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Egypt: Background and U.S. Relations

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SUMMARY

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Egypt: Background and U.S. Relations

Historically, Egypt has been an important country for U.S. national security interests based on its geography, demography, and diplomatic posture. Egypt controls the Suez Canal, which is one of the world's most well-known maritime chokepoints, linking the Mediterranean and Red Seas. Egypt's population of more than 100 million people makes it by far the most populous Arabic-speaking country. Although today it may not play the same type of leading political or military role in the Arab world as it has in the past, Egypt may retain some "soft power" by virtue of its history, media, and culture. Cairo hosts both the 22-member Arab League and Al Azhar University, which claims to be the oldest continuously operating university in the world and has symbolic importance as a leading source of Islamic scholarship.

Additionally, Egypt's 1979 peace treaty with Israel remains one of the most significant diplomatic achievements for the promotion of Arab-Israeli peace. While people-to-people relations remain cold, the Israeli and Egyptian governments have increased their cooperation against Islamist militants and instability in the Sinai Peninsula and Gaza Strip.

Since taking office, President Biden has balanced some considerations in his approach to U.S.-Egyptian relations, praising Egyptian diplomacy while signaling U.S. displeasure for President Sisi's continued domestic crackdown. In the year after the United States started facilitating the historic Abraham Accords between Israel and various Arab states, Egypt, which has maintained its peace treaty with Israel since 1979, has earned praise from U.S. officials by increasing its diplomatic outreach to Israel.

Since 1946, the United States has provided Egypt with over $84 billion in bilateral foreign aid (calculated in historical dollars—not adjusted for inflation), with military and economic assistance increasing significantly after 1979. Annual appropriations legislation includes several conditions governing the release of these funds. Successive U.S. Administrations have justified aid to Egypt as an investment in regional stability, built primarily on long-running cooperation with the Egyptian military and on sustaining the 1979 Egyptian-Israeli peace treaty. All U.S. military aid to Egypt finances the procurement of weapons systems and services from U.S. defense contractors.

For FY2022, the Biden Administration has requested $1.4 billion in bilateral assistance for Egypt, the same amount Congress appropriated the previous year. Nearly all of the U.S. funds for Egypt come from the Foreign Military Financing (FMF) account. All U.S. military aid to Egypt finances the procurement of weapons systems and services from U.S. defense contractors.

As of September 20, 2021, the World Health Organization reports that since January 3, 2020, there have been 295,745 confirmed cases of COVID-19, with 16,938 deaths in Egypt. As of September 14, 2021, a total of 12,194,537 vaccine doses have been administered. As of September 15, the COVAX facility has delivered 2.9 million doses of the Oxford/AstraZeneca vaccine to Egypt.

Beyond the United States, President Sisi has improved or expanded Egypt's ties with several key partners, including the Arab Gulf states, Israel, Russia, China, France, and Italy.

In April 2019, Egyptian voters approved constitutional amendments that extend Sisi's current term until 2024 and permit him to run for a third term, potentially keeping him in office until 2030.

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Overview

As of fall 2021, Egypt, the Arab world's most populous country of more than 100 million people,[1] is attempting to modernize and reassert itself on the regional stage. Led by President Abdel Fattah al Sisi (hereinafter referred to as President Sisi), a former military officer who took power in a 2013 coup, Egypt is undergoing significant infrastructure development, exemplified by the construction of a new capital city. Military modernization also is ongoing, as Egypt has become the world's third-largest importer of weapons, acquiring fighter planes and warships from Russian and European suppliers. Diplomatically, President Sisi has mediated a crisis in Gaza and expanded ties to Libya, Lebanon, and Iraq. Egypt's renewed regional assertiveness and domestic activity follows a period of political unrest that had paralyzed the country in the previous decade.

Egypt's renewed confidence, however, may mask systemic underlying challenges that could limit the extent of its regional influence. Economically, while Gross Domestic Product (GDP) has grown, even throughout the Coronavirus Disease 2019 (COVID-19) pandemic, poverty is pervasive—with the national rate at 29.7% (as of December 2020). Egypt's national debt constitutes 92% of GDP (as of September 2021), and servicing it takes up nearly 36% of the national budget,[2] limiting the state's ability to invest in its citizenry's well-being.

As of September 20, 2021, the World Health Organization reports that since January 3, 2020, there have been 295,745 confirmed cases of COVID-19, with 16,938 deaths in Egypt.[3] As of September 14, 2021, a total of 12,194,537 vaccine doses have been administered. As of September 15, the COVAX facility has delivered 2.9 million doses of the Oxford/AstraZeneca vaccine to Egypt.[4] In late September 2021, the United States provided Egypt with 1.6 million doses of the Pfizer vaccine.

President Sisi has used emergency powers and broad legal authority granted to the executive by parliament to suppress opposition and perceived criticism, both before and during the pandemic. Authorities have used media laws to arrest journalists who questioned government caseload statistics on charges of spreading "false news."[5] The Egyptian parliament also has amended and extended the nationwide state of emergency, which has been in place since April 2017, most recently in July 2021.

Since taking office, President Biden has attempted to take a balanced approach to U.S.-Egyptian relations, praising Egyptian diplomacy while signaling U.S. displeasure for President Sisi's continued domestic crackdown. In the year after the United States started facilitating the historic Abraham Accords between Israel and various Arab states, Egypt, which has maintained its peace

[1] Beyond the Coronavirus Disease 2019 (COVID-19) pandemic, Egypt has long struggled with scarce domestic resources due to population pressures. Egypt's population surpassed 100 million in 2020 and is predicted to rise as high as 160 million by 2050 (United Nations–World Population Prospects–2019). Population size, particularly in the Cairo metropolis, has contributed to overcrowded classrooms, unemployment, and crippling traffic. See "As Egypt's Population Hits 100 Million, Celebration is Muted," *Fanack.com*, December 19, 2019. The Egyptian government has launched family planning initiatives, which is a challenge in more rural areas. See "'Two is Enough,' Egypt Tells Poor Families as Population Booms," Reuters, February 20, 2019.

[2] Mirette Magdy and Tarek El-Tablawy, "Egypt Keeps Interest Rate on Hold with an Eye on Fed Tapering," *Bloomberg*, September 16, 2021.

[3] See the World Health Organization's Egypt Dashboard at https://covid19.who.int/region/emro/country/eg.

[4] "FACTBOX-Vaccines Delivered under COVAX Sharing Scheme for Poorer Countries," Reuters, September 15, 2021.

[5] Amnesty International, "Egypt: Prisons are Now Journalists' Newsrooms," Public Statement, May 3, 2020.

treaty with Israel since 1979, has earned praise from U.S. officials by increasing its diplomatic outreach to Israel.[6]

Figure 1. Map of Egypt

Source: Map Resources, adapted by CRS.

Historical Background

Since 1952, when a cabal of Egyptian Army officers, known as the Free Officers Movement, ousted the British-backed king, Egypt's military has produced four presidents: Gamal Abdel Nasser (1954-1970), Anwar Sadat (1970-1981), Hosni Mubarak (1981-2011), and Abdel Fattah al Sisi (2013-present). These four men have ruled Egypt with strong backing from the country's security establishment almost continually. The one exception has been the brief period of rule by Muhammad Morsi, who was affiliated with the Egyptian Muslim Brotherhood (see below). That organization has opposed single party military-backed rule and advocated for a state governed by a vaguely articulated combination of civil and *Shariah* (Islamic) law. For the most part, the Muslim Brotherhood has been the only significant and abiding opposition during the decades of military-backed rule.

The one departure from Egypt's decades of military rule, the brief period in which Morsi ruled, took place between 2011 and 2013, after popular demonstrations dubbed the "Arab Spring,"

[6] U.S. State Department, Antony J. Blinken, Secretary of State, At the One Year Anniversary of the Abraham Accords: Normalization Agreements in Action, September 17, 2021.

which had started in neighboring Tunisia, compelled the military to force the resignation of former President Hosni Mubarak in February 2011. During this period, Egypt experienced tremendous political tumult, culminating in Morsi's one-year presidency. When Morsi took office on June 30, 2012, after winning Egypt's first truly competitive presidential election, his ascension to the presidency was expected to mark the end of a rocky 16-month transition period.[7] Proposed timelines for elections, the constitutional drafting process, and the military's relinquishing of power to a civilian government had been constantly changed, contested, and sometimes even overruled by the courts. Instead of consolidating democratic or civilian rule, Morsi's rule exposed the deep divisions in Egyptian politics, pitting a broad cross-section of Egypt's public and private sectors, the Coptic Church, and the military against the Brotherhood and its Islamist supporters.

The atmosphere of mutual distrust, political gridlock, and public dissatisfaction that permeated Morsi's presidency provided Egypt's military, led by then-Defense Minister Sisi, with an opportunity to reassert political control. On July 3, 2013, following several days of mass public demonstrations against Morsi's rule, the military unilaterally dissolved Morsi's government, suspended the constitution that had been passed during his rule, and installed Sisi as interim president. The Muslim Brotherhood and its supporters declared the military's actions a coup d'etat and protested in the streets. Weeks later, Egypt's military and national police launched a violent crackdown against the Muslim Brotherhood, resulting in police and army soldiers firing live ammunition against demonstrators encamped in several public squares and the killing of at least 1,150 demonstrators. The Egyptian military justified these actions by decrying the encampments as a threat to national security.[8]

Issues for Congress

Egyptian Cooperation with Israel

Following 30 years of intermittent war and enduring confrontation, Egypt's 1979 peace treaty with Israel remains one of the single most significant diplomatic achievements for the promotion of Arab-Israeli peace. Congress has long been concerned with the preservation of the peace treaty and has appropriated foreign assistance and exercised oversight to help both parties maintain it. Since 2012, congressional appropriators have included a requirement in foreign operations appropriations legislation that before foreign aid funds can be provided to Egypt, the Secretary of State must certify that Egypt is meeting its obligations under the 1979 Egypt-Israel Peace Treaty.[9]

While people-to-people relations remain limited, Egypt and Israel have continued to find specific areas in which they can cooperate, such as containing the Palestinian group Hamas (a U.S.-designated terrorist organization) in the Gaza Strip, countering terrorism, and developing natural gas in the Eastern Mediterranean (see sections below).

[7] David Kirkpatrick, "Named Egypt's Winner, Islamist Makes History," *New York Times*, June 24, 2012.

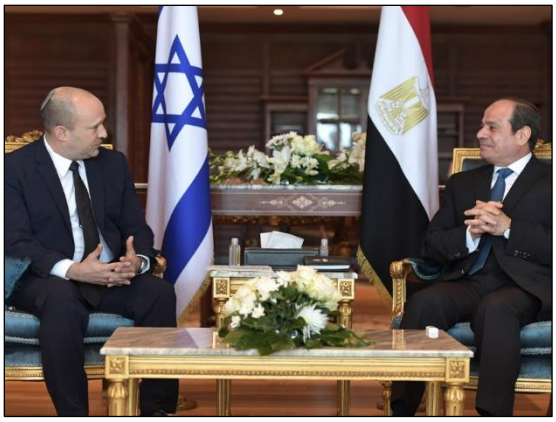
[8] "Egyptian Cabinet Vows to Disperse Pro-Morsi Protest Camps," *The Guardian* (UK), July 31, 2013.

[9] See Section 7041(a)(1) of P.L. 116-260, the Consolidated Appropriations Act, 2021. In addition to sustaining the treaty, the certification also requires Egypt to sustain its "strategic relationship with the United States."

Since 2020, when Israel reached various agreements to normalize or improve relations with the United Arab Emirates (UAE), Bahrain, Sudan, and Morocco (known as the "Abraham Accords"), there has been a noticeable increase in Israeli-Egyptian bilateral contacts. In February 2021, Egyptian Minister of Energy Tarek al Molla visited Israel to discuss cooperation on natural gas projects. Before this visit, no Egyptian cabinet officials other than foreign ministers or intelligence chiefs had visited Israel in the past 15 years. In May 2021, Israel's then-Foreign Minister Gabi Ashkenazi visited Cairo for meetings with Foreign Minister Sameh Shoukry, marking the first time in 13 years that an Israeli foreign minister had officially visited Egypt. In August 2021, Abbas Kamel, the chief of Egypt's General Intelligence Directorate, visited Israel to discuss the security situation in Gaza, where Egypt helped negotiate an end to Israel-Hamas hostilities earlier in the year (see below).

Figure 2. Bennett-Sisi Meeting

September 2021 in Egypt



Source: Israel Ministry of Foreign Affairs.

Bilateral engagement increased in September 2021, when Israeli Prime Minister Naftali Bennett traveled to the resort town of Sharm al Sheikh in southern Sinai for a meeting with President Sisi. Former Israeli Prime Minister Benjamin Netanyahu last made an official visit to Egypt in 2011 (and an unofficial visit in 2018). Shortly after the Bennett-Sisi summit, EgyptAir, the national airline of Egypt, announced that it would offer direct flights between Cairo and Tel Aviv starting in October 2021. Previously, air travel between Egypt and Israel had been discreet, limited to unmarked planes run by a subsidiary of EgyptAir.

Egypt, Israel, and the Palestinians

Egypt's triangular relationship with Israel and Hamas in the Gaza Strip is complex. On the one hand, Israel and Egypt cooperate against Hamas in the Gaza Strip, as they have since Sisi's rise to power in 2013. In general, the Egyptian government is opposed to Islamist groups wielding political power across the Middle East, and opposes Turkish and Qatari support for Hamas.[10] On the Egyptian-Gaza border, Egypt has tried to thwart arms tunnel smuggling into Gaza[11] and has accused Palestinian militants in Gaza of aiding terrorist groups in the Sinai. On the other hand, in an acknowledgement of Hamas' entrenched rule in Gaza since 2007, Egypt couples its policy of containment with ongoing dialogue. Maintaining a relationship with Hamas has provided the Egyptian security and intelligence services an opportunity to mediate between Hamas and Israel

[10] "How Israel and Egypt are Coordinating on Gaza," *Al Monitor*, July 12, 2018.

[11] The Egyptian military has taken a number of steps to stop smuggling tunnel construction beneath the Egyptian-Gaza border. To date, it has destroyed numerous tunnels and created a "buffer zone" along the Gaza border by demolishing parts of Rafah city and flooding trenches in the area with seawater from the Mediterranean. The military also has erected concrete walls and barbed wire fencing along the buffer zone to protect against attacks from the Islamic State-Sinai Province. According to Human Rights Watch, which has criticized the military's actions, since 2013, a little less than one-quarter of all northern Sinai residents have been displaced or otherwise left the region as a result of the home demolitions and intensifying military hostilities. See, Human Rights Watch, "Egypt: Massive Sinai Demolitions Likely War Crimes," March 17, 2021.

and between Hamas and its rival Palestinian faction Fatah (led by Palestinian Authority President Mahmoud Abbas). Egypt, at times, has attempted to broker a long-term Israel-Hamas truce.[12] In a September 2021 speech, Israeli Foreign Minister Yair Lapid set forth Israeli conditions for a possible truce with Hamas, and said, "It's worth emphasizing the critical importance of Egypt in this whole process. It won't happen without the support and involvement of our Egyptian partners and without their ability to talk to everyone involved."[13]

Egypt controls the Rafah border crossing into Gaza, making Rafah the only non-Israeli-controlled passenger entryway into the Strip, which Egypt periodically closes for security reasons. Control over the Rafah border crossing provides Egypt with some leverage over Hamas, though Egyptian authorities appear to use it carefully to avoid sparking a humanitarian crisis on their border.[14] Egypt also controls the Salah al Din Gate, a previously used crossing north of Rafah that opened for commercial use in 2018. According to one report, both Hamas and Egypt tax imported goods moving into Gaza through the gate, earning Hamas tens of millions of dollars per year in revenue.[15]

The May 2021 Israel-Hamas Conflict and Egyptian Mediation

In May 2021, a conflict took place between Israel and Hamas in which Palestinian militants fired rockets at Israeli populated areas, while Israeli forces targeted Hamas and other militants in the densely populated urban areas of Gaza. After 11 days of fighting that resulted in over 250 Palestinians killed and 12 deaths inside Israel, Egypt helped mediate a cease-fire. President Sisi also provided Gaza with humanitarian aid and pledged $500 million for reconstruction (Qatar also pledged $500 million). On May 20, President Biden extended "my sincere gratitude to President Al Sisi and the senior Egyptian officials who played a critical role in this diplomacy."[16] Days later, Secretary of State Antony Blinken arrived in Cairo for a meeting with President Sisi in which he conveyed "President Biden's appreciation to President Sisi for Egypt's critical mediation efforts in support of a ceasefire between Israel and Hamas and other groups in Gaza and for Egypt's help in evacuating American citizens to safety."[17] Since then, Egypt has kept open (with some exceptions) its Rafah border crossing to allow for wounded Gazans to be evacuated and the import of reconstruction materials. According to one account, "All of this is helpful for Palestinians—but it is more helpful still for Mr. Sisi's reputation."[18]

As of September 2021, Egypt has continued to serve as a mediator between Israel and Hamas as both sides negotiate over the infusion of additional reconstruction aid for Gaza and the return of Israeli civilians held in Gaza.[19] As in the aftermath of the three previous major Israel-Hamas conflicts (in 2008-2009, 2012, and 2014), Egypt, Israel, and other international actors face challenges in balancing Gaza's humanitarian and economic needs with concerns that Hamas could divert money and supplies brought into Gaza for military purposes.

