflict

In August 2020, Cairo hosted several rounds of talks between the Libyan National Army (LNA) and the Libyan Government of National Accord (GNA), with a view to negotiating a ceasefire and a political solution to the Libyan civil war. Egypt also backed the efforts of the UN Support Mission in Libya to resume a national dialogue between the rival parties and supported the ceasefire signed in Geneva on 23 October 2020. As a sign of a breakthrough, in December 2020, Cairo dispatched a high-level delegation to Tripoli for talks with the GNA, the first such visit since 2014. Previously, Egypt had pursued a policy of branding the Tripoli-based GNA a 'tool of the Muslim Brotherhood', while lending support to LNA leader, Khalifa Haftar, considering him the ideal candidate who would restore stability in Libya, protect Egypt's strategic interests, and avoid direct and costly intervention in the country. However, the failure of Haftar's military campaign in 2019-2020 disrupted the Egyptian strategy and forced Cairo to reconsider its plans, as a result of which it reduced its support for the general while remaining open to a political solution. Egypt supported the UN-led Libyan Political Dialogue Forum meeting in Switzerland in February 2021, which chose Mohammed al-Menfi as the head of the Libyan Presidency Council and Abdulhamid Dbeibeh as prime minister of the interim government and agreed on the holding of parliamentary and presidential elections in Libya on 24 December 2021.

Egypt as a regional naval power

Turkey, with its 'neo-Ottoman' agenda focused on remodelling the whole MENA region by establishing political Islam across its territory, remains the main threat for Egypt in the Mediterranean. In August 2021, as part of its efforts to fortify its northern coastline, Egypt inaugurated a new naval base in port of Gargoub, roughly 140 km away from its border with Libya. The base was named '3rd of July' after the day eight years ago when an army-backed uprising toppled Islamist President Mohamed Morsi, supported by Turkey, from power. In January 2020, Egypt inaugurated its Bernice naval base in the south-east, overlooking the Red Sea, and announced its plan to inaugurate a new one east of Port Said at the northern end of the Suez Canal. Despite the fact that some tensions have been diffused, President al-Sisi has rejected any prospects for reconciliation with the Muslim Brotherhood, Turkey and Qatar.

Egypt is also fostering bilateral ties with the EU Member States. On 26 July 2020, Egypt conducted joint military exercises with France in the Mediterranean, aimed at enhancing military cooperation to counter the threat posed by the resurgence of Islamic terrorism in Libya and by Turkey's increasing military engagement in the region. France is also an important defence contractor for Egypt; its most recent deal with Egypt of May 2021 involves the sale of 30 fighter jets valued at €3.75 billion. Italy maintains both military (naval exercises) and commercial ties with Egypt. In February 2020, the two countries announced their plans on signing a €1.2 billion deal involving the purchase by Egypt of two Italian frigates.

In April 2021, Egypt became the 34th member of the Combined Maritime Forces (CMF), a US-led multinational coalition formed in 2002 and committed to upholding the rules-based international order by countering illicit non-state players, safeguarding freedom of navigation, and promoting security, stability and prosperity. In May 2021, US Naval Forces Africa (NAVAF) held a joint naval military exercise dubbed Phoenix Express-2021 in Tunisian waters. In August 2021, guided-missile cruiser USS Monterey (CG 61) visited Egypt's Berenice Red Sea naval base – the first-ever such visit of the base by a US warship. The US Ambassador to Egypt, Jonathan R. Cohen, noted that 'This visit exemplifies the strength of US-Egyptian maritime cooperation. Together we are combating smuggling, trafficking, and piracy, and ensuring safety at sea'.
Egypt’s foreign policy within a challenging regional context

Relations with strategic partners

Egypt–US relations

Egypt has been the second-largest recipient of US military aid since the Camp David Accords of 1978. Since 1978, the United States has provided Egypt with around US$50 billion in military sales and US$33 billion in economic assistance. While still in office, Donald Trump had included a US$1.3 billion military sales grant to Egypt on a list of appropriations that he wanted to strip out of a spending package on Covid-19 relief that Congress had approved in December 2020. In February 2021, the Biden administration approved a US$200 million arms sale despite the human rights concerns voiced by some members of Congress or NGOs. In June 2021, the Biden administration’s proposed 2022 budget requested the exact same US$1.3 billion in military aid to Egypt as under Trump; there have been no human rights reforms or commitments from Cairo thus far. The Stockholm International Peace Research Institute (SIPRI) estimates that Egypt was the world’s third-largest arms importer (Figure 1) in 2016-2020. The US accounted for 41.6% of Egypt’s arms imports, followed by Russia (24.7%) and France (17.3%).

Figure 1 – World’s top 10 arms importers (in US$ billion)

The United States reduced its arms sales to Egypt during and after the Arab Spring, eventually freezing its arms exports in the wake of the military takeover of the Egyptian government in 2013. This embargo lasted two years, after which the multiple ongoing conflicts in the Middle East forced then US President Barack Obama’s administration to reverse its course. However, the two-year gap had already been filled by Russia. Since 2016, Russia has outstripped the US in terms of the value of supplies to Egypt, which include 50 combat aircraft and 46 ship-borne combat helicopters. These supplies have also led to closer Egypt–Russia military cooperation, including joint exercises.

