Washington's Unfocused Decision on Aid to Egypt

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) Brief Analysis

The recent announcement will undermine President Trump's credibility with Cairo, which now has reason to question whether his vocal support for Sisi carries any weight.

W ashington's decision on August 22 to delay or cancel nearly \$300 million in aid to Egypt caught Cairo by surprise. For many months, the Egyptian government had assumed that the warm rapport between U.S. president Donald Trump and his Egyptian counterpart, Abdul Fattah al-Sisi, was sufficient to ensure strong bilateral relations, including the continuation of U.S. military aid after years of uncertainty under the previous administration. The changes in aid, however, illustrate the complex bureaucratic and domestic politics underlying U.S. policy toward Egypt, which the Trump administration failed to manage in this case, producing a confusing outcome that immediately conflicts with the administration's other priorities.

The decision reflects institutional fights over three separate packages of aid to Egypt, two of which are being canceled. First, the administration is reprogramming \$65.7 million in military aid from fiscal year 2014. Congress had blocked the disbursement of these funds under the so-called Leahy laws, which prohibit assistance to foreign security forces that commit gross human rights violations, because of concerns that the Egyptian military had used U.S. equipment for Sinai operations that entailed significant civilian casualties. An April 2016 Government Accountability Office report, titled *U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting for Egypt*, validated congressional concerns about insufficient human rights vetting of U.S. military aid to Egypt, and the Trump administration decided it would be unable to address these concerns before the end of September, at which point this aid would expire.

Second, the administration is redirecting \$30 million in economic aid to address other thus-far-unspecified regional priorities. This move reflects persistent concerns within the U.S. government and Congress regarding Egypt's dismal

human rights record. It also follows months of unheeded warnings from Washington that Egypt's restrictive NGO law would disrupt the provision of economic aid, and the administration faced significant pressure from Congress to withhold such aid after Sisi approved the NGO law in May.

However, the administration has acted to achieve more direct control over the third package, which entails 15 percent of the \$1.3 billion in annual U.S. military aid to Egypt, or \$195 million. Congress conditioned the disbursement of this aid on the secretary of state certifying that Egypt is taking effective steps toward advancing democracy and human rights, but the Trump administration waived this certification requirement on national security grounds, thereby keeping the aid available rather than letting it expire on September 30. But the administration has set new conditions on the use of that aid, to be enforced by the Defense Security Cooperation Agency, which manages U.S. military aid and must approve any Egyptian aid expenditure.

The conditions on the \$195 million, however, are somewhat vague. Instead of offering concrete steps that Cairo must take to receive the aid, the administration has articulated three sets of concerns but failed to specify whether some or all must be satisfied. For example, it has urged Cairo to demonstrate progress on civil society issues, such as by ameliorating the new NGO law or resolving the 2013 NGO trial, which targeted four U.S.-funded pro-democratic NGOs. The administration also wants Cairo to more enthusiastically embrace U.S. efforts to refocus military cooperation on counterterrorism. Most sensitive, the United States is pressing Egypt to "stop hosting North Korean guest workers, and stop providing economic or military benefits to North Korea," as President Trump emphasized during his July 5 phone call with President Sisi.

Washington's concerns regarding Egypt's dismal human rights record, poor counterterrorism performance, and relationship with North Korea are valid. But the scattershot nature of these conditions, and the fact that bureaucratic and political considerations drove this aid decision rather than any overarching strategy for U.S.-Egypt relations or the broader region, reflects a policymaking process in disarray. Whereas previous administrations' decisions on changes to aid were announced after they were communicated to the highest levels of the Egyptian government, key Egyptian officials learned of yesterday's decision only after reading the initial Reuters report. The aid cut also comes only weeks before the United States and Cairo are scheduled to resume the biennial Bright Star joint exercises, which have been redesigned at Washington's urging to focus on counterterrorism after a four-year hiatus.

The rollout was also poorly coordinated within the U.S. government. Indeed, the new aid policy leaked just hours before a high-level U.S. delegation -- including Trump's senior advisor Jared Kushner, Deputy National Security Advisor Dina Powell, and Middle East peace envoy Jason Greenblatt -- landed in Cairo for a meeting with Sisi. The delegation was visiting Egypt as part of a broader regional tour that focused on advancing Israeli-Palestinian peace and ending the standoff among Washington's Gulf partners. The aid decision, however, will force the delegation to address the U.S.-Egypt relationship rather than these other priorities.

To be sure, the ultimate impact of the aid decision is ambiguous, since most of the affected funds might ultimately be disbursed. And the administration can ease the sudden confusion in the bilateral relationship by setting clearer conditions for allowing Cairo to spend the \$195 million in military aid now being delayed. Still, the way in which Washington made and announced its decision has significantly undermined the Trump administration's credibility with Cairo, which now has reason to question whether the president's vocal support for Sisi matters. At the same time, the decision is a wake-up call for the Egyptian government, which can no longer afford to ignore longstanding and widely held concerns within the U.S. policy community regarding its internal and external behavior if it desires a durable and supportive relationship with Washington.

Eric Trager is the Esther K. Wagner Fellow at The Washington Institute and author of <u>Arab Fall: How the Muslim</u> Brotherhood Won and Lost Egypt in 891 Days (http://www.washingtoninstitute.org/policy-analysis/view/arabfall-how-the-muslim-brotherhood-won-and-lost-egypt-in-891-days).

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