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[12] "Egypt Trying to Broker Broad Israel-Hamas Truce, Hamas Says," Associated Press, August 2, 2018.

[13] Israel Ministry of Foreign Affairs, FM Lapid addresses World Summit on Counter Terrorism, September 12, 2021.

[14] "For Hamas, Reconciliation with Egypt Worth More than Qatari Cash," *Al Monitor*, January 31, 2019.

[15] "New Gaza Crossing Raises Questions about Blockade Policies," *PolicyWatch*, number 3205, The Washington Institute for Near East Policy, October 23, 2019.

[16] The White House, Remarks by President Biden on the Middle East, May 20, 2021.

[17] U.S. State Department, Secretary Blinken's Meeting with Egyptian President Al Sisi, May 26, 2021.

[18] "Sisi Sees an Opportunity," *The Economist*, Middle East & Africa, July 3, 2021, edition.

[19] Hamas is holding two Israelis captive, Hisham al Sayed and Avera Mengistu. Israel is demanding their return and the return of the remains of two soldiers killed in Gaza during the 2014 war.

Sinai Peninsula

Several terrorist groups based in the Sinai Peninsula (the Sinai) have been waging an insurgency against the Egyptian government since 2011. The Islamic State's Sinai Province affiliate (IS-SP) is the most lethal terrorist organization in the peninsula.[20] Since its inception in 2014, IS-SP has attacked the Egyptian military continually, targeted Coptic Christian individuals and places of worship,[21] and occasionally fired rockets into Israel.

To counter IS-SP in northern Sinai, the Egyptian armed forces and police have declared a state of emergency, imposed curfews and travel restrictions, and erected police checkpoints along main roads. Egyptian counterterrorism efforts in the Sinai appear to have reduced the frequency of terrorist attacks somewhat. According to one analyst, as of late 2020, militant attacks had fallen to 15 a month from 40 in late 2017.[22] However, though the pace of IS-SP attacks have dropped, other experts believe that IS-SP is a significant security threat, especially when pitted against poorly trained Egyptian conscript soldiers serving in the Sinai. According to one report from IHS Markit, "Although militant capabilities have not returned to the levels of sophistication seen from 2014-16, the group has shown it still retains high level capabilities."[23]

The 1979 Israeli-Egyptian peace treaty limits the number of soldiers that Egypt can deploy in the Sinai, subject to the parties' negotiation of changes to address particular circumstances. Egypt and Israel agree upon any short-term increase of Egypt's military presence in the Sinai and to the construction of military and/or dual-use infrastructure. Since Israel returned control over the Sinai to Egypt in 1982, the area has been partially demilitarized, and the Sinai has served as an effective buffer zone between the two countries. The Multinational Force and Observers, or MFO, which are partially funded by the United States, are deployed in the Sinai to monitor the terms of the Israeli-Egyptian peace treaty (see **Figure 3**).

[20] This group was formerly known as *Ansar Bayt al Maqdis* (Supporters of the Holy House or Partisans of Jerusalem). It emerged after the Egyptian revolution of 2011 and affiliated with the Islamic State in 2014. Estimates of its numerical composition range from 500 to 1,000. In Arabic, it is known as *Wilayat Sinai* (Sinai Province). Also referred to as ISIS-Sinai, ISIS-Egypt, and the Islamic State in the Sinai.

[21] In November 2018, IS-SP claimed responsibility for an attack against Coptic Christian pilgrims traveling to the monastery of Saint Samuel the Confessor 85 miles south of Cairo in the western desert.

[22] "Shifting Militant Tactics Curb Development in Egypt's North Sinai," Reuters, November 9, 2020.

[23] Jack Kennedy, "Terrorism in Egypt: Examining the Data and What to Expect in 2021," *IHS Markit*, December 18, 2020.

At times, Egypt and Israel have cooperated to counter terrorism in the Sinai. In a televised interview in 2019, President Sisi responded to a question on whether Egyptian-Israeli military cooperation was the closest it has ever been, saying "That is correct. The [Egyptian] Air Force sometimes needs to cross to the Israeli side. And that's why we have a wide range of coordination with the Israelis."[24] One news account suggested that, as of February 2018, Israel, with Egypt's approval, had used its own drones, helicopters, and aircraft to carry out more than 100 covert airstrikes inside Egypt against militant targets.[25]

Figure 3. The Sinai Peninsula

Source: http://www.mfo.org.

Natural Gas

Israeli-Egyptian energy cooperation has significantly expanded since 2018. For Egypt, cooperation with Israel is a key component of its broader regional strategy to become a major player in the development of undersea natural gas in the Eastern Mediterranean. Egypt is attempting to position itself as a regional gas hub, whereby its own gas fields meet domestic demand while imported gas from Israel and Cyprus can be liquefied in Egypt and reexported.[26] Egypt has the Eastern Mediterranean's only two large-scale liquefied natural gas terminals (located at Idku and Damietta), operating as partnerships between the state and foreign companies such as Italy's ENI and Royal Dutch Shell.

In 2018, Israeli and Egyptian companies entered into a decade-long agreement worth an estimated $15 billion, according to which Israeli off-shore natural gas is exported to Egypt for either domestic use or liquefaction and reexport. In August 2021, Israeli and Egyptian officials discussed possible plans to liquefy Israeli gas for reexport at the Egyptian terminals mentioned above.

Israeli and Egyptian companies bought significant shares of an unused undersea pipeline (the EMG pipeline) connecting Israel to the northern Sinai Peninsula. The pipeline is now used to transport natural gas from Israel to Egypt as part of the previously mentioned gas deal.

As energy ties bind Israel and Egypt closer together, they have also made both parties wary of competitors such as Turkey. In January 2019, Egypt convened the first ever Eastern Mediterranean Gas Forum (EMGF), a regional consortium consisting of Egypt, Israel, Jordan, the Palestinian Authority, Cyprus, Greece, and Italy, intended to consolidate regional energy policies

[24] "Egypt's President El-Sisi Denies Ordering Massacre in Interview his Government Later Tried to Block," *60 Minutes*, January 6, 2019.

[25] "Secret Alliance: Israel Carries Out Airstrikes in Egypt, with Cairo's O.K," *New York Times*, February 3, 2018.

[26] "Egypt Says U.S. Oil Firms Showing Appetite for Offshore Projects," Reuters, November 24, 2018.

and reduce costs.[27] In September 2020, the EMGF became an official intergovernmental organization based in Cairo. Turkey, which has longstanding disputes with Greece and Cyprus that have shaped Eastern Mediterranean energy debates, is considered a rival of the EMGF countries.[28] As Turkey expanded its role in Libya, Libya's then-Government of National Accord (GNA) signed a maritime boundary agreement with it in late 2019.[29] Egypt called the deal "illegal and not binding"; Israel said the deal could "jeopardize peace and stability in the area."[30] In 2020, Egypt and Greece signed an exclusive economic zone agreement—generally seen in part as a response to the Turkey-Libya deal—in an area of the Mediterranean containing oil and gas reserves. Turkey claims that this zone falls in the area of its continental shelf.[31]

Possible Egyptian Purchase of Russian Advanced Fighter Aircraft

Since 2018, there have been periodic reports of Egyptian plans to purchase Russian Sukhoi Su-35 Multi-Role Fighter Aircraft, a move that could potentially trigger U.S. sanctions under Countering Russian Influence in Europe and Eurasia Act of 2017 (CRIEEA; P.L. 115-44/H.R. 3364, Countering America's Adversaries Through Sanctions Act [CAATSA], Title II—hereinafter referred to as CAATSA).[32] In May 2020, TASS Russian News Agency reported that the Gagarin Aircraft Manufacturing Association in Komsomolsk-on-Amur had started production of the aircraft under a contract signed in 2018.[33] As of September 2021, U.S. officials have not publicly confirmed that Egypt and Russia are moving ahead with the deal. The Su-35 is Russia's most advanced fighter aircraft. In May 2021, a report suggested that Russia had delivered five Su-35s to Egypt.[34] A month later, Russian Deputy Prime Minister Yuri Borisov said that 11 Su-35 aircraft will be delivered to Egypt this year.[35] Several months earlier, in a phone call with the Egyptian foreign minister, Secretary of State Antony Blinken "raised concerns over human rights, which he emphasized would be central to the U.S.-Egypt bilateral relationship, and Egypt's potential procurement of Su-35 fighter aircraft from Russia."[36]

Section 231 of CAATSA requires that the President impose a number of sanctions on a person or entity who knowingly engages in a significant transaction with anyone who is part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation. The Secretary of State has determined that the manufacturer of the Su-35, Komsomolsk-on-Amur Aviation Production Organization (KNAAPO) is a part of, or operates on

[27] "Natural Gas Fields Give Israel a Regional Political Boost," Associated Press, January 23, 2019.

[28] CRS Report R44000, *Turkey: Background and U.S. Relations In Brief*, by Jim Zanotti and Clayton Thomas.

[29] Selcan Hacaoglu and Firat Kozok, "Turkish Offshore Gas Deal with Libya Upsets Mediterranean Boundaries," *Bloomberg*, December 6, 2019.

[30] "Turkey-Libya Maritime Deal Rattles East Mediterranean," Reuters, December 25, 2019.

[31] "Egypt and Greece Sign Agreement on Exclusive Economic Zone," Reuters, August 6, 2020.

[32] Countering Russian Influence in Europe and Eurasia Act of 2017, title II, Countering America's Adversaries Through Sanctions Act (CAATSA; P.L. 115-44). For additional background, see CRS Report R45415, *U.S. Sanctions on Russia*, coordinated by Cory Welt.

[33] Derek Bisaccio, "Su-35 Production for Egypt Begins," *Defense and Security Monitor*, May 18, 2020.

[34] Dan Arkin, "Egyptian Air Force Starts to Receive Su-35 Fighter," *Israel Defense*, May 7, 2021.

[35] Jeremy Binnie, "Russian Official Indicates Egypt Will Receive 11 Su-35s this Year," *Jane's Defence Weekly*, June 23, 2021.

[36] U.S. State Department, Secretary Blinken's Call with Egyptian Foreign Minister Shoukry, February 23, 2021.

behalf of, Russia's defense and intelligence sectors for the purpose of meeting the definitional requirements of CAATSA Section 231.[37]

While Egypt's procurement of Russian (and French) fighter aircraft has drawn media attention, U.S.-origin aircraft compose the largest component of Egypt's fixed-wing inventory, including around 200 F-16 variant combat aircraft. Egypt's diversification strategy is particularly challenging for its air force, which must balance different training and maintenance procedures for European, Russian, and U.S. platforms.

Democracy, Human Rights, and Religious Freedom

Egypt's record on human rights and democratization has sparked regular criticism from U.S. officials and some Members of Congress. The Egyptian government rejects foreign criticism of its human rights practices as illegitimate interference in Egypt's domestic affairs.[38] Certain practices of President Sisi's government, the parliament, and the security apparatus have been the subjects of U.S criticism. According to the U.S. State Department's report on human rights conditions in Egypt in 2020:

> Significant human rights issues included: unlawful or arbitrary killings, including extrajudicial killings by the government or its agents and terrorist groups; forced disappearance; torture and cases of cruel, inhuman, or degrading treatment or punishment by the government; harsh and life-threatening prison conditions; arbitrary detention; political prisoners or detainees; politically motivated reprisal against individuals located outside the country; arbitrary or unlawful interference with privacy; serious restrictions on free expression, the press, and the internet, including arrests or prosecutions of journalists, censorship, site blocking, and the existence of criminal libel laws, which were not enforced; substantial interference with the rights of peaceful assembly and freedom of association, such as overly restrictive laws governing civil society organizations; restrictions on political participation; violence targeting lesbian, gay, bisexual, transgender, and intersex persons and use of the law to arrest and prosecute arbitrarily such persons; and forced or compulsory child labor, including its worst forms.[39]

Egyptian authorities employ a host of legal authorities to suppress peaceful political opposition and civil society, including the folowing:

- **Emergency Law.** As previously mentioned, Egypt has been in a near continuous state of emergency since 2017.[40] The 2014 constitution, as amended, limited the president's ability to declare an indefinite state of emergency, though the pro-government parliament has continuously approved three-month extensions of the President's emergency declarations (most recently in July 2021). Emergency powers, which were in effect for decades under the rule of the late Hosni Mubarak, enable the state to refer civilians to State Security Emergency Courts rather than civilian courts for various infractions.
- **Anti-terrorism law.** Egypt's 2015 anti-terrorism law has been widely criticized by human rights groups for creating a broad definition of terrorism that can be used by authorities to crack down against peaceful political opposition.

[37] See U.S. State Department, Section 231 of CAATSA, at https://www.state.gov/t/isn/caatsa/.

[38] "Egypt calls on US not to interfere in its Affairs," *The Middle East Monitor*, March 15, 2019.

[39] U.S. State Department, *2020 Country Reports on Human Rights Practices*: *Egypt*, March 30, 2021.

[40] For an overview of the Egypt's emergency law, see "Egypt's Emergency Law Explained," *Al Jazeera*, April 11, 2017.

According to one critique, "By writing into law a broad definition for terrorism and creating new prosecutorial and judicial mechanisms, the Counter-terrorism Law expands the scope of acts that can be tried as terrorism; subjects even nonviolent, constitutionally protected actions of everyday citizens, journalists, and rights defenders to possible prosecution under terrorism legislation; and contributes to a culture in which national security concerns automatically trump human rights and legal obligations."[41]

- **NGO Law.** For years, nongovernmental organizations (NGOs) operating in Egypt have charged that the government has used the legal system to restrict civil organizations from conducting lawful activities without government interference. Egypt's Law #149 of 2019 on activities of nongovernmental organizations prohibits domestic and foreign NGOs from pursuing activities that violate "national security," "public order," "public morals," and "national unity" without defining any of these terms.[42]

Authorities also restrict access to the internet, censor online content, and monitor private online communications.[43] In 2018, parliament passed amendments to the Media and Press Law that, among other changes, grant the regulatory body known as the Supreme Media Council "the authority to suspend a social media account that has 5,000 followers or more if it posts false news, promotes violence, or spreads hateful views."[44] The Egyptian government also has attempted to require that technology companies share their user data with authorities.[45] In October 2019, the Egyptian cabinet issued a resolution mandating, among other things, that ride-sharing companies such as Uber submit to the Ministry of Transportation six months' worth of customers' data from all rides.[46]

Select international human rights, democracy, and development monitoring organizations provide the following global rankings for Egypt.

Table 1. Democracy, Human Rights, and Development Indicators

Issue	Index	Ranking
Democracy	Freedom House, Freedom in the World 2021	"Not Free"
Press Freedom	Reporters Without Borders, World Press Freedom Index 2021	166/180 Countries
Corruption	Transparency International, Corruption Perceptions Index 2020	117/180 Countries
Human Development	United Nations Human Development Programme, Human Development Index 2020	116/189 Countries

[41] The Tahrir Institute for Middle East Policy, "TIMEP Brief: Counter-Terrorism Law," August 15, 2018.

[42] George Sadek, "Egypt: New Law Enacted Regulating Activities of Nongovernmental Organizations," *Global Legal Monitor*, The Law Library, Library of Congress, September 11, 2019.

[43] See "The Eye on the Nile," *Check Point Research*, October 3, 2019.

[44] "Egypt: Parliament Passes Amendments to Media and Press Law," *Global Legal Monitor*, The Law Library, Library of Congress, August 6, 2018.

[45] "Dilemma for Uber and Rival: Egypt's Demand for Data on Riders," *New York Times*, June 10, 2017.