Egypt–Russia relations

Russia is a key partner to Egypt also in the domain of energy security. In 2017, Russia gave Egypt a loan of over US$25 billion for the construction of the Dabaa nuclear power plant. Following the two countries’ strategic partnership agreement of 2018, they confirmed at the Sochi summit (2019) their ‘excellent bilateral relations’, with Moscow further observing that Egypt was a ‘pillar for security and stability in the Middle East and Africa’. The two countries share similar views on a range of topics, from the centralised nature of the state, to recent developments in the eastern Mediterranean and in Libya, where both support the LNA leader, Khalifa Haftar. On 9 August 2021, Russia resumed its direct flights to Egypt for the first time since the October 2015 jihadist bombing of a Russian civil airliner shortly after it took off from the Red Sea resort of Sharm-el-Sheikh, killing all 224 people on board. Until 2015, Russian tourists, (roughly 3.5 million a year) were the most numerous on Egypt’s tourist market.
Egypt–EU relations

The High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission Josep Borrell welcomed Egypt’s ‘decisive role’ in solving the Libyan conflict during his first visit to Cairo on 3 September 2020. Furthermore, Borrell confirmed that ‘Egypt plays a key role in the region and is a partner of the European Union’. The general framework of the cooperation between the EU and Egypt is set by the association agreement of 2001, which entered into force in 2004. The agreement created a free-trade area by removing tariffs on industrial products and making agricultural products easier to trade. The EU’s European Neighbourhood Policy (ENP), which also covers Egypt, fosters stabilisation, security and prosperity in the region of the Southern Neighbourhood, in line with the Global Strategy for the EU's Foreign and Security Policy. In this context, the jointly agreed Partnership Priorities for 2017-2020 aimed at addressing common challenges facing the EU and Egypt, to promote joint interests and to guarantee long-term stability on both sides of the Mediterranean. They also aimed to reinforce cooperation in support of the Vision 2030 strategy.

The EU’s partnership with Egypt includes support to Egypt’s sustainable economic and social development, good governance, the rule of law, human rights, migration, security, counterterrorism, and cooperation in foreign policy through intensified consultations on regional and international issues. The two parties have close cooperation on the Arab regional consultative process on migration. Following the first EU–League of Arab States summit in Sharm El-Sheikh (2019), an EU–Arab summit was held in November 2020 in digital format, due to the coronavirus pandemic. Egypt will remain a partner to the EU also through its participation in the Renewed Partnership with the Southern Neighbourhood and the Investment Plan for the Southern Neighbours, adopted in 2021; the investment plan earmarked €7 billion for the southern Mediterranean in 2021-2027. Egypt has shown an interest in certain aspects of the investment plan, in particular water management. EU support will focus on the implementation of Egypt’s national water resources plan, a 20-year initiative worth EGP900 billion (€16.3 billion).

Delimitation of exclusive economic zones (EEZs) in the eastern Mediterranean

The conflictual exploration of EEZs in the eastern Mediterranean and in particular of the natural gas reserves there, has raked up several disputes among the countries in the region, more particularly Egypt, Turkey and some EU Member States such as Greece and Cyprus. The November 2019 memorandum of understanding (MoU) between Turkey and the Libyan Government of National
Egypt’s foreign policy within a challenging regional context

Accord (GNA) effectively drew a dividing line between the eastern and western parts of the Mediterranean, threatening maritime security, natural gas exploration and new infrastructures such as the EastMed pipeline. In this context, Egypt signed a partial maritime delimitation agreement on EEZs with Greece (August 2020) and a similar agreement with Cyprus in 2003.

The most recent example of Egypt’s positive cooperation with EU Member States is based on their shared interest in exploring and extracting natural gas in the eastern Mediterranean. Previously, eastern Mediterranean countries have collaborated on the exploration of the region’s gas resources, as well as on constructing transmission infrastructure that can deliver the gas to the EU market. In January 2019, the governments of Cyprus, Egypt, Greece, Israel, Italy, Jordan and the Palestinian Authority established the Eastern Mediterranean Gas Forum, a regional organisation with its headquarters in Cairo, tasked with developing a regional gas market and a mechanism for resource development. France has applied for membership and the US for observer status. New projects, such as the EastMed pipeline, would benefit Egypt by providing new export capacity, in addition to its liquefied natural gas (LNG) terminals in Idku and Damietta. The 1872 km-long, mostly submarine, pipeline will cost €6 billion, become operational in 2025, and support EU energy diversification.

Position of the European Parliament

A resolution of the European Parliament (EP) on Egypt, adopted on 24 October 2019, supported enhanced EU-Egypt cooperation, yet raised some red flags with regard to the situation of human rights in Egypt. Similar concerns arose again in 2020, with the EP responding by adopting a resolution focused in particular on the activists of the Egyptian Initiative for Personal Rights (EIPR). Among the most sensitive issues remains the case of the 28-year-old Italian doctoral student, Giulio Regeni, who disappeared in Cairo on 25 January 2016. In December 2020, Italian prosecutors formally ordered four high-ranking members of Egypt’s security forces to stand trial for the abduction of the student. On 3 February 2021, marking the fifth anniversary of his presumed murder, the EP President, David Sassoli, had a long conversation with his parents and the Italian attorney in charge of the case, Alessandra Ballerini.
MAIN REFERENCES


Wezeman P. et al., Trends in international arms transfers, SIPRI, March 2021.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.


eprs@ep.europa.eu (contact)

www.eprs.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

http://epthinktank.eu (blog)