











26 October 2018

Mr Gerd Müller
Federal Minister for Economic Cooperation and Development
Stresemannstraße 94
10963 Berlin

Subject: Official visit of Egyptian President Al-Sisi to Germany

Dear Minister Müller,

Your upcoming meeting with President Al-Sisi of Egypt provides a crucial opportunity to raise concerns on the sustainability of current economic and social policies, in light of the generalised crackdown on dissent in the country, including on civil society, in violation of Egypt's obligations under its 2014 Constitution and international human rights law.

Egypt's socioeconomic challenges along with its increasingly repressive measures targeting civil society and human rights defenders play a critical role in the country's stability. The absence of institutional channels for dissent or holding the government accountable for its human rights violations, along with unfulfilled promises of socio-economic stabilisation, can potentially yield unrest and be contributing factors for migration.

EuroMed Rights, Cairo Institute for Human Right Studies (CIHRS), Dignity, IFEX, OMCT and Tahrir Institute for Middle East Policy (TIMEP) urge you to raise the following concerns with President Al-Sisi:

Egypt's socio-economic situation and the urgent need for reform

Despite positive comments from the IMF, Egypt's situation remains very fragile. This is directly connected to the government's financial, economic and social policies which have failed to build resilience, producing both severe hardship and frustration for large sectors of the population, and a state of increased economic uncertainty and volatility. Many factors could trigger a more acute crisis in Egypt, in which case large-scale revolt could occur that is likely to prove more violent than in 2011.

The influx of funds, particularly toward treasury bills, since the 2016 currency float exposes Egypt to severe consequences if investors withdraw this capital. The rise in foreign currency reserves has been lauded, but short-term external debt has <u>soared and its ratio to foreign reserves</u> was 30% by the end of 2017, triple the 2011-12 fiscal year figure; the last IMF progress report ignores 2017-18 debt figures—a spike to 130% of GDP. The government has worked to reduce the budget deficit through relative decrease of the public wage bill and cutting fuel, utility and transportation subsidies, both of which <u>disproportionately affect</u> the less privileged, further fuelling social tensions. Egypt's tax

structure is becoming <u>more and more regressive</u> while the structural issues of corporate tax avoidance and evasion are not being adequately addressed, in spite of IMF recommendations.

The cash transfer programmes (Takafol and Karama) meant to act as social safety-net for the poor against the dismantling of the national subsidy system, are seen as largely <u>insufficient</u>: it is estimated that at least <u>half of the poor</u> are not reached by any of the cash transfer programmes, <u>according to the Egypt Social Progress Indicators economic policy data</u>.

Egypt's Gini coefficient of wealth was a staggering 91.7% in 2017 according to the <u>Credit Suisse</u> <u>Research Institute</u>, making it the third most unequal country in the world—an increase likely to continue. Al-Sisi's refusal to be held accountable to the public and his prioritisation of regime survival over State stability, translate into acceptance of continuing mismanagement and corruption—a huge concern for the public, researchers have <u>confirmed</u>. The authorities continue to pursue grandiose projects such as <u>expanding construction</u> of costly urban communities only accessible to the wealthy. The focus has been on satisfying Al-Sisi's power base, in particular the military-controlled sector of the economy—whose increasing weight continues to <u>crowd out the private sector</u>.

All these policies ensure that existing reform efforts remain <a href="https://highly.com/highly.co

Al-Sisi's promises of socio-economic stabilisation and inclusive growth remain largely unfulfilled since 2014. Today German and European interests would be best served by engaging President Al-Sisi to review his socio-economic priorities on taxation, urban planning and the military-owned sector of the economy, seriously promote accountability and transparency, and reopen the public sphere to trade unions and civil society, if we wish to avoid a new phase of revolt in Egypt. As a major creditor and supporter of Egypt through development aid, Germany has a particular responsibility to make its voice heard on these issues.