[46] "Egypt: Ministerial Resolution Issued to Regulate Activities of Ride-Sharing Companies," *Global Legal Monitor*, The Law Library, Library of Congress, October 22, 2019.

Sources: Freedom House, Reporters Without Borders, Transparency International, and United Nations Human Development Programme.

Gender Equality

Despite a constitutional provision affirming gender equality, Egyptian women do not enjoy the same legal rights and opportunities as men and experience widespread discrimination.[47] The World Economic Forum ranks Egypt 129th of 156 countries on the Global Gender Gap index, and 4th within the MENA region; the country performs in the bottom 10 countries on the measure of women's economic participation and opportunity. Men participate in the labor force at more than three times the rate of women in Egypt (75.2% compared with 20% for women), and less than 10% of firms have women in top management positions.[48] Egypt performs lower than the regional MENA average on the Women, Business, and the Law index, an annual study by the World Bank that measures the laws and regulations that affect women's economic opportunity in 190 economies. The World Bank has found that "constraints on freedom of movement, laws affecting women's decisions to work, laws affecting women's pay, constraints related to marriage, laws affecting women's work after having children, constraints on women's starting and running a business, and gender differences in property and inheritance" contribute to Egypt's score of 45 out of 100.[49]

Violence against women and rampant sexual harassment remain problems in Egypt, due in part to the lack of a comprehensive law criminalizing all forms of violence against girls and women.[50] Child marriage and female genital mutilation or cutting (FGM/C) are both practiced to some extent, despite laws against them. The State Department reports the government "did not effectively enforce the FGM/C law" and that FGM/C remains a "serious problem."[51] Egyptian law does not prohibit domestic violence or spousal abuse. The government has recently increased the punishment for sexual harassment and claims to be prioritizing efforts to address it, perhaps in response to the 2020 social media movement about sexual assault that some dubbed Egypt's #MeToo moment.[52]

Coptic Christians

Most Egyptians are Sunni Muslims, but a relatively small percentage (perhaps 5% or less) are Coptic Christians, and this minority has faced discrimination and persecution, from the government as well as from other citizens and terrorist groups. Congress has at times urged the government of Egypt to protect this community. For example, in the 117th Congress, H.Res. 117, among other provisions, urges the Government of Egypt to enact "serious and legitimate reforms in the public sector, athletics, and society to ensure Coptic Christians are given the same rights and opportunities as all other Egyptian citizens."

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[47] Op. cit., U.S. State Department, *2020 Country Reports on Human Rights Practices: Egypt*, March 30, 2021.

[48] World Economic Forum, *Global Gender Gap Report 2021*, March 2021.

[49] World Bank, *Women, Business, and the Law 2021*, data as of October 1, 2020.

[50] Statement by Michelle Bachelet, UN High Commissioner for Human Rights, "Efforts to Combat Violence against Women in Egypt: Milestones, Challenges, and Recommendations," UN Human Rights Council, June 8, 2021.

[51] Op. cit., U.S. Department of State, *2020 Country Reports on Human Rights Practices: Egypt*, March 30, 2021.

[52] "Egypt tightens punishment for sexual harassment," Reuters, July 12, 2021; Declan Walsh, "The 22-Year-Old Force Behind Egypt's Growing #MeToo Movement," *The New York Times*, October 2, 2020.

For years, the Coptic Christian community in Egypt has called for equal treatment under the law.[53] Since taking office, President Sisi has publicly called for greater Muslim-Christian coexistence and national unity. In January 2019, he inaugurated Egypt's Coptic Cathedral of Nativity in the new administrative capital east of Cairo saying, "This is an important moment in our history.... We are one and we will remain one."[54]

Despite these public calls for improved interfaith relations in Egypt, the minority Coptic Christian community continues to face professional and social discrimination, along with occasional sectarian attacks. According to the 2021 U.S. Commission on International Religious Freedom report, "religious discrimination [in Egypt] remained pervasive, including a disparity in policies regarding places of worship, a lack of opportunities for non-Muslims to work in key areas of government service, state security harassment of former Muslims, and recurring incidents of anti-Christian mob violence, particularly in rural areas."[55]

Major terrorist attacks against Christian places of worship also continue to threaten the Coptic community. Suicide bomber attacks against Coptic cathedrals in 2011, 2016, and 2017 collectively killed over 95 people and injured hundreds of others. In April 2021, IS-SP posted a video depicting the group's murder of a 62-year-old Copt from Bir al Abd in North Sinai.

Coptic Christians also have long voiced concern about state regulation of church construction. They have demanded that the government reform long-standing laws (some dating back to the nineteenth century) on building codes for Christian places of worship. Article 235 of Egypt's 2014 constitution mandates that parliament reform these building code regulations. In 2016, parliament approved a church construction law (Law 80 of 2016) that expedited the government approval process for the construction and restoration of Coptic churches, among other structures. Although Coptic Pope Tawadros II welcomed the law,[56] critics claimed that it continues to allow for discrimination. According to *Human Rights Watch*, "the new law allows governors to deny church-building permits with no stated way to appeal, requires that churches be built 'commensurate with' the number of Christians in the area, and contains security provisions that risk subjecting decisions on whether to allow church construction to the whims of violent mobs."[57]

Domestic Developments

Domestic Politics

President Abdel Fattah al Sisi's tenure appears to have been predicated on the idea that a sufficient segment of the public, exhausted after several years of unrest and distrustful of Islamist rule, remains willing to forgo democratic liberties in exchange for the rule of a strongman hailing

[53] In late 2019, an Egyptian Coptic woman won a landmark inheritance case before the Cairo Court of Appeal. The court granted the plaintiff, a Coptic Christian woman, a share of her late father's inheritance equal to that of her two male brothers by applying Christian Orthodox Personal Status Bylaws rather than Islamic law (which grants sons twice the share of daughters). The plaintiff had argued that, per the Egyptian Constitution of 2014, she should not be subject to Islamic law in matters related to family law. See George Sadek, "Egypt: Court Grants Christian Woman Share of Father's Estate Equal to Share of Her Two Brothers," The Law Library, Library of Congress, *Global Legal Monitor*, January 9, 2020.

[54] "Egypt's Sisi Opens Mega-Mosque and Middle East's Largest Cathedral in New Capital," Reuters, January 6, 2019.

[55] Annual Report of the U.S. Commission on International Religious Freedom, April 2021.

[56] "HH Pope Tawadros II: Church Construction Law Corrected an Error and Bandaged Wounds," Coptic Orthodox Cultural Center, September 1, 2016.

[57] "Egypt: New Church Law Discriminates Against Christians," *Human Rights Watch*, September 15, 2016.

from the military. The extent to which Egyptians political quiescence reflects endorsement of military rule or strategic silence in the face of suppression is impossible to quantify, given the closed political environment enforced by the current government. The authorities have limited dissent by maintaining a constant crackdown, which initially was aimed at the Muslim Brotherhood, but has evolved to cover a broader range of political speech, encompassing anyone criticizing the government.

While successive Egyptian presidents since 1952 were effective at centralizing power, both within the ruling system and outside it, certain institutions (judiciary, military) and individuals enjoyed a considerable degree of independence from the executive. However, under President Sisi, there has been arguably an unprecedented attempt to consolidate control over all branches of government while stymying opposition to his rule. In April 2019, voters approved amendments to the constitution that extend President Sisi's current term until 2024 and permit him to run for a third term, potentially keeping him in office until 2030. The amendments also granted the president the authority to appoint all chief justices of Egyptian judicial bodies and the public prosecutor. During summer 2019, President Sisi made those judicial appointments, leading one anonymous Egyptian judge to question this authority, saying that "The role of the judge is to be at arm's length from the executive, but this is inconsistent now with the fact the president of the republic is involved with a judge's transfer, promotion and accountability."[58] President Sisi also placed his older brother and oldest son in key security and intelligence positions, although his son is no longer in that role.[59]

Egypt's bicameral parliament consists of a 596-member House of Representatives (568 elected and 28 appointed by the president) and a 300-member Senate (200 of whom are elected, and 100 appointed by the president). According to Egypt's Political Rights Law, at least 25% of the elected seats in the House of Representatives are set aside for female candidates; 10% of all Senate seats are designated for women.[60] Women's right to vote was recognized in 1956, and women currently constitute 27.7% of representatives in the lower parliament and 13% of seats in the upper house.[61]

Figure 4. President Abdel Fattah al Sisi

Source: Egyptian State Information Service.

[58] "Fears Over Egypt's Judiciary Abound after Sisi Appointments," *Agence France Presse*, August 21, 2019.

[59] Reportedly, President Sisi has since removed his son Mahmoud from the deputy head of the GIS. According to one controversial report in the Egyptian publication *Mada Masr*, Mahmoud Sisi lost his position in the GIS after the president's inner circle concluded that his reputation was harmful to the Sisi regime. See "President's Eldest Son, Mahmoud al-Sisi, Sidelined from Powerful Intelligence Position to Diplomatic Mission in Russia," *Mada Masr*, November 20, 2019. After *Mada Masr* published this account, security services temporarily detained an editor and two journalists and had their personal electronics confiscated. See "Egypt News Outlet Raided after Report on Sisi's Son," *Financial Times*, November 24, 2019.

[60] See, Genders Quota Database, International Institute for Democracy and Electoral Assistance (International IDEA), Stockholm, Sweden.

[61] Inter-Parliamentary Union, Monthly Ranking of Women in National Parliaments, accessed September 9, 2021.

Parliamentary elections took place in late 2020 amidst a turnout estimated at less than 30%. *Mostaqbal Watan* (translated as either Future of the Homeland or Nation's Future)[62] emerged as the leading pro-Sisi party, with 316 seats in the House. When parliament began its work in early 2021, it featured the most women legislators in Egypt's history. Egyptian lawmakers overwhelmingly support the president's legislative agenda, as *Mostaqbal Watan* has become the successor to the now-defunct National Democratic Party (NDP), the former pro-government party of the late Hosni Mubarak. According to one observer, "Sisi's circle is presenting a democratic, pluralistic picture of this outcome, but in truth the legislature will be dominated by one major party surrounded by small parties that serve as window dressing, thereby mimicking an opposition just enough to occasionally channel the public's frustration at socioeconomic conditions. This is straight from the Mubarak playbook."[63] The next parliamentary elections are expected to take place in 2025.

The Economy

As an emerging market, Egypt has weathered the COVID-19 pandemic and has witnessed positive GDP growth both in 2020 (3.6%) and 2021 (2.8% estimated). In the face of the pandemic's disruption to global tourism (tourism in Egypt accounts for 9.5% of all employment), the Egyptian government has enacted various fiscal stimulus measures while receiving various low-interest loans from international financial institutions, such as the IMF. According to a July 2021 IMF analysis,

> over the past 12 months, the [Egyptian] authorities' commitment to prudent policies and their strong performance under the IMF program have helped mitigate the health and social impact of the pandemic while safeguarding economic stability, debt sustainability, and investor confidence. Growth is expected to rebound strongly in FY2021/22 to 5.2 percent, but the outlook is still clouded by uncertainty related to the pandemic, including regarding the full recovery of tourism.[64]

Egypt Constructs a New Capital City

Since 2015, Egypt has been constructing a yet unnamed new capital city (temporarily referred to as the New Administrative Capital, or NAC) 28 miles east of Cairo. The new city is planned to house 6.5 million people and is to feature new headquarters for most government agencies and a new financial center. The city is designed to be a "smart" city, in which residents may use smartphone applications to access basic services. The city is to feature an extensive surveillance network of cameras to "monitor crowds and traffic congestion, detect incidents of theft, observe suspicious people or objects, and trigger automated alarms in emergency situations," according to Honeywell, the contractor building the network.[65] The German company Siemens Mobility is partnering with local Egyptian companies to construct a high-speed rail line linking Cairo to the NAC and Red Sea coastal cities to ports on the Mediterranean.

The construction of the NAC is the biggest "mega project" inaugurated by President Sisi. Since his ascension to power, Egypt has widened the Suez Canal, expanded the network of tunnels and bridges connecting the Sinai Peninsula to the mainland, and constructed several new military bases. Some observers, however, have questioned the economic and environmental viability of building a city of 6 million in an undeveloped desert area. According to *The Economist*, "There are myriad questions about the city's viability. Water is scarce; property prices are too

[62] The party's website is available in English at https://mostaqbal-watan.org/en/.

[63] Haisam Hassanein, "Egypt's New Parliament: Reopening Political Life, But Only So Far," *Policy Analysis*, The Washington Institute for Near East Policy, January 26, 2021.

[64] The International Monetary Fund, "Egypt: Overcoming the COVID Shock and Maintaining Growth," July 14, 2021.

[65] "From Creaking Cairo, Egypt Plans High-Tech Leap with new Capital," Reuters, September 2, 2021.

high for most Egyptians. Critics say the money would be better spent fixing the poor infrastructure in 'old' Cairo."[66]

While Egypt has been able to access global capital to finance its infrastructure expansion, demand for its debt could shift if interest rates rise elsewhere. Egypt's Central Bank offers one of the highest bond interest rates (8.25%) among emerging market economies, making the country's debt attractive to foreign investors. Overseas investors hold around $33 billion of Egypt's Treasury bills and bonds.[67] International financial institutions now hold about half of Egypt's external debt. However, some economists are concerned that any increase in U.S. and European interest rates may lead investors to sell Egyptian debt and move their money into safer markets. Relatively low borrowing costs have enabled Egypt to finance public works projects and other deficit spending initiatives. According to S&P Global Ratings, Egypt's has one of the highest debt-service burdens among all sovereigns, and the government requires funding from equity sources in order to cope with possible increases in global interest rates.[68]

Some economists argue that Egypt relies too heavily on a few key economic sectors, such as energy and tourism, while the rest of the private sector remains underdeveloped and poverty rates remain high. According to the *Economist*, "The purchasing managers' index, a measure of private-sector activity, has spent most of the past five years contracting. As many as 30% of Egyptians fell below the official poverty line of 857 pounds ($55) a month at the end of 2020."[69]

For decades, Egypt's military has played a key role in the nation's economy as a food producer and low-cost domestic manufacturer of consumable products; however, due to political sensitivities, the extent of its economic power is rarely quantified. Egypt's military is believed to be largely economically self-sufficient. It produces what it consumes (food and clothes) and then sells surplus goods for additional revenue.

Under President Sisi, who has commissioned massive infrastructure projects, Egyptian military companies have been the main beneficiaries of government contracts.[70] Military-owned manufacturing companies have expanded into new markets, producing goods that are cheaper than either foreign imports or domestically produced goods made by the private sector (including appliances, cement, fertilizer, solar panels, some electronics, and some medical equipment).

Proponents of the military's expanded role argue that its companies can move goods to market more quickly and sell them to consumers at prices below those charged by private corporations. Critics argue that the military is distorting the economic system and benefitting from a legal system that gives the military unfair advantages. Reportedly, the military does not pay corporate income taxes and employs low-wage conscript labor to keep overhead costs at a minimum.[71]

[66] "Egypt: Always Going Big," *The Economist*, April 3, 2021.

[67] Mirette Magdy and Tarek El-Tablawy, "Egypt Keeps Interest Rate on Hold with an Eye on Fed Tapering," *Bloomberg*, September 16, 2021.

[68] Op. cit., Mirette Magdy and Manus Cranny, "Egypt Has Crisis Experience to Handle a Fed Taper, Minister Says," *Bloomberg*, September 8, 2021.

[69] "Egypt is again under Military Rule, but Sisi Lacks Nasser's Appeal," *The Economist*, August 28, 2021, edition.

[70] "Egypt's Economy Falls to the Military," *Wall Street Journal*, May 22, 2018.

[71] "Army's Economic Role Fuels Debate in Egypt," *Middle East Online*, April 3, 2018.

