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JOINT RESPONSE TO THE EBRD's 2022-27 STRATEGY FOR EGYPT

April 2022

On March 6, the European Bank for Reconstruction and Development (EBRD) [published](#) its 2022-27 [Egypt Country Strategy](#). The undersigned organizations commend the EBRD's more realistic appraisal of the human rights situation in Egypt compared to the previous Assessment and Strategy in 2017. We appreciate the EBRD's recognition of the striking regression of human rights and the rule of law in Egypt and its clear non-compliance with the political aspects of the Bank's mandate embedded in Article 1.

In its [report on the public consultation](#), the EBRD stresses that it *"takes the challenges related to the political principles in Article 1 seriously"* and reiterates that *"...Article 1 (...) allows the Bank to respond in an agile fashion to important shifts in countries of operations' political situation, in accordance with a "more for more"/"less for less" rationale."* On the basis of this principle we call on the Bank to publicly address the deterioration of the human rights situation outlined in the 2022 Political Assessment, within the implementation of this new Strategy.

We also feel obliged to note that several concerns remain:

We regret that the EBRD's 2022 Private Sector Diagnostic for Egypt is not available on the "Strategies and Policies" web page at the time of writing. We believe that the [previous Diagnostic published in 2017](#) should be revised to take into account the new Strategy that rightly acknowledges the importance of addressing the increased presence of state-owned enterprises in Egypt's economy and entities affiliated with the military. The Political Assessment's section on fighting corruption also touches upon *"challenges in the implementation of existing legislations, in private sector's involvement in decisions affecting the business environment, and in procurement processes"* as well as *"concerns relating to enforcing contracts"*.

We appreciate the EBRD's recognition of Egypt's [governance](#) and [transparency](#) problems. The EBRD should also publicly address whether these shortcomings contribute directly to Egypt's failure to achieve the key economic objectives agreed on in 2017 -.

We are concerned, though, that the language used to describe the human rights and rule of law crisis remains excessively diplomatic. The language of the assessment should have been more in line with the documents and statements published by UN bodies on the same issues and, while the multiple references to UN rights experts' statements is welcomed, their expert conclusions should have been more accurately reflected.

It is unfortunate that the EBRD did not include an assessment of fundamental rights issues such as the right to life, the rights of Christians and other religious minorities, freedom of expression, and the rights of women and LGBTQI+ people. The Bank's Political Methodology also does not seem to provide objective and concrete criteria to assess developments regarding the rule of law, judicial independence, and the situation of refugees, asylum seekers, and migrants in Egypt.

Moreover, we must reiterate our regret that the EBRD did not refer to the grave violations that took place during Egypt's 2018 presidential election in the 2022 Political Assessment, particularly because of the concentration of power in the Egyptian Executive branch. We recall that the 2017 Political Assessment for Egypt did mention all elections and referenda since 2011. The Bank, in its response to the concerns of civil society, stated that it will mainly rely on "strengthening governance" to address the transparency and governance issues it outlines in the political assessment. The Bank underlines that: *"Going forward, the Bank will continue to couple its investments with robust policy engagement across sectors to help facilitate, inter alia, greater private sector participation in the economy and a more level playing field, enhanced corporate and economic governance in the public sector, (...) and the formation of new channels of economic opportunity that will benefit all of Egypt's population."*

While we welcome these efforts, we remain unconvinced that these steps will be sufficient. We insist that the strategy should include necessary reforms of repressive laws, protections against the harassment of human rights defenders and policies which promote the existence of an independent Egyptian civil society.

The EBRD's [assurances](#) that it *"will continue to monitor the situation as related to the political principles in Article 1 and may further engage with the authorities on these matters as appropriate"* are indeed encouraging. However, we disagree that it is beyond the Bank's remit *"to prescribe specific priorities, actions, or indicators in the political sphere"*. Finally, we reiterate our belief that the Bank should publicly state how it will address the clear regression in Egypt's human rights situation as outlined in the Bank's own political assessment, in order for the EBRD to respect its own political mandate.

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