Migration and human rights

Ex Foreign Minister Gabriel's wish "to help ensure that young people in Egypt face a better future" appears very unlikely to be met unless Germany—and other international partners of Egypt—use financial, political and trade leverage to push the authorities toward reform, accountability and reopening of the public sphere. German and EU focus on preventing irregular departures from Egypt will not prevent future large-scale migratory fluxes without addressing the underlying issues. The Al-Sisi regime continues to instrumentalise the migratory crisis context since 2015 "to generate urgently needed financial aid without having to make concessions with regard to political reforms that might jeopardise its own consolidation of power." German and European leaders will only be exposed to more visible complicity with well-documented, rampant human rights abuses in Egypt, and the risk of possible legal liability. Egypt's security forces have a long-standing and documented record of grave human rights abuses both in border policing and in places of detention.

Egypt issued a <u>law</u> on illegal migration but failed to fully address rights of refugees or process for asylum. Therefore, in the absence of asylum law in Egypt, refugee status determination continues to be carried out by the chronically short-staffed and underfunded UNHCR in Egypt, whose <u>access</u> to places of detention is limited and irregular, including to UNHCR-registered detainees. Facilities used for immigration detention—including police stations, border guard stations, and prisons—are mostly overcrowded and far from meeting basic conditions. Children are regularly detained; the UNHCR estimated unaccompanied (or separated) children of concern in Egypt at <u>over 3,800</u>.

Persons with a solid case for refugee status are often faced with a choice between indefinite administrative detention or deportation. The expansion of military jurisdiction since 2013 allows for trial of immigration detainees by military courts far from international fair trial standards. Nationals of Sudan, Eritrea, Yemen or Syria have repeatedly been forcibly deported from Egypt back to war zones or to <u>persecution</u> by security services in their home countries, and this <u>continues</u> to occur.

The closure of civic space in Egypt also hampers the work of humanitarian NGOs providing vital services and support to refugees. There remains no alternative to initiate broad social, judicial and political reforms if the country is to move toward sustainable conditions and real stabilisation.

Background: Egypt's broader human rights situation

- Egyptian authorities have recently used the <u>death penalty</u> against many on a regular basis, including in <u>blatantly unfair mass trials</u>, a fact your country has denounced under agenda item 4 at the UN Human Rights Council. Your Human Rights Commissioner described the August 2018 <u>Rabaa Dispersal Case</u> (no. 34150/2015) mass trial verdict as <u>distressing</u>: the judge found all 739 defendants guilty, handing out 75 death sentences and 47 life sentences.
- The Egyptian Commission for Rights and Freedoms documented 1,520 cases of enforced disappearance in Egypt between July 2013 and August 2018. More than 60,000 political prisoners are currently <u>detained</u> in Egypt, in dreadful conditions. The Committee for Justice documented at least 129 cases of death in custody in 2017.
- The UN Committee Against Torture's 2017 annual report concluded "torture is a systematic practice in Egypt" fed by security forces' impunity and high-level State acquiescence, and may amount to crimes against humanity. A July 2018 law allows the President to exempt high-ranking army officers from accountability for any crimes committed from June 2013 to January 2016, which includes the 2013 mass killings.
- Egyptian authorities have been conducting a generalised crackdown on Egyptian civil society and activists, including arbitrary detentions, travel bans, asset freezes, NGO closures and intimidation. A draconian new NGO law, no. 70/2017, has been denounced by your Human Rights Commissioner. It violates Egypt's Constitution and international rights commitments and should be repealed. The foreign funding case (no. 173/2011), which impacted German political foundations, still looms over Egyptian NGOs. The case should be closed, and all charges dropped. Individual human rights defenders, including women human rights defenders, are facing harsh State retaliation including enforced disappearance, torture and long arbitrary detention, for their legitimate work. A list of cases that our organisations are monitoring is annexed to this letter.

Yours sincerely,

EuroMed Rights, CIHRS, Dignity, IFEX, OMCT and TIMEP