Egypt's Foreign Policy

Under President Sisi, Egypt's foreign policy has been more active after a period of dormancy during the latter years of the late President Hosni Mubarak and the tumultuous two-and-a-half-year transition that followed Mubarak's resignation.[72] While President Sisi has continued Egypt's longtime policy of playing an intermediary role between Israel and the Palestinians, Egypt under President Sisi has attempted to play a bigger role in the Eastern Mediterranean and the Red Sea. Since 2014, as Egypt has developed off-shore natural gas in the eastern Mediterranean, President Sisi has modernized the Egyptian Navy and improved economic ties with Israel, Italy, and Cyprus while also looking to deter regional rivals, such as Turkey. In January 2020, Egypt inaugurated a new base (Berenice) on the Red Sea which, according to one account, will allow Egypt to "project military power into the southern Red Sea."[73]

As part of President Sisi's strategy to revitalize Egyptian power in its immediate vicinity, it has maintained longstanding U.S.-Egyptian security ties while strengthening defense relationships with other actors.[74] During Sisi's presidency, Egypt has diversified its military-to-military and trade relationships away from the United States to include closer relations with Russia, China, and European nations such as France, Italy,[75] and Germany.[76] Between 2016 and 2020, Egypt was the third-largest arms importer globally (after Saudi Arabia and India) with France, Russia, and the United States being Egypt's principal suppliers.[77]

In 2021, Egypt also has been more active in the Middle East, specifically in Lebanon and Iraq, two countries where Iran exerts influence over some of the Shia Arab population. In Lebanon, which remains in the throes of a crippling economic and energy crisis, Egypt is planning to ship natural gas through Jordan and Syria to the Deir Ammar power plant in Lebanon.[78] Egypt may need to receive a waiver from the United States in order to comply with the Caesar Syria Civilian

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[72] From about 2000 to 2013, Egypt had turned inward, unable to either lend its support or unilaterally advance major U.S. initiatives in the region, such as the war in Iraq or the Israeli-Palestinian peace process. Moreover, the terrorist attacks of September 11, 2001, profoundly and negatively impacted how some U.S. policymakers viewed Egypt. Whereas the bilateral relationship had previously focused on promoting regional peace and stability, the 9/11 attacks reoriented U.S. policy during the George W. Bush Administration, as Americans considered the possibility that popular disillusionment from authoritarianism might contribute to terrorism. Egypt has been a key element of this reorientation, as several Egyptian terrorists helped form the original core of Al Qaeda. For example, see Nabil Fahmy, "Egypt in the World," *The Cairo Review of Global Affairs*, Summer 2012.

[73] Jeremy Binnie, "Egypt Inaugurates Major Red Sea Base Complex," *Jane's Defence Weekly*, January 16, 2020.

[74] The United States continues to fund the procurement of major defense systems, as the Defense Security Cooperation Agency (DSCA) has notified Congress of potential defense sales to Egypt worth an estimated $4.9 billion since 2018. For a list of major arms sales notifications to Egypt, see https://www.dsca.mil/tags/Egypt.

[75] Italy has supplied the Egyptian Navy with two FREMM Frigates from the Italian defense contractor Fincantieri for an estimated $1.4 billion. Egypt has also armed its Italian frigates with Aster-15 medium-range surface-to-air missiles. See, "Italy Advances Arms Deals with Egypt Despite Opposition," *Al Monitor*, March 27, 2021. A year earlier, Egypt purchased 24 AW149 and eight AW189 helicopters from Italian defense contractor Leonardo for $957 million. See Gareth Jennings, "Italy Reveals Leonardo Helo Sales to Egypt," *Jane's Defence Weekly*, May 21, 2020.

[76] ThyssenKrupp Marine Systems (TKMS) is supplying the Egyptian Navy with four Type 209/1400mod submarines (for $1.7 billion). The same German company also is providing the navy with MEKO A-200 frigates. Egypt is procuring VL MICA NG surface-to-air missiles from MBDA to protect these new frigates.

[77] "Trends in International Arms Transfers, 2020," Stockholm International Peace Research Institute (SIPRI), March 2021.

"Egypt looks beyond the US to meet Defence Needs," *Economist Intelligence Unit*, April 15, 2019. Report used data from the Stockholm International Peace Research Institute's database on arms transfers.

[78] "Lebanon to get Egyptian Gas via Syria in Plan to Ease Crisis," Reuters, September 8, 2021.

Protection Act of 2019 (P.L. 116-92, Title LXXIV). According to Barbara Leaf, the President's nominee for Assistant Secretary of State for Near Eastern Affairs, "This is a project that, as I understand, it is endorsed by the World Bank, so that a State Department is looking at it carefully within the framework of US law and sanctions policy. But it shows some promise on the face of it. And of course, the department will consult thoroughly with Treasury on the way forward."[79] In Iraq in 2021, President Sisi became the first Egyptian president to visit Baghdad in 30 years. Egypt, Iraq, and Jordan have agreed to expand various energy and military cooperation, as well as trilateral trade and investment.[80]

Russia

Egypt and Russia, close partners in the early years of the Cold War, have again strengthened bilateral ties under President Sisi, who has promised to restore Egyptian stability and international prestige. His relationship with Russian President Putin, in the words of one observer, has benefitted from "a romanticized memory of relations with Russia during the Nasser era."[81] President Sisi turned to Russia during the Obama Administration, when the U.S.-Egyptian relationship became more strained (see the **Appendix**).[82]

Since 2014, Egypt and Russia have strengthened their ties in a number of ways, including through arms deals and joint military exercises. Reportedly, Egypt is upgrading its aging fleet of legacy Soviet MiG-21 aircraft to a fourth generation MiG-29M variant.[83] Egypt also has purchased 46 standard Ka-52 Russian attack helicopters for its air force, along with the naval version of the Ka-52 for use on Egypt's two French-procured Mistral-class helicopter dock vessels, and the S-300VM surface-to-air missile defense system from Russia.[84] In June 2020, Egyptian media reported that the Egyptian Army had agreed to purchase 500 Russian T-90 Main Battle Tanks from Uralvagonzavod, though reportedly both sides are still negotiating whether the tanks can be assembled in Egypt (M1A1 tanks have been assembled in Egypt).[85]

Additionally, Egypt and Russia reportedly have expanded their cooperation on nuclear energy. In 2015, Egypt reached a deal with Russian state energy firm Rosatom to construct a 4,800-megawatt nuclear power plant in the Egyptian Mediterranean coastal town of Daba'a, 80 miles northwest of Cairo. Russia is lending Egypt $25 billion over 35 years to finance the construction and operation of the nuclear power plant (this loan is to cover 85% of the project's total costs). The contract also commits Russia to supply the plant's nuclear fuel for 60 years and to transfer and store depleted nuclear fuel from the reactors. Rosatom anticipates that construction will begin in 2022 and that the plant will be operational in 2028.[86]

Egyptian-Russian ties are not without complications. In the aftermath of a 2015 terrorist attack against a Russian passenger jet departing from Sharm El Sheikh, visits to Egypt by Russian

[79] "Senate Foreign Relations Committee Holds Hearing on Pending Nominations," *Congressional Quarterly*, Congressional Transcripts, September 15, 2021.

[80] "Is Egypt Back as a Power Player in the MENA Region?" *Fanack.com*, August 30, 2021.

[81] "The United States and the Future of Egyptian-Russian Relations," *The Caravan*, Hoover Institution, March 9, 2017.

[82] "Analysis: Egyptian Air Force Modernization," *Jane's International Defence Review*, November 10, 2016.

[83] See Jane's Sentinel Security Assessment, Air Force- Egypt, August 7, 2018.

[84] "Egyptian S-300VM SAM Delivery Confirmed," *Jane's Defence Weekly*, June 6, 2017.

[85] See, Jane's World Armies, Egypt, March 17, 2021.

[86] "Egypt's Nuclear Power Plans Back on Track," *Economist Intelligence Unit*, August 4, 2021.

tourists, previously the country's largest source of tourists, dropped.[87] Russian commercial aircraft have resumed direct flights to Cairo and, after six years, to Sharm El Sheikh. Egypt and Russia also engaged in a trade dispute in 2016 over Russian wheat imports. Egypt is the largest global importer of wheat, and the largest export market for Russian wheat.

Several possible reasons could explain why Egyptian-Russian relations have improved under President Sisi, none of which are mutually exclusive. For one, President Sisi has most likely made the determination that Egypt's national security interests are best served by having global powers compete for Egypt's favor. As a lower-middle-income country with relatively high poverty (29.7%) and a military that relies on the appearance of strength for deterrence, Egypt seeks cost efficiencies for its military acquisitions. Part of Egypt's rebalancing of its foreign policy may be seen as a quest to secure the most advanced hardware on the most generous financing terms available. With U.S. Foreign Military Financing (FMF) grants relatively unchanged since 1987 (Congress has appropriated $1.3 billion a year since then), the purchasing power of U.S. military aid has decreased substantially given the rising costs of major defense systems. Moreover, U.S. defense technology, particularly fighter aircraft, has evolved to the point where Egypt either cannot afford the latest generation of U.S. fighters (such as the F-35), lacks the technical know-how to maintain them, or may be prohibited from purchasing certain items if they negate Israel's Qualitative Military Edge (QME).[88] Egypt has turned to Russia and France in recent years to source naval and air force acquisitions (fourth-generation fighters, such as the Su-35 from Russia and the Rafale from France) while using U.S. assistance to maintain its existing stocks of U.S. materiel. According to SIPRI, from 2000 to 2009, Egypt's major arms supplier was the United States, accounting for 75% of Egypt's total arms imports; however, from 2010 to 2019, U.S. arms imports accounted for 23% of Egypt's total arms imports.[89]

Since the Egyptian military ousted former President Morsi in 2013, the Egyptian government under President Sisi has rejected international criticism of its human rights record[90] and has sought out foreign partners that do not condition support based on Egyptian domestic policies.[91] In 2014, while U.S. assistance to Egypt was under review (see the **Appendix**), then-Defense Minister Sisi and Russian President Vladmir Putin held a series of meetings in which President Putin endorsed Sisi for president, and the two leaders signed several unnamed military deals possibly financed by Gulf Arab states.[92] Russia and Egypt issued a joint communique at the time that "condemned foreign interference in domestic affairs of any country and called for solving all existing problems and crises exclusively by peaceful means and broad all-inclusive dialogue."[93]

France

Like Russia, France stands out as a country with which President Sisi has sought to build a diplomatic and military procurement relationship. In late 2020, President Sisi visited France, and French President Emmanuel Macron stated during a joint press conference that "I will not

[87] Before 2015, Russian visitors accounted for 20%-30% of Egypt's tourist arrivals. "Russian Tourist Numbers Set to Recover Slowly," *Economist Intelligence Unit*, May 4, 2018.

[88] See CRS Report R46580, *Israel's Qualitative Military Edge and Possible U.S. Arms Sales to the United Arab Emirates*, coordinated by Jeremy M. Sharp and Jim Zanotti.

[89] Alexandra Kuimova, "Understanding Egyptian Military Expenditure," SIPRI Background Paper, October 2020.

[90] "Egypt Rejects Western Countries' Criticism at UN Human Rights Council," *Al Ahram*, March 12, 2021.

[91] "Macron avoids 'lecturing' Egypt on rights, Sisi defends his record," Reuters, October 24, 2017.

[92] See, Molly Hunter, "From Russia with Love: Vladimir Putin Gives Sissi AK-47," *ABC News*, February 10, 2015.

[93] "Vladimir Putin pre-empts presidency bid by Egypt's military chief," Associated Press, February 13, 2014.

condition matters of defence [sic] and economic cooperation on these disagreements [over human rights].... It is more effective to have a policy of demanding dialogue than a boycott which would only reduce the effectiveness of one of our partners in the fight against terrorism."[94] Egypt has purchased major air and naval defense systems from French defense contractors, including the following:

- 54 Rafale multirole fighters (produced by Dassault Aviation). In 2015, Egypt became the first foreign buyer of the Rafale when it ordered 24 fighter jets. In 2018, French officials said that the United States would not permit France to export the U.S.-made SCALP air-launched land-attack cruise missile used on the Rafale to Egypt under the International Trade in Arms Regulation (ITAR) agreement.[95] The United States may have been concerned over the transfer of sensitive technology to Egypt. In 2021, Egypt purchased an additional 30 Rafale fighters in a $4.5 billion deal financed by a French sovereign loan guarantee on 85% of the total amount borrowed from various French commercial banks (BNP Paribas, Crédit Agricole, Société Générale and CIC).[96] France also provided a sovereign loan guarantee on 65% of the financing for Egypt's initial purchase of 24 jets.[97]
- Four Gowind Corvettes (produced by Naval Group). This deal was signed in July 2014. As part of the French-Egyptian arrangement, some of the Corvette construction has taken place at the Alexandria Shipyard in Egypt.[98]
- One FREMM multi-mission Frigate (produced by Naval Group). Named the *Tahya Misr* (Long Live Egypt), this vessel was delivered to Egypt in 2015. This ship has participated in an annual joint French-Egyptian naval exercise, known as Cleopatra.
- Two Mistral-class Helicopter Carriers (produced by Naval Group). In fall 2015, France announced that it would sell Egypt two Mistral-class Landing Helicopter Dock (LHD) vessels (each carrier can carry 16 helicopters, 4 landing craft, and 13 tanks) for $1 billion. The LHDs were delivered in 2016. In 2017, Egypt announced that it would purchase Russian 46 Ka-52 Alligator helicopters, which can operate on the LHDs.[99]

[94] "Macron says French arms sales to Egypt will not be conditional on human rights," *France 24*, December 7, 2020.

[95] "France Could Replace US Parts in SCALP Missile to Circumvent ITAR Restrictions for Egypt, But at Some Delay," *Jane's Defence Weekly*, August 2, 2018.

[96] Although unconfirmed, the French newspaper *La Tribune* also reported that Egypt intends to buy two Airbus MRTT refueling tankers, four Thales Ground Master 400 long-range air surveillance radars, and one Airbus observation satellite. See Michel Cabirol, "Egypt: a Contract (Rafale) May Hide Other Orders (Spy Satellite, MRTT)," *La Tribune* (France), May 6, 2021.

[97] "Egypt Buys French Fighter Jets," *Economist Intelligence Unit*, May 5, 2021.

[98] In fall 2018, it was reported that the German manufacturer ThyssenKrupp Marine Systems is competing with the French company Naval Group for a possible new Egyptian Navy purchase of corvettes.

[99] According to one report, the effectiveness of the Mistral as a helicopter carrier depends on whether the helicopters on board have foldable rotors. If they don't, it "reduces the size of their air wings from 16 helicopters to the six that can be carried on deck." See Jeremy Binnie, "Egypt Deploys Ka-52s on Mistral LHD," *Jane's Defence Weekly*, January 7, 2020.

China

Unlike Russia, France, and the United States, China has not been a key military partner of the Egyptian Armed Forces, with the exception of its exports of armed drones to the Egyptian Air Force.[100] Moreover, although China has received some media attention for its investment in projects relating to Egypt's construction of its new capital,[101] Chinese-Egyptian trade remains relatively modest. According to one report, Egypt represents less than 5% of China's trade with Middle Eastern and North African countries.[102]

Though Chinese-Egyptian trade and investment does not match China's presence in other parts of the region, the United States has warned Egypt over accepting Chinese investment in critical technological infrastructure, such as 5G networks. According to one report, during the Trump Administration, U.S. officials warned Egypt not to allow Chinese companies, such as Huawei, to build critical data networks in Egypt due to their inability to protect user data.[103]

The Nile Basin Countries

Egypt relies on the Nile River[104] for hydroelectricity, agriculture, and most of its domestic water needs, and thus treats restrictions to the flow of the Nile from upstream countries as an existential issue. According to the United Nations, "Egypt's dependency ratio is one of the world's highest with 96.9 percent of the total renewable water resources flowing into the country from neighboring countries. The total renewable water resources per capita stands at 700 m3/year/capita in 2014, but considering population growth is expected to drop below the 500 m3 threshold of absolute water scarcity by 2030."[105] Experts expect climate change to increase the frequency of hot and dry years for farmers along the Nile.[106]

Figure 5. GERD Talks in Washington, DC

Source: U.S. Department of the Treasury.

[100] "The Aisheng ASN-209 was a Joint-Development of a MAME UAV System between China and Egypt," militaryfactory.com, April 27, 2020.

[101] The Chinese State Construction and Engineering Company (CSCEC) has secured a contract to build the business district of Egypt's New Administrative Capital. In the Suez Canal industrial zone, Chinese state-owned conglomerate TEDA operates an industrial park with 85 companies and more than 4,000 employees. See "The Competition for Egypt: China, the West, and Megaprojects," *Al Jazeera*, March 15, 2021.

[102] Mohamed El Dahshan, "Egyptian Exceptionalism in a Chinese-led World," *Chatham House*, February 10, 2021.

[103] Khalid Hassan, "US Warns Egypt to Avoid Chinese Companies on 5G Connections," *Al Monitor*, November 3, 2020.

[104] The Nile is the longest river in the world (4,184), stretching from Kenya's Lake Victoria to the Mediterranean Sea. The Blue Nile and White Nile merge in Sudan before flowing into Egypt.

[105] FAO. 2016. AQUASTAT Country Profile—Egypt. Food and Agriculture Organization of the United Nations (FAO). Rome, Italy.

[106] Declan Walsh and Somini Sengupta, "For Thousands of Years, Egypt Controlled the Nile. A New Dam Threatens That," *New York Times*, February 9, 2020.

The government has been at odds with Nile Basin countries to Egypt's south that seek to revisit colonial-era treaties governing the Nile waters. Tensions are particularly strong with Ethiopia (population 110 million), which is nearing completion of the $4.2 billion Grand Ethiopian Renaissance Dam (GERD), a major hydroelectric project on the Blue Nile, which starts in Ethiopia. Egypt argues that the dam, once filled, will limit the flow of the Nile below Egypt's share,[107] as agreed upon in a 1959 deal with Sudan (of which Ethiopia was not part).[108] Ethiopia claims that the dam, which would double its electricity generating capacity, is critical to its efforts to eradicate poverty. Sudan, which sits in the middle of the dispute, stands to benefit from Ethiopia's prospective electricity exports and the regulated water flow, which would curtail flooding and improve its agricultural potential.[109]

After years of failed talks, Egypt, Ethiopia, and Sudan continue to disagree over how long Ethiopia should take to fill the dam, as well as how much water should be released from the GERD on an annual basis, particularly during prolonged droughts.[110] Reduced Nile flow through Sudan into Egypt may exacerbate existing water shortages in both countries and cause short-term political problems for the Egyptian government, given its extensive unmet domestic water needs.

Rising Sea Levels and the Nile Delta

Low-lying deltas like Egypt's Nile Delta and other parts of Egypt's coast are susceptible to sea-level rise. Higher sea levels can result in more frequent flooding from high tides and extreme rainfall, greater impacts from coastal storms, damage to coastal fresh groundwater, changes to coastal habitats for fish and other species, and land lost to coastal erosion and inundation.[111] The Nile Delta is Egypt's most important agricultural region and home to significant population and economic centers, such as Alexandria and Port Said. Scientists have warned that the Nile Delta's flood risk may increase in the years ahead due to a combination of factors.[112] These include rising sea levels, which generally are anticipated to increase in the coming decades with warming temperatures, and local conditions contributing to land subsidence and loss, such as upstream dams capturing sediments needed for maintaining the delta and land subsidence from groundwater, oil, and gas extraction.[113] According to the Intergovernmental Panel on Climate Change (IPCC), "The low-lying northern coast and Nile Delta region are a high priority for adaptation to climate change."[114]

The Egyptian government is taking some steps to address climate change. With support from the International Finance Corporation, it has built one of the world's largest solar parks at Benban in Aswan and aims to dramatically increase its national reliance on solar power. It also has built storm barriers along Alexandria's shore

[107] "Egypt Denounces Ethiopia for Moving Ahead with Nile Dam Amid Water: Shortage Fears," Reuters, October 3, 2019.

[108] International agreements on apportioning the flow of the Nile River date back to the British colonial period when some Nile riparian countries were not parties themselves to the agreements. The last major agreement, the 1959 Nile Waters Agreement between Egypt and Sudan, divided the entire average annual flow of the Nile between Egypt and Sudan. Ethiopia was not part of this agreement. The 1959 agreement revised Egypt's share of the Nile waters upward from a previous arrangement reached between Egypt and the British colonial authorities in Sudan, which also excluded Ethiopia.

[109] See International Crisis Group, "Bridging the Gap in the Nile Waters Dispute," March 20, 2019.

[110] See International Crisis Group, "Calming the Choppy Nile Dam Talks," October 23, 2019.

[111] For more information on how sea levels may effect coasts, see CRS Report R44632, *Sea-Level Rise and U.S. Coasts: Science and Policy Considerations*, by Peter Folger and Nicole T. Carter. Higher sea levels can impair drainage of runoff from rainfall events.

[112] Mohamed Shaltout, Kareem Tonbol, and Anders Omstedt, "Sea-Level Change and Projected Future Flooding Along the Egyptian Mediterranean Coast," *Oceanologia*, vol. 57, no. 4 (2015); *IPCC, IPCC Special Report on the Ocean and Cryosphere in a Changing Climate*, in press, September 24, 2019, p. 4-61.

[113] Esayas Gebremichael et al., "Assessing Land Deformation and Sea Encroachment in the Nile Delta: A Radar Interferometric and Inundation Modeling Approach," *JGR Solid Earth*, vol. 123, no. 4 (April 2, 2018).

[114] IPCC, *IPCC Special Report on the Ocean and Cryosphere in a Changing Climate*, in press, September 24, 2019, p. 4-61.

to stave off flooding, and has received funding from the United Nations Development Program to protect dams along the Nile. In order to cope with anticipated freshwater shortages, Egypt is building two large wastewater treatment plants, limiting cultivation of water-intensive crops such as bananas and rice, and planning to construct desalination plants. [115]

To break the deadlock over Nile water-sharing, Egypt has repeatedly sought third-party mediation, particularly from the United States,[116] the United Nations, and the Africa Union.

However, as of September 2021, Egypt, Sudan, and Ethiopia continue to be at an impasse in reaching a trilateral agreement governing Ethiopia's usage of the GERD to manage the flow of the Nile River. International mediation efforts by the United States and the Africa Union (AU), among others, have to date not resolved the dispute.[117] After numerous rounds of unsuccessful talks, Egypt's negotiating position remains focused on securing a long-term, internationally legally binding agreement limiting Ethiopia's dam-filling in drought years. Ethiopia, which perceives its control over the dam as a matter of national pride and sovereignty, has sought to retain the flexibility to release waters from the dam's reservoir. In July 2021, Ethiopia filled the dam's reservoir for the second time, potentially filling it enough to begin producing hydroelectricity for the first time.

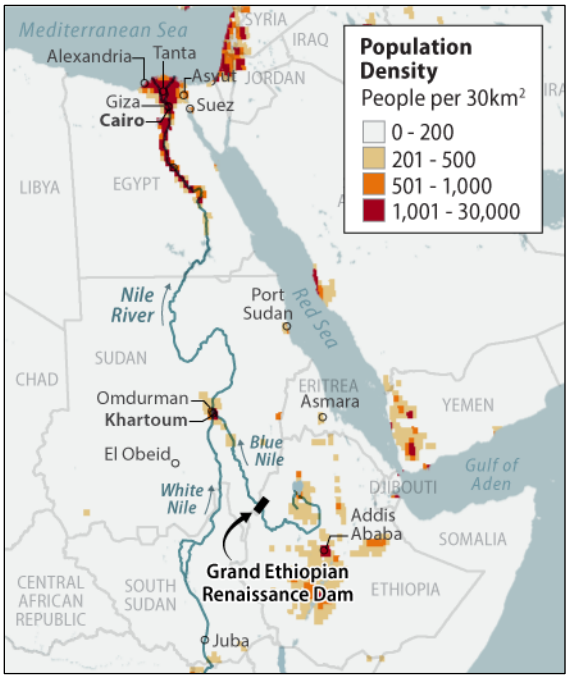
[115] "Egypt Seeks to Diversify its Water Supply Sources," *Economist Intelligence Unit*, May 4, 2021.

[116] During a June 2021 hearing before the House Foreign Affairs Committee, Ambassador Robert F. Godec, Acting Assistant Secretary for the Bureau of African Affairs, stated, "What I would emphasize is that there are solutions—technical solutions that address the concerns of all of the parties, that allow Ethiopia to build the dam and have electricity, that allows Egypt to have water, that allows Sudan to have water, and meets the needs of all of the people of the region. The issue is really a question of political will. The leaders in these countries have to come to an agreement." See House Foreign Affairs Committee, Hearing entitled, The Conflict in Ethiopia, June 29, 2021.

[117] A mediation effort by the Trump Administration stalled in 2020 after Ethiopia rejected a draft agreement put forth by then-Treasury Secretary Steven Mnuchin and accused the United States of bias toward Egypt.

Egypt, with support from the Arab League, also has continued to press the issue at the United Nations Security Council (UNSC). In July 2021, the UNSC held a meeting on the GERD, in which Egypt presented draft text for a UNSC resolution calling for a binding agreement within six months; for the rejection of unilateral actions, including the filling of the dam; and for world powers to play a more active role in mediation.[118] In September 2021, the Security Council adopted a presidential statement calling for a resumption of African Union-led negotiations in order to reach a "binding agreement on the filling and operation of the GERD."[119] However, Egypt's entreaties to the international community have not born fruit. According to one analyst, "From a psychological point of view, Egypt is for the first time dependent on a major country of a size that is comparable to Egypt, of an economic power that is quickly catching up with Egypt."[120]

Figure 6. The Nile River



Source: CRS Graphics.

Libya

Since the 2011 uprising that toppled long-time authoritarian leader Muammar al Qadhafi, Egyptian policy in Libya has focused on securing its western border, protecting its citizens working in Libya, and supporting eastern Libyan political and military forces. During Libya's recent period of internal conflict (2014-2020), Egypt intervened militarily to strike armed Islamist groups in eastern Libya and provided diplomatic and material support to Field Marshal Khalifa Haftar and the Libyan National Army (LNA) movement. The LNA still controls most of eastern Libya despite its unsuccessful attempt to seize all of Libya between 2019 and 2020. Although Egypt's support to Haftar and the LNA has been limited, Haftar's priorities align with President Sisi's to a certain extent, as both men hail from the military and broadly oppose Islamist political forces.

Beyond its immediate borders and from a broader geo-political perspective, Egypt seeks to limit Turkish influence in Libya, which it sees as destabilizing. Turkey's support for Islamist movements, including the Egyptian-outlawed Muslim Brotherhood, has long been a strain in their bilateral relationship, particularly since the ouster of former president Muhammad Morsi in 2013. Support for opposing factions in Libya further exacerbated tensions.

[118] United Nations, "Meeting on the Grand Ethiopian Renaissance Dam and Regional Relations," *What's in Blue*, July 7, 2021.

[119] "Security Council Presidential Statement on the Grand Ethiopian Renaissance Dam (GERD)," *What's in Blue*, September 15, 2021.

[120] Max Bearak and Sudarsan Raghavan, "Africa's Largest Dam Powers Dreams of Prosperity in Ethiopia—and Fears of Hunger in Egypt," *Washington Post*, October 15, 2020.

Since a cease-fire among Libyans went into effect in October 2020, Egypt has engaged diplomatically with Libyan military leaders and the interim Government of National Unity (GNU). In 2021, President Sisi has met several times with GNU interim Prime Minister Abdul Hamid Dabaiba. Egypt has pledged to reopen its embassy in Tripoli (which has been closed since 2014) and consulate in Benghazi. At the same time, Egypt has engaged Turkey in a series of bilateral talks (the first since 2013) aimed at reaching mutual understandings in Libya and the eastern Mediterranean. Despite improved ties, Cairo may still be suspicious of Turkish long-term intentions in Libya. According to Egypt's Foreign Minister Sameh Shoukry, progress in Libya depends on "real change in Turkish policy," and "words are not enough, they must be matched by deeds."[121] According to one analyst, "Egypt fears that Ankara's military patronage of Tripoli combined with the long-lasting Turkish support for the Muslim Brotherhood could create an Islamic-oriented government in Tripoli. This is a risk that Egyptian President Sisi does not want to run."[122]

U.S.-Egyptian Relations

Key Components

At a broad level, the United States views the stability of Egypt, the most populous country in the Middle East, as key to regional stability, and therefore maintains a decades-long security partnership to strengthen Egypt's armed forces and its ability to combat terrorism.[123] In April 2021, Egypt joined the U.S. Naval Forces Central Command's Combined Maritime Forces,[124] a 34-nation naval partnership to combat terrorism, prevent piracy, and encourage regional cooperation. In September 2021, 600 U.S. service personnel from the U.S. Central Command (CENTCOM) participated in Operation Bright Star,[125] a biennial multinational military training

[121] Lazar Berman, "Egypt Uses Military to Send Firm Message to Newly Conciliatory Turkey, *Times of Israel*, July 7, 2021.

[122] Alessia Melcangi, "Egypt recalibrated its strategy in Libya because of Turkey," *MENASource*, Atlantic Council, June 1, 2021.

[123] The White House, President Donald J. Trump Remains Committed to Egypt and Middle East Stability, April 9, 2019.

[124] See https://www.cusnc.navy.mil/Combined-Maritime-Forces/.

[125] Since 1980, shortly after the signing of the Israeli-Egyptian peace treaty, the United States and Egypt have conducted large-scale joint military exercises known as "Bright Star." In 1980, both countries conducted annual single service bilateral ground maneuver events. However, starting in the mid-1980s, Bright Star became a biennial multinational military training exercise. For the first 25 years of its existence, Bright Star was one of the largest coalition military exercise conducted by CENTCOM. It included the ground, naval, and air forces of both the United States and Egypt, along with troops from France, the United Kingdom, Germany, Netherlands, Italy, Spain, Greece, Saudi Arabia, Jordan, the UAE, Turkey, Pakistan, and Kuwait. During the 1999/2000 event, 11 nations contributed over 70,000 troops to the exercise. At times, regional conflict or tensions in the U.S.-Egyptian relationship have led to the cancellation of Bright Star. Due to the wars in Iraq, Bright Star was cancelled in 1991 and 2003. Due to political unrest in Egypt, the Egyptian armed forces cancelled Bright Star in 2011. In 2013, President Obama suspended U.S. participation in Bright Star due to U.S. concerns over the military's ousting of Egypt's civilian-led government. Thus, Bright Star did not take place from 2010 to 2016. It resumed in September 2017, when an estimated 200 U.S. soldiers participated in the exercise at Mohamed Naguib Military Base in Egypt, where U.S. and Egyptian forces conducted battle simulations involving U.S.-origin major defense equipment, such as Egyptian F-16s and M1A1 Egyptian tanks. In August 2018, approximately 800 U.S. troops participated in Operation Bright Star 18. That event featured Egyptian special operations forces conducting counterterrorism and irregular warfare training operations, working in close collaboration with US special operators. In 2020, the United States and Egypt cancelled Bright Star due to the COVID-19 pandemic.

exercise cohosted by the United States and Egypt that, since the early 1980s, has helped foster the interoperability of U.S. and Egyptian forces.[126]

Another key U.S. component of U.S.-Egyptian military cooperation has been expedited naval access through the Suez Canal. The Egyptian government has long provided U.S. warships with the courtesy of front-of-the-line access to the Canal for expedited passage.[127] After the March 2021 temporary blockage of the canal by a stranded container ship, U.S. officials have reiterated the importance of open access to the canal for commercial trade and military operations.[128]

Successive Administrations also have expressed admiration for Egypt's role in Middle East peacemaking (see the "Egypt, Israel, and the Palestinians" section above). According to U.S. Ambassador to Egypt Jonathan Cohen, "The U.S.-Egypt strategic partnership is vital to both nations and spans decades. We have cooperated with one another every day, across the administrations of eight U.S. presidents on a wide agenda which began with Egypt's pioneering role in promoting Middle East peace."[129] Since 1982, the United States has continued to participate in the Sinai Peninsula peacekeeping and monitoring mission, known as the Multinational Force and Observers (MFO).[130]

Though military-to-military relations remain the backbone of the bilateral relationship, the United States and Egypt seek opportunities to expand trade and investment deemed mutually beneficial. Despite having the largest population in the Middle East, Egypt ranks as the region's fifth-largest economy by GDP (behind Turkey, Saudi Arabia, the UAE, and Israel). By total 2020 volume of trade, Egypt ranks as the 50th-largest U.S. trading partner, at $6.8 billion (a 20% drop from 2019 due to the pandemic).[131] The United States has a trade surplus with Egypt and exports wheat and corn, mineral fuel and oil, machinery, aircraft, and iron and steel products. U.S. imports include apparel, natural gas and oil, fertilizers, textiles, and agricultural products.[132] According to the U.S. Department of Commerce's Egypt Country Commercial Guide, U.S. foreign direct investment (FDI) in Egypt was $1.37 billion in 2019 (latest data available), making the United States the third-largest foreign investor in Egypt, behind the United Kingdom and Belgium. Most FDI from the United States is concentrated in the oil and natural gas sectors.[133]

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[126] U.S. Department of Defense, United States Central Command, Readout from Gen. McKenzie's Visit to Egypt, September 11, 2021.

[127] While the Suez Canal Transit Authority provides the U.S. Navy with expedited passage, the United States, like other foreign nations transiting the canal, pays the authority fees for transit, tug boat assistance, late fees, and port dues.

[128] See testimony of Amanda Dory, Acting Under Secretary of Defense for Policy, Department of Defense, House Armed Services Committee Hearing entitled "National Security Challenges and U.S. Military Activities in the Greater Middle East and Africa," April 20, 2021. See also John Bowden, "Pentagon: Suez Canal Stoppage may Impact Transit of Military Vessels," *The Hill*, March 28, 2021.

[129] Hany Assai, "INTERVIEW: US Ambassador to Cairo says Strategic Partnership Vital to both Nations, Spans Decades," *Ahramonline*, July 4, 2021.

[130] See CRS Insight IN11403, *Possible Withdrawal of U.S. Peacekeepers from the Sinai Peninsula*, by Jeremy M. Sharp. P.L. 116-283, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, includes Section 1292, which requires the Secretary of Defense to notify Congress of any planned withdrawal of U.S. troops that would bring total U.S. military participation in the MFO below 430 soldiers.

[131] Trade statistics generated by Trade Data Monitor, LLC using trade information from Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS).

[132] U.S. State Department, U.S. Relations with Egypt, Bilateral Relations Fact Sheet, Bureau of Near Eastern Affairs, September 20, 2019.

[133] U.S. Commerce Department, International Trade Administration, Egypt Country Commercial Guide, Updated September 5, 2021.

Challenges in the Bilateral Relationship

Various U.S. concerns about Egypt's internal security, political repression, and social stagnation complicate longstanding bilateral military and economic cooperative endeavors, but the countries continue to share security interests. After nearly a decade of terrorist attacks and insurgent warfare, the Sinai Peninsula continues to be an area of significant concern to U.S. policymakers. According to the latest U.S. State Department Report on Terrorism, "Nearly all terrorist attacks in Egypt took place in the Sinai Peninsula and largely targeted security forces, but terrorist attacks targeting civilians, tourists, and security personnel in mainland Egypt remained a concern."[134]

Beyond the spate of violence emanating from the Sinai is concern over Egypt's dynamism as a 21st-century nation state that meets the growing demands of its educated and interconnected youth. According to Tamara Cofman Wittes, the President's nominee for USAID assistant administrator for Middle East:

> Even in the face of a relationship that has today as many differences as areas of agreement, many parts of the United States government continue to view the nation of Egypt as 'too big to fail.' There is good reason for this view. Egyptians represent a full one-fifth of the entire Arab world. An economic or political disruption in Egypt would, as it did in 2011, have profound effects across the region.[135]

The COVID-19 pandemic has further strained state finances, forcing the government to continue to rely on foreign creditors to finance its large public debt, which, as of September 2021, was equal to 92% of Gross Domestic Product. The International Monetary Fund (IMF) has repeatedly lent Egypt funds with the stipulation that it cuts spending on food and fuel subsidies, changes that successive Egyptian governments have been slow to make because of fear of igniting popular unrest. Since 2016, the IMF has lent Egypt $20 billion; it continues to emphasize that in order for Egypt to unlock its growth potential, Egypt's private sector needs to grow and the state needs to reduce its role in certain sectors while "fostering labor market participation of women and youth, and encouraging exports."[136] According to one longtime expert on Egypt, Professor Robert Springborg:

> Egypt's biggest challenge comes down to the state's money: where does it come from and where does it go? The al-Sisi regime is based on the proposition that Egypt is too big to fail and therefore that the world will continue to support it financially. But there are serious questions regarding regime sustainability in the face of a global financial crisis. Egypt's foreign debt position is extremely vulnerable. Foreign direct investment is limited to hydrocarbons and real estate investment, which create few jobs. As for where the money goes, it is not being distributed fairly. The regime is not investing in public services, education, or health care. Sectors that according to the 2014 constitution are supposed to receive at minimum between three to four percent of annual GDP do not. Seventy percent of Egyptians are living on less than five and a half dollars a day.[137]

Successive U.S. Administrations also have expressed concerns over the Sisi government's continued crackdown against political dissent and nonviolent opposition. Biden Administration officials have reiterated this concern while attempting to maintain the uneasy balance of U.S.

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[134] U.S. State Department, Bureau of Counterterrorism, *Country Reports on Terrorism 2019: Egypt*.

[135] Testimony of Tamara Wittes, House Foreign Affairs Committee, Subcommittee on Middle East, North Africa, and International Terrorism, hearing entitled "Egypt Politics-Economics-Human Rights," September 9, 2020.

[136] The International Monetary Fund, IMF Executive Board Completes the Second Review under the Stand-By Arrangement (SBA) for the Arab Republic of Egypt and Concludes 2021 Article IV Consultation, June 23, 2021.

[137] Clare Ulmer, "Ten Years after Mubarak's Fall, What is Egypt's Biggest Challenge?" Project on Middle East Democracy, February 22, 2021.

longstanding concern for human rights in Egypt with close ties to the military. During a 2021 State Department press conference, State Department Spokesperson Ned Price remarked:

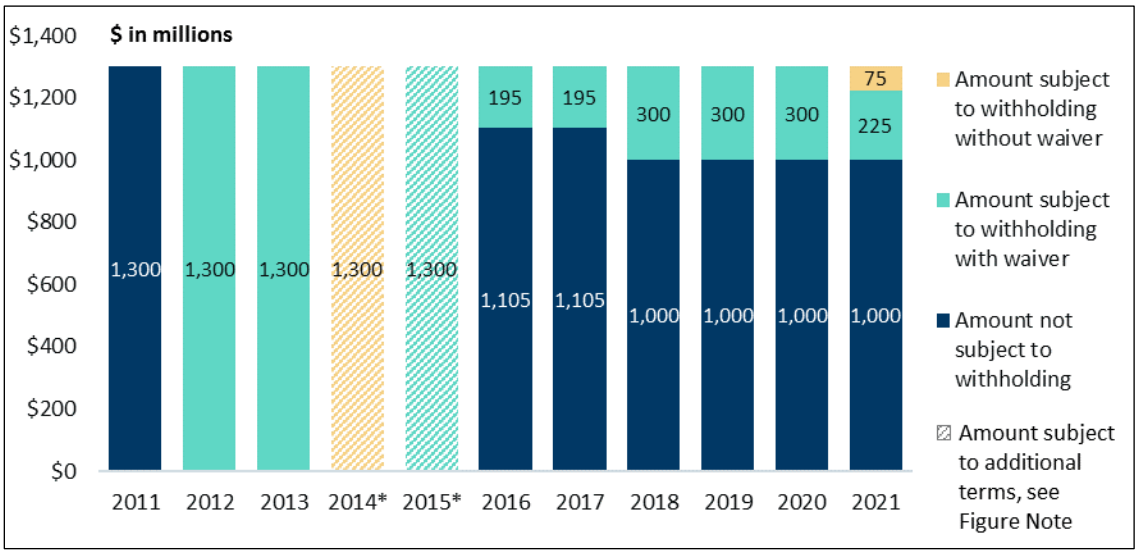
> When it comes to Egypt, it is true that Egypt plays an important role in promoting some of our key interests in the region: regional security and stability through the guardianship of the Suez Canal; counterterrorism cooperation; and its leadership in promoting Middle East peace. Secretary Blinken has had an opportunity to discuss some of these issues with his counterpart, Foreign Minister Shoukry, just as we raise human rights, just as we raise our values. These two things, they're not separate. They're inextricably linked. If we don't stick up for our values, if we don't stick up for human rights, we're not sticking up for our interests. We recognize that, and we can do both. We have deep concerns, as we have said, about the human rights situation in Egypt, including undue restrictions on civil society, undue restrictions on freedom of expression, some of the detentions you have mentioned. There is repression of civil society and human rights abuses. They undercut Egypt's own dynamism and stability as a partner of ours. We will consistently raise these issues. We will not shy away from them. We'll do that both publicly, as we have, and we'll do it privately, too. We'll also work and seek to find a partner in Congress to champion these same issues.[138]

Recent Action on U.S. Foreign Aid to Egypt

Egypt's record on human rights and democratization has sparked regular criticism from U.S. officials and some Members of Congress. Since FY2012, Congress has passed appropriations legislation that withholds the obligation of FMF to Egypt until the Secretary of State certifies that Egypt is taking various steps toward supporting democracy and human rights. With the exception of FY2014, lawmakers have included a national security waiver to allow the Administration to waive these congressionally mandated certification requirements under certain conditions. When Congress appropriates FMF to Egypt, it typically makes funds available for two years only.

Figure 7. Egypt: Withholding Conditions on U.S. Military Assistance Allocations

In millions of current dollars



Sources: Prepared by CRS based on Foreign Military Financing (FMF) allocations and terms from annual SFOPS appropriations acts, FY2011-FY2021.

[138] https://www.state.gov/briefings/department-press-briefing-march-11-2021/#post-225613-EGYPT1.

Notes: In FY2014, Congress did not provide a waiver for certification requirements but allowed for the obligation of tranches of aid for defined purposes and at defined rates if the executive branch could not make certain democracy and human rights-related certifications. For FY2015, Congress again linked aid tranches and rates to certain democracy and human rights-related certifications, but provided a waiver. From FY2012 through FY2021, Congress conditioned all U.S. assistance to Egypt by requiring the executive branch to certify that Egypt was meeting its commitments under the 1979 Egypt-Israel Peace Treaty and sustaining its strategic relationship with the United States. From FY2014 onward, Congress did not provide a waiver for these certifications.

FY2020

Section 7041(a)(3) of the FY2020 Consolidated Appropriations Act (P.L. 116-94) provided $1.3 billion in Foreign Military Financing (FMF) "to remain available until September 30, 2021." The act also withheld $300 million in FMF unless the Secretary of State could make a certification on democracy-related conditions in Egypt. Congress also enabled the Secretary to waive the certification requirement on national security grounds. In October 2020, the State Department notified Congress of its intent to obligate $1 billion in FY2020 FMF. Several lawmakers and human rights advocates had called on the Administration to not exercise the waiver authority.[139]

Biden Administration Withholds Some Military Aid

On September 14, 2021, the Administration notified Congress its intent to obligate the remaining $300 million in FY2020 FMF using the authority in Section 7041(a)(3)(A) of P.L. 116-94, which exempts FY2020 FMF funds from certification if used for "counterterrorism, border security, and nonproliferation programs" for Egypt.[140] In its communications to Congress, the Administration claimed that it could not certify that Egypt is taking sustained and effective steps related to the human rights-related conditions. However, because human rights concerns remain, the State Department has said that it will not move forward with the application of $130 million in FMF, the maximum amount it can withhold, and will not deposit it into Egypt's Federal Reserve Bank account unless Egypt affirmatively addresses U.S. concerns.[141]

The Biden Administration suspension represents the first time any Administration has refused to waive Egypt democracy and human conditions on national security grounds since Congress inserted such criteria in FY2012. Though the Administration did not officially use the waiver to obligate the $300 million withheld FMF, it did use another broad authority Congress has granted the executive for years in exempting "counterterrorism, border security, and nonproliferation programs" from certification. Congress has not defined in law which programs qualify as "counterterrorism, border security, and nonproliferation."

If the Biden Administration ultimately decides that Egypt cannot meet its human rights criteria,[142] then the $130 million in FY2020 FMF would presumably by reprogrammed for other uses, and

[139] For example, see Charles Dunne, "It's Time for Biden to Get Tough on Sisi," *foreignpolicy.com*, July 20, 2021, and Nahal Toosi, "In D.C. Visit, Egypt Spy Boss Claims U.S. Agreed—in Writing—to Jail American Activist," *Politico*, July 12, 2021.

[140] This provision in appropriations for Egypt dates back to P.L. 113-76, the Consolidated Appropriations Act, 2014 (passed January 2014). At the time, President Obama had initiated a review of U.S. military assistance to Egypt. P.L. 113-76 divided annual aid to Egypt into two tranches ($976 million and $576.8 million) and conditioned their obligation without providing a national security waiver. Thus, this provision may have been inserted to allow for greater flexibility in providing certain types of military aid to Egypt.

[141] U.S. State Department, Press Briefing, September 15, 2021.

[142] According to one unnamed U.S. official, the Biden Administration will provide the $130 million on the condition that "Egypt ends protracted prosecutions against rights and civil society organizations known as Case 173, and drops charges against or releases 16 individuals the United States has identified and raised with Cairo since June." See, John

would represent the largest amount of FMF ever rescinded (other than by across the board spending cuts by Congress). President Trump reduced the FY2017 FMF obligation to Egypt by $65.7 million, citing "Egypt's ongoing relationship with the Democratic People's Republic of Korea, lack of progress on the 2013 convictions of U.S. and Egyptian nongovernmental organization (NGO) workers, and the enactment of a restrictive NGO law that will likely complicate ongoing and future U.S. assistance to the country."[143]

A coalition of 19 human rights group called the Biden Administration's obligation of the $300 million in FMF a "terrible blow to its stated commitment to human rights and to the rule of law."[144] There has been no official response from the Egyptian government, though the state did release a "National Strategy for Human Rights" the same week that Biden obligated the remaining FY2020 FMF aid. Former Egyptian foreign minister Nabil Fahmy remarked that "constructive engagement is a better approach than attempting to use assistance as a weapon or the withholding of access to facilities."[145]

In Congress, Republicans largely refrained from commenting on the Administration's action, while Democrats were somewhat divided on the issue. Chairman of the House Foreign Affairs Committee Gregory Meeks stated, "I support the Biden administration's decision to withhold a portion of security assistance to Egypt contingent on measurable progress on important bipartisan human rights criteria.... This decision is consistent with the law and our values as a country."[146] In the Senate, Senator Christopher Murphy stated, "This was a big missed opportunity to stand up strongly and unequivocally for human rights. Egypt had almost two years to meet the human rights improvements required by Congress, but arguably the situation on the ground in Egypt has gotten worse."[147]

Analysis

The Biden Administration's withholding of some military aid has reignited a longstanding debate in the broader foreign policy community over the efficacy of using foreign aid as leverage to promote greater respect for human rights in the Middle East and elsewhere.[148] In Egypt's case,

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Hudson and Missy Ryan, "Facing Pressure on Human Rights, Biden Administration Attaches New Conditions to Egypt Security Aid," *Washington Post*, September 14, 2021. In 2013, an Egyptian court convicted and sentenced 43 individuals from the United States, Egypt, and Europe, including the Egypt country directors of the National Democratic Institute (NDI) and the International Republican Institute (IRI), for spending money from organizations that were operating in Egypt without a license and for receiving foreign funds (known as Case 173, or the "foreign funding case"). In 2018, the individuals were acquitted of all charges, but Case 173 has since remained active, as the judiciary has imposed asset freezes and travel bans on several Egyptian civil society activists. See Hadeer El-Mahdawy, "What's Next in Case 173? 4 NGOs, 5 Civil Society Workers in the Clear but Investigations Continue," *Mada Masr*, September 1, 2021.

[143] Congressional Notification Transmittal Sheet, Mary K. Water, Assistant Secretary of Legislative Affairs, January 23, 2018.

[144] Biden Decision to Grant Military Aid to Egypt a Betrayal of Human Rights Commitments, Project on Middle East Democracy, September 14, 2021.

[145] "The Takeaway: Business As Usual: US-Egypt Alliance Finds its Center," *Al Monitor*, September 16, 2021.

[146] Meeks Issues Statement on Admin Placing Human Rights Conditions on Part of Egypt's Security Aid, House Foreign Affairs Committee, September 14, 2021.

[147] Senator Chris Murphy, Murphy on Administration's Decision to Send Aid to Egypt Despite Human Rights Concerns, September 13, 2021.

[148] In 2021, the journal *Democracy in Exile*, published by the human rights organization known as Dawn (Democracy for the Arab World Now), published a series of articles on foreign aid conditionality in the Middle East. See https://dawnmena.org/dawns-advocacy/aid-conditionality/.

this debate usually breaks down between the human rights community, which seeks to either end U.S. military aid to Egypt or reprogram it as economic and democracy assistance,[149] and those who do not support modifying or conditioning longstanding military-to-military ties seen as contributing to Egypt's peaceful relationship with Israel[150] and its efforts to counter terrorism in the Sinai.[151] Successive Administrations have often found themselves in the midst of the debate, attempting to balance the security relationship with congressional prerogatives to consider what many international monitoring organizations believe is the country's woeful human rights record (see **Table 1**).

As mentioned above, since 2013, the Obama, Trump, and now Biden Administrations have all taken various actions (suspended weapons deliveries, ended cash flow financing, reprogrammed aid and withheld assistance) to limit U.S.-Egyptian military cooperation. In looking back at these past nine years, proponents of cutting aid argue that the lack of any credible, discernable change in Egypt's behavior is because the United States has not used all of its policy levers to pressure the Sisi government enough.[152] Opponents of halting assistance often charge that conditioning aid will only further harden Egypt's resolve to resist U.S. pressure and push Egypt to develop deeper ties with countries less concerned about its human rights record. Others have argued that U.S.-Egyptian relations have atrophied since the arguable high point in the 1980s to the point in which U.S. leverage is overestimated by participants in this debate.[153] According to David Schenker, a former Assistant Secretary for Near East Affairs at the State Department, the value of U.S. military aid to Egypt has declined over time and aid cuts or even sanctions would not effectively change Egypt's behavior.[154] Schenker argues that the U.S.-Egyptian bilateral relationship may need to be recalculated and reducing some aid to Egypt would allow the United States to send a signal to Cairo of its displeasure with its policies without causing a permanent diplomatic rupture.[155]

FY2021

For FY2021, the Trump Administration requested a total of $1.4 billion in bilateral assistance for Egypt, the same amount Congress appropriated in FY2020. Nearly all of the U.S. funds for Egypt come from the FMF account and are in turn used to purchase U.S.-origin military equipment, spare parts, training, and maintenance from U.S. firms.

The Consolidated Appropriations Act for FY2021 (P.L. 116-260) withholds $225 million in FMF from obligation until the Secretary of State makes democracy-related certifications and provides waiver authority on national security grounds. The act also includes a condition that withholds $75 million in FMF until the Secretary of State determines that the Government of Egypt is making clear and consistent progress in releasing political prisoners and providing detainees with due process of law. This condition is new in the FY2021 act and affords no national security

[149] Testimony of Michele Dunne, House Foreign Affairs Committee, Subcommittee on Middle East, North Africa, and International Terrorism, hearing entitled "Egypt Politics-Economics-Human Rights," September 9, 2020.

[150] Jacob Magid, "Israeli Officials Cautioned Biden against Heavy Criticism of Egypt, Saudi Arabia," *Times of Israel*, September 2, 2021.

[151] Rachel Oswald, "Military Aid to Egypt Shapes Up as Human Rights Test for Biden," *Congressional Quarterly*, August 16, 2021.

[152] Charles Dunne, "It's Time for Biden to Get Tough on Sisi," *ForeignPolicy.com*, July 20, 2021.

[153] Senator Murphy, Congressional Record, Senate Procedural Matters, p. S5129, July 28, 2021.

[154] David Schenker, "Getting Tough with Egypt Won't Work," Policy Analysis, *PolicyWatch 3459*, The Washington Institute for Near East Policy, March 25, 2021.

[155] Op. cit, Schenker, "Getting Tough with Egypt Won't Work."

waiver. Because the act made the funds available for two years, obligation decisions about FY2021 assistance for Egypt may not occur until calendar year 2022.

Table 2. Bilateral Aid to Egypt

In millions of current dollars

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
ESF	112.50	106.87	112.50	125.00	125.00	125.00
FMF	1,234.30	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
IMET	1.74	1.80	1.80	0.00	1.80	1.80
INCLE	2.00	2.00	2.00	2.00	0.35	0.00
NADR	3.00	3.00	3.00	3.50	3.00	3.50
Total	**1,353.54**	**1,413.67**	**1,419.30**	**1,430.50**	**1,430.15**	**1,430.30**

Sources: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022); Department of State, FY2021 Section 653(a) Allocation Report; and CRS calculations.

Notes: Economic Support Fund (ESF), Foreign Military Financing (FMF), International Military Education and Training (IMET), International Narcotics Control and Law Enforcement (INCLE), and Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR).

FY2022

For FY2022, the Biden Administration has requested $1.4 billion in bilateral assistance for Egypt, the same amount Congress appropriated the previous year. H.R. 4373, the House-passed version of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022, would

- Provide not less than $125 million in ESF, of which not less than $40 million should be made available for higher education programs, including not less than $15 million for scholarships.
- Provide $1.3 billion in FMF, provided that $150 million of FMF funds shall be withheld from obligation until the Secretary of State certifies that the Government of Egypt is taking sustained and effective steps to, among other things, strengthen the rule of law, democratic institutions and, human rights in Egypt, implement reforms to protect civil liberties, hold Egyptian security forces accountable, investigate and prosecute cases of extrajudicial killing and forced disappearances, provide access for U.S. officials to monitor such assistance, and prevent the intimidation and harassment of American citizens. This certification shall not apply to funds appropriated for counterterrorism, border security, and nonproliferation programs, and may be waived if the Secretary determines that it is in the national security interest of the United States. An additional $135 million in FMF, not subject to a waiver, would be withheld until the Secretary of State determines and reports that the Government of Egypt is making progress in releasing political prisoners. An additional $15 million in FMF, not subject to a waiver, would be withheld until the Secretary of State determines and reports that the Government of Egypt has provided American citizens with fair and commensurate compensation for injuries suffered as a result of an attack against a tour group by the Egyptian military.

- Reauthorize ESF for loan guarantees.

The Biden Administration has indicated that it would oppose certain FMF conditions contained in H.R. 4373. According to the Office of Management and Budget, "The administration strongly opposes section 7041(a) of the bill, which would reduce the administration's flexibility in regards to FMF [Foreign Military Financing] to Egypt undermining its leverage as it operationalizes its commitment to a constructive human rights dialogue with Egypt."[156]

[156] Executive Office of the President, Office of Management and Budget, Statement of Administration Policy, H.R. 4373—Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022, July 27, 2021.

Appendix. Background on U.S. Foreign Assistance to Egypt

Overview

Between 1946 and 2019, the United States provided Egypt with $81.4 billion in bilateral foreign aid (calculated in historical dollars—not adjusted for inflation).[157] The 1979 Peace Treaty between Israel and Egypt ushered in the current era of U.S. financial support for peace between Israel and its Arab neighbors. In two separate memoranda accompanying the treaty, the United States outlined commitments to Israel and Egypt, respectively. In its letter to Israel, the Carter Administration pledged that it would "endeavor to take into account and will endeavor to be responsive to military and economic assistance requirements of Israel." In his letter to Egypt, former U.S. Secretary of Defense Harold Brown wrote the following:

> In the context of the peace treaty between Egypt and Israel, the United States is prepared to enter into an expanded security relationship with Egypt with regard to the sales of military equipment and services and the financing of, at least a portion of those sales, subject to such Congressional review and approvals as may be required.[158]

All U.S. foreign aid to Egypt (or any country) is *appropriated and authorized by Congress*. The 1979 Egypt-Israel Peace Treaty is a bilateral peace agreement between Egypt and Israel, and the United States is not a legal party to the treaty. The treaty itself does not include any U.S. aid obligations, and any assistance commitments to Israel and Egypt that could be potentially construed in conjunction with the treaty were through ancillary documents or other communications and were—by their terms—subject to congressional approval (see above). However, as the peace broker between Israel and Egypt, the United States has traditionally provided foreign aid to both countries to ensure a regional balance of power and sustain security cooperation with both countries.

In some cases, an Administration may sign a bilateral "Memorandum of Understanding" (MOU) with a foreign country pledging a specific amount of foreign aid to be provided over a selected time period subject to the approval of Congress. In the Middle East, the United States has signed foreign assistance MOUs with Israel and Jordan, but not with Egypt.[159]

Congress typically specifies a precise allocation of most foreign assistance for Egypt in the foreign operations appropriations bill. Egypt receives the bulk of foreign aid funds from three primary accounts: Foreign Military Financing (FMF), Economic Support Funds (ESF), and

[157] U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, July 1, 1945-September 30, 2019.

[158] See Letter From the Secretary of Defense (Brown) to-the Egyptian Minister of Defense and War Production (Ali), March 23, 1979, "United States Sales of Military Equipment and Services to Egypt." Ultimately, the United States provided a total of $7.3 billion to both parties in 1979. The Special International Security Assistance Act of 1979 (P.L. 96-35) provided both military and economic grants to Israel and Egypt at a ratio of 3 to 2, respectively, though this ratio was not enshrined in the treaty as Egypt would later claim.

[159] In July 2007, the George W. Bush Administration announced, as a part of a larger arms package to the region, that it would begin discussions with Egypt on a proposed $13 billion military aid agreement over a 10-year period. Since Egypt was already receiving approximately $1.3 billion a year in military assistance, the announcement represented no major change in U.S. aid policy toward Egypt. No such bilateral MOU on U.S. military aid to Egypt has been reached by the Bush, Obama, Trump, or Biden Administrations with the Egyptian government.

International Military Education and Training (IMET).[160] The United States offers IMET training to Egyptian officers in order to facilitate U.S.-Egyptian military cooperation over the long term.

Military Aid and Arms Sales

Overview

Since the 1979 Israeli-Egyptian Peace Treaty, the United States has provided Egypt with large amounts of military assistance. U.S. policymakers have routinely justified this aid to Egypt as an investment in regional stability, built primarily on long-running military cooperation and sustaining the treaty—principles that are supposed to be mutually reinforcing. Egypt has used U.S. military aid through the FMF to (among other things) purchase major U.S. defense systems, such as the F-16 fighter aircraft, the M1A1 Abrams battle tank, and the AH-64 Apache attack helicopter.

Frequently Asked Question: Is U.S. Military Aid Provided to Egypt as a Cash Transfer?

No. All U.S. military aid to Egypt finances the procurement of weapons systems and services *from U.S. defense contractors*.[161] The United States provides military assistance to U.S. partners and allies to help them acquire U.S. military equipment and training. Egypt is one of the main recipients of FMF, a program with a corresponding appropriations account administered by the Department of State but implemented by the Department of Defense. FMF is a grant program that enables governments to receive equipment and associated training from the U.S. government or to access equipment directly through U.S. commercial channels.

Most countries receiving FMF generally purchase goods and services through government-to-government contracts, also known as Foreign Military Sales (FMS). According to the Government Accountability Office, "under this procurement channel, the U.S. government buys the desired item on behalf of the foreign country (Egypt), generally employing the same criteria as if the item were being procured for the U.S. military." The vast majority of what Egypt purchases from the United States is conducted through the FMS program funded by FMF. However, U.S. officials have been encouraging Egypt to use national funds for U.S. military equipment purchases.[162]

Under Section 36(b) of the Arms Export Control Act (AECA), Congress must be formally notified 30 calendar days before the Administration can take the final steps of a government-to-government foreign military sale of major U.S.-origin defense equipment valued at $14 million or more, defense articles or services valued at $50 million or more, or design and construction services valued at $200 million or more. In practice pre-notifications to congressional committees of jurisdiction occur, and proposed arms sales generally do not proceed to the public official notification stage until issues of potential concern to key committees have been resolved.

Special Military Assistance Benefits for Egypt

In addition to substantial amounts of annual U.S. military assistance, Egypt has benefited from certain aid provisions that have been available to only a few other countries, listed below.

[160] Egypt also receives, though not consistently, relatively small sums from the Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR) account and the International Narcotics Control and Law Enforcement (INCLE) account. NADR funds support counterterrorism training through the Antiterrorism Assistance Program. INCLE funds support police training and respect for human rights in law enforcement. The Administration typically requests these funds, but they are not usually specifically earmarked for Egypt (or for most other countries) in legislation. After the passage of a foreign operations appropriations bill, federal agencies such as the State Department and the U.S. Agency for International Development (USAID) allocate funds to Egypt from these aid accounts. They then submit a country allocation report (653a Report) to Congress for review.

[161] For the relevant legal authorities, see §604 of the Foreign Assistance Act as amended (22 U.S.C. 2354) and §503 of the Foreign Assistance Act as amended (22 U.S.C. 2311).

[162] During a 2021 hearing on security assistance, Dana Stroul, the Deputy Assistant Secretary of Defense for the Middle

- **Early Disbursal and Interest-Bearing Account**: Between FY2001 and FY2011, Congress granted Egypt early disbursement of FMF funds (within 30 days of the enactment of appropriations legislation) to an interest-bearing account at the Federal Reserve Bank of New York.[163] Interest accrued from the rapid disbursement of aid has allowed Egypt to receive additional funding for the purchase of U.S.-origin equipment. In FY2012, Congress began to condition the obligation of FMF, requiring the Administration to certify certain conditions had been met before releasing FMF funds, thereby eliminating their automatic early disbursal. However, Congress has permitted Egypt to continue to earn interest on FMF funds already deposited in the Federal Reserve Bank of New York.
- **The Excess Defense Articles (EDA) program** provides one means by which the United States can advance foreign policy objectives—assisting friendly and allied nations through provision of equipment in excess of the requirements of its own defense forces. The Defense Security Cooperation Agency (DSCA) manages the EDA program, which enables the United States to reduce its inventory of outdated equipment by providing friendly countries with necessary supplies at either reduced rates or no charge. As a designated "major non-NATO ally," Egypt is eligible to receive EDA under Section 516 of the Foreign Assistance Act and Section 23(a) of the Arms Export Control Act.

Egypt: Aid Conditionality and Human Rights

Historically, Congress had placed certain conditions on economic aid to Egypt. After Egypt's 2011 uprising and initial change of government, lawmakers have conditioned, and in some cases withheld, U.S. military aid to Egypt on executive branch certifications to the Committees on Appropriations that the Egyptian government is taking steps toward democratic governance and supporting human rights.

East, remarked, "In terms of the FMF, it remains an important tool for us to work with Egypt in making sure that they have U.S.-origin defense articles oriented towards what we assess to be shared security threats, whether it's counterterrorism, maritime security, border security. And I would note here that Egypt is interested in continuing this relationship with us. They recently agreed to upgrade their Apache helicopter fleet by using blended financing, not just U.S. security assistance but also Egyptian national funds." See Senate Foreign Relations Committee, Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia and Counterterorism Hearing on Middle East Security Assistance, August 10, 2021.

[163] By law, Egypt and Israel are permitted to earn interest on congressionally appropriated Foreign Military Financing (FMF). During the late 1990s, the Clinton Administration (especially the U.S. Defense Department) and the Egyptian government sought to increase U.S. military aid to Egypt. One proposal had been to grant Egypt a benefit already enjoyed by Israel—the use of an interest-bearing account in which unspent FMF funds can accumulate interest to be used for future purchases. During Senate consideration of legislation to provide Egypt access to an interest-bearing account, Sen. Mitch McConnell remarked that "In the State Department briefing justifying the request, U.S. officials urged our support because of Mubarak's need to address the requirements of 'his key constituents, the military.' Frankly, I think Mr. Mubarak needs to worry less about satisfying the military and spend more time and effort shoring up democratic institutions and civic society." See Congressional Record-Senate, S5508, June 21, 2000. In October 2000, Congress passed P.L. 106-280, the Security Assistance Act of 2000, which authorized FY2001 FMF funds for Egypt to be disbursed to an interest-bearing account in the Federal Reserve Bank of New York. The law required that none of the interest accrued by such account should be obligated unless first notified to relevant congressional appropriations and oversight committees. In November 2000, Congress passed P.L. 106-429, the FY2001 Foreign Operations Appropriations Act, which included an interest-bearing account for Egypt in appropriations legislation. Since then, this provision has remained in annual appropriations legislation, most recently in P.L. 114-113, the Consolidated Appropriations Act, 2016.

Figure A-1. The Military Aid "Pipeline"

Source: Information from Defense Security Cooperation Agency. Graphic created by CRS.

In response to political changes in Egypt from 2011 through 2016, the Obama Administration and Congress altered U.S. foreign aid to Egypt, and strains increased in U.S.-Egyptian relations. In FY2012, Congress enacted new restrictions on aid to Egypt that have carried forward to today. The FY2012 Consolidated Appropriations Act (Section 7041 of Division I, P.L. 112-74) specified that no funds could be made available to Egypt until the Secretary of State certified that Egypt was meeting its obligations under the 1979 Egypt-Israel Peace Treaty (due to concerns that a future democratically elected Egyptian government might abrogate the treaty).

It further specified that no military funds could be provided until the Administration certified that the government of Egypt was supporting a transition to civilian rule, including by holding free and fair elections and by implementing policies to protect freedom of expression, association, and religion, and due process of law. It permitted the Secretary of State to waive these requirements by reporting to Congress with a "detailed justification" that doing so was "in the national security interest of the United States."

On July 3, 2013, the Egyptian military suspended the constitution and ousted former President Mohamed Morsi. Subsequently, the Obama Administration took several steps to express U.S. displeasure with Morsi's ouster. In 2013, President Obama announced a comprehensive review of U.S. foreign assistance policy toward Egypt, canceled a joint U.S.-Egypt military exercise (Operation Bright Star), suspended the deliveries of certain military items to Egypt (such as F-16s, along with Apache helicopters, Harpoon missiles, and M1A1 tanks) pending progress toward democracy, and cancelled planned cash transfers of economic aid.[164] Ultimately, the Obama Administration accepted the Egyptian military's overthrow of a democratically elected president

[164] U.S. State Department, "U.S. Assistance to Egypt," Press Statement, October 9, 2013.

as a fait accompli and attempted to redefine certain components of the U.S.-Egyptian relationship.[165]

In FY2014, Congress further conditioned the obligation aid for Egypt by applying certification requirements to distinct tranches of aid; for example, the Secretary of State was required to certify to the Committees on Appropriations prior to obligation of one tranche that Egypt had held a constitutional referendum and was taking steps to support a democratic transition. Prior to obligation of a second tranche, Congress required certification that Egypt had held parliamentary and presidential elections, and had a new elected government that was taking steps to govern democratically.[166]

By the spring of 2015, as terrorist attacks against Egypt continued amid the global rise of the Islamic State, some lawmakers called on the Administration to end its weapons export suspension.[167] The Obama Administration responded with a change in U.S. policy. On March 31, 2015, the White House announced it would allow the deliveries of select weapons systems to Egypt that had been on hold since October 2013, and pledged to continue seeking $1.3 billion in annual military aid from Congress.

However, the White House simultaneously announced that future military assistance to Egypt would be largely reformulated by ending cash flow financing.[168] Section 23 of the Arms Export Control Act (AECA, 22 U.S.C. §2763) authorizes the President to finance the "procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section." Successive Administrations have used this authority to permit Israel (and, until 2018, Egypt) to set aside almost all FMF funds for current year payments only, rather than set aside the amount needed to meet the full cost of multiyear purchases.

From 2017 through 2020, some bilateral tensions diminished as President Trump sought to improve ties with President Sisi. President Trump continued to request that Congress appropriate $1.3 billion in military aid to Egypt, but did not restore the Egyptian military's ability to benefit from Cash Flow Financing. Moreover, as previously mentioned, President Trump reduced the

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[165] President Obama said, "Going forward, the United States will maintain a constructive relationship with the Interim Government that promotes core interests like the Camp David Accords and counterterrorism. We'll continue support in areas like education that directly benefit the Egyptian people. But we have not proceeded with the delivery of certain military systems, and our support will depend upon Egypt's progress in pursuing a more democratic path." U.S. President (Obama), "Remarks to the United Nations General Assembly in New York City," Daily Compilation of Presidential Documents, 2013 DCPD-201300655, September 24, 2013, pp. 6-7.

[166] Congress did not provide a waiver for these conditions, but took steps to allow for the continuation of some aid under some circumstances. Congress provided that if the certifications could not be made, then FMF obligations were to "be made available at the minimum rate necessary to continue existing contracts ... except that defense articles and services from such contracts" were not to be delivered until the certification requirements were met. Congress applied parallel requirements on any use of prior-year FMF and International Military Education and Training (IMET) funds that remained available. Congress exempted funds that were to be used for counterterrorism, border security, and nonproliferation programs in Egypt, and for development activities in the Sinai. Congress applied a similar tranche and minimum rate necessary framework in FY2015, requiring certification of different criteria, and providing a waiver.

[167] In February 2015, House State and Foreign Operations Appropriations Subcommittee Chairwoman Kay Granger wrote to President Obama stating that "they [the Egyptians] need these planes and other weapons immediately to continue the fight against ISIL and other terrorists threatening Egypt's security, but your Administration has refused to use the authority Congress provided you in law to provide Egypt these weapons."

[168] For more information, see CRS Report R44060, *Ending Cash Flow Financing to Egypt: Issues for Congress*, by Jeremy M. Sharp (out of print but available to congressional requesters from the author).

FY2017 FMF obligation to Egypt by $65.7 million as a result of Egypt's relationship with North Korea and prosecution of U.S. and Egyptian nongovernmental organization (NGO) workers.

Economic Aid

Overview

From the early 1980s until the late 1990s, U.S. economic aid to Egypt helped modernize the nation's energy, telecommunications, and waste water infrastructure. Beginning in the mid to late 1990s, as Egypt moved from being an impoverished country to a lower-middle-income economy,[169] the United States and Egypt began to rethink the assistance relationship, emphasizing "trade not aid."[170] Congress began to scale back economic aid both to Egypt and Israel due to a 10-year agreement reached between the United States and Israel in the late 1990s known as the "Glide Path Agreement," which gradually reduced U.S. economic aid to Egypt to $400 million by 2008.[171] Congress also placed conditions on economic assistance in order to encourage Egypt to modernize its economy and political system.[172] U.S. economic aid to Egypt stood at $200 million per year by the end of the George W. Bush Administration, whose relations with then-President Hosni Mubarak suffered[173] over the latter's reaction to the Administration's democracy agenda in the Arab world.[174]

During the Obama Administration, the President and Congress found common support for the use of enterprise funds, which are U.S. government-funded entities whose purpose is to promote the development and strengthening of a private sector in a foreign country by directly investing in its local firms. In May 2011, President Obama laid out his Administration's initial response to Middle East uprisings by remarking that U.S. officials were "working with Congress to create enterprise funds to invest in Tunisia and Egypt. And these will be modeled on funds that supported the transitions in Eastern Europe after the fall of the Berlin Wall."[175] In December 2011, Congress drew on a late Cold War precedent to authorize the establishment of enterprise

[169] See World Bank historic data at https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups

[170] Ahmed Galal, Robert Z. Lawrence (editors), *Building Bridges: An Egypt-U.S. Free Trade Agreement*, Brookings Institution Press, 1998.

[171] In January 1998, Israeli officials, sensing that their economic growth had obviated the need for that type of U.S. aid at a time when Congress sought to reduce foreign assistance expenditures, negotiated with the United States to reduce economic aid and increase military aid over a 10-year period. A 3:2 ratio that long prevailed in the overall levels of U.S. aid to Israel and Egypt was applied to the reduction in economic aid ($60 million reduction for Israel and $40 million reduction for Egypt), but Egypt did not receive an increase in military assistance. Thus, Congress reduced ESF aid to Egypt from $815 million in FY1998 to $411 million in FY2008.

[172] From the late 1990s through FY2005, Congress specified that economic aid (ESF cash transfer) would be provided "with the understanding that Egypt will undertake significant economic reforms" beyond those previously undertaken. Beginning in the FY2006 appropriations act (P.L. 109-102), Congress changed the phrasing of this condition to include "significant economic *and political* reforms" (emphasis added). Beginning in FY2008 and thereafter through FY2010, Congress changed the condition phrasing to "significant economic and *democratic* reforms." For FY2010, Congress also allocated "up to" $20 million for democracy, human rights and governance programs, and "not less than" $35 million for education programs. See Division F, Title III, *Economic Support Fund*, P.L. 111-117.

[173] See Helene Cooper, "With Egypt, Diplomatic Words Often Fail," *New York Times*, January 29, 2011.

[174] The George W. Bush Administration requested that Congress cut ESF aid by half in FY2009 to $200 million. Congress appropriated the President's request.

[175] NARA, Office of the Federal Register, Public Papers of the Presidents of the United States: Barack H. Obama, 2011, Book 1 (Washington, DC: GPO, 2014), Remarks at the Department of State, May 19, 2011, pp. 552-560.

funds in Egypt in the FY2012 Consolidated Appropriations Act (Section 7041 of Division I, P.L. 112-74)

The Egyptian-American Enterprise Fund (EAEF) was established by grant agreement with USAID on March 23, 2013. After eight years in operation, it generally has been considered a modest success in boosting Egypt's private sector, particularly in the financial and technology sectors. According to USAID, the EAEF produced an annual return of 17.5% and has helped create 5,000 new full-time jobs, attracted several hundred million dollars in foreign direct investment, and seeded some of the top private equity funds in Egypt.[176] Since its inception, the EAEF has received $300 million in ESF funds. As of May 2021, the EAEF has invested in 94 companies, supported 15,000 jobs and has a market value of over $600 million.[177]

During the Obama Administration, the Egyptian military pushed back against U.S. support for a competitive, transparent electoral process.[178] After reasserting power in 2013, the military moved to arrest American employees (as well as Egyptian and other foreign nationals) of U.S.-based and foreign democracy promotion organizations.[179]

In the final years of the Obama Administration, wariness of U.S. democracy promotion assistance led the Egyptian government to obstruct many U.S.-funded economic assistance programs.[180] According to the Government Accountability Office (GAO), the Department of State and the U.S. Agency for International Development (USAID) reported hundreds of millions of dollars ($460 million as of 2015) in unobligated prior year ESF funding.[181] These growing unobligated balances created pressure on the Obama Administration to reobligate ESF funds for other purposes. In 2016, the Obama Administration notified Congress that it was reprogramming for other purposes $108 million of ESF that had been appropriated for Egypt in FY2015 but remained unobligated. The Administration claimed that its actions were due to "continued government of Egypt process delays that have impeded the effective implementation of several programs."[182] In 2017, the Trump Administration also reprogrammed FY2016 ESF for Egypt.

During the Trump and Biden Administrations, U.S. economic assistance has averaged $114 million a year in ESF. From 2017 to present, USAID has expanded its role in assisting the Egyptian government develop the Sinai Peninsula. In north Sinai, the United States has funded

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[176] USAID, "Activity Fact Sheet: Egyptian-American Enterprise Fund, available at https://www.usaid.gov/egypt/economic-growth-and-trade/egyptian-american-enterprise-fund.

[177] The Egyptian-American Enterprise Fund, Press Release, "The Egyptian-American Enterprise Fund Sells Stake in Part of Fawry's $80 Million Secondary Offering," August 23, 2021.

[178] Prior to 2011, U.S. funding for democracy promotion activities and good governance had been a source of acrimony between the United States and Egypt. Using the appropriations process, Congress has mandated that "democracy and governance activities shall not be subject to the prior approval by the government of any foreign country." Originally referred to as the Brownback amendment, this legislative language began in reference to Egypt (Division D, Title II, *Economic Support Fund*, P.L. 108-447), and was expanded in FY2008 to include "any foreign country." (Division J, Sec. 634(o), P.L. 110-161).

[179] See footnote 150 on Case 173. From FY2014 to FY2019, Congress mandated in annual appropriations legislation that the Secretary of State shall withhold an amount of ESF to Egypt determined to be equivalent to that expended by the United States Government for bail, and by nongovernmental organizations for legal and court fees, associated with democracy-related trials in Egypt until the Secretary certifies that Egypt has dismissed the convictions issued by the Cairo Criminal Court on June 4, 2013.

[180] House Foreign Affairs Committee, hearing entitled, "Egypt: Challenges and Opportunities for U.S. Policy," Prepared Statement by Amy Hawthorne, Project on Middle East Democracy, June 15, 2016.

[181] EGYPT: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs, GAO-15-259: Published: February 11, 2015. Publicly Released: March 12, 2015.

[182] "US Shifts Egypt Aid to Other Countries," *Al Monitor*, October 16, 2016.

the Al Arish desalination facility that provides 126,000 residents with potable water.[183] USAID also has delivered commuter buses to isolated communities in central Sinai to improve access to workplaces, commerce, education, and government services.[184]

Table A-1. U.S. Foreign Assistance to Egypt: 1946-2020

(calculated in historical dollars, not adjusted for inflation)

Year	Military	Economic	Annual Total
1946	n/a	$9,600,000	$9,600,000
1948	n/a	$1,400,000	$1,400,000
1951	n/a	$100,000	$100,000
1952	n/a	$1,200,000	$1,200,000
1953	n/a	$12,900,000	$12,900,000
1954	n/a	$4,000,000	$4,000,000
1955	n/a	$66,300,000	$66,300,000
1956	n/a	$33,300,000	$33,300,000
1957	n/a	$1,000,000	$1,000,000
1958	n/a	$601,000	$601,000
1959	n/a	$44,800,000	$44,800,000
1960	n/a	$65,900,000	$65,900,000
1961	n/a	$73,500,000	$73,500,000
1962	n/a	$200,500,000	$200,500,000
1963	n/a	$146,700,000	$146,700,000
1964	n/a	$95,500,000	$95,500,000
1965	n/a	$97,600,000	$97,600,000
1966	n/a	$27,600,000	$27,600,000
1967	n/a	$12,600,000	$12,600,000
1972	n/a	$1,500,000	$1,500,000
1973	n/a	$800,000	$800,000
1974	n/a	$21,300,000	$21,300,000
1975	n/a	$370,100,000	$370,100,000
1976	n/a	$464,300,000	$464,300,000
1976tq	*n/a*	*$552,501,000*	*$552,501,000*
1977	n/a	$907,752,000	$907,752,000
1978	$183,000	$943,029,000	$943,212,000
1979	$1,500,379,000	$1,088,095,000	$2,588,474,000
1980	$848,000	$1,166,423,000	$1,167,271,000

[183] U.S. State Department, U.S. Embassy Egypt, U.S. Ambassador Visits North Sinai, June 24, 2021.

[184] U.S. State Department, U.S. Embassy Egypt, United States Delivers 20 Brand New Buses to North Sinai Governorate, August 16, 2021.

Year	Military	Economic	Annual Total
1981	$550,720,000	$1,130,449,000	$1,681,169,000
1982	$902,315,000	$1,064,936,000	$1,967,251,000
1983	$1,326,778,000	$1,005,064,000	$2,331,842,000
1984	$1,366,458,000	$1,104,137,000	$2,470,595,000
1985	$1,176,398,000	$1,292,008,000	$2,468,406,000
1986	$1,245,741,000	$1,293,293,000	$2,539,034,000
1987	$1,301,696,000	$1,015,179,000	$2,316,875,000
1988	$1,301,477,000	$873,446,000	$2,174,923,000
1989	$1,301,484,000	$968,187,000	$2,269,671,000
1990	$1,295,919,000	$1,093,358,000	$2,389,277,000
1991	$1,301,798,000	$998,011,000	$2,299,809,000
1992	$1,301,518,000	$933,320,000	$2,234,838,000
1993	$1,302,299,892	$753,532,569	$2,055,832,461
1994	$1,329,014,520	$615,278,400	$1,944,292,920
1995	$1,342,039,999	$975,881,584	$2,317,921,583
1996	$1,373,872,023	$824,526,772	$2,198,398,795
1997	$1,304,889,154	$811,229,175	$2,116,118,329
1998	$1,303,343,750	$833,244,554	$2,136,588,304
1999	$1,351,905,310	$862,062,972	$2,213,968,282
2000	$1,333,685,882	$742,458,662	$2,076,144,544
2001	$1,299,709,358	$393,734,896	$1,693,444,254
2002	$1,301,367,000	$1,046,193,772	$2,347,560,772
2003	$1,304,073,715	$646,856,655	$1,950,930,370
2004	$1,318,119,661	$720,241,709	$2,038,361,370
2005	$1,294,700,384	$495,849,544	$1,790,549,928
2006	$1,301,512,728	$351,242,871	$1,652,755,599
2007	$1,305,235,109	$737,348,773	$2,042,583,882
2008	$1,294,902,533	$314,498,954	$1,609,401,487
2009	$1,301,332,000	$688,533,322	$1,989,865,322
2010	$1,301,900,000	$300,943,891	$1,602,843,891
2011	$1,298,779,449	$,242,205,488	$1,540,984,937
2012	$1,302,233,562	$90,260,730	$1,392,494,292
2013	$1,239,659,511	$330,610,024	$1,570,269,534
2014	$274,031	$178,748,169	$179,022,200
2015	$1,345,091,943	$222,864,445	$1,567,956,387
2016	$1,126,658,738	$133,150,380	$1,259,809,118
2017	$201,103,590	$173,179,863	$374,283,453

2018	$1,002,517,764	$233,703,233	$1,236,220,998
2019	$1,05,992,890	$161,968,390	$1,419,961,281
2020	$1,301,497,657	$126,511,470	$1,428,009,127
Totals	**$49,661,424,152**	**$33,189,150,268**	**$82,850,574,420**

Sources: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, July 1, 1945-September 30, 2019; and ForeignAssistance.gov, last updated July 26, 2021 (the year FY2020 is partially reported).

Notes: This chart does not account for the repurposing of assistance funds which had been previously obligated for Egypt. Total numbers may be slightly higher than official sources due to a time delay in government agency reporting of obligated funds. It is unclear why FY2014 military assistance funds are significantly lower than previous years.

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