



EUROPEAN UNION

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EU-Egypt relations

POLITICAL RELATIONS

The EU and Egypt established diplomatic relations in 1966 and are bound by the [Association Agreement](#) that came into force in 2004. The EU seeks to develop a close relationship with Egypt, its neighbour and a major partner in a strategic region. The agenda of EU-Egypt relations is set out in the EU-Egypt [Action Plan](#) under the [European Neighbourhood Policy](#) (ENP).

Since the 25 January 2011 uprising, the EU has consistently supported the Egyptian population's legitimate request for their civil, political and socio-economic rights. It welcomed Egypt's first democratic presidential elections appointing Mohamed Morsi of the Freedom and Justice Party. During the latter's visit to Brussels in September 2012, it was agreed to organise the [EU-Egypt Task Force](#), co-chaired by High Representative Vice-President Catherine Ashton. This high level Task Force is a new form of European diplomacy, aiming to enhance the EU's engagement with countries in transition through the mobilisation of all EU assets and working with both public and private sectors.

Following the constitutional declaration of November 2012 and the rushed adoption of the Constitution by the Islamist dominated parliamentary upper house, Egypt's political scene was divided between the pro-Morsi Islamists and the secular and liberal opposition, mainly represented by the National Salvation Front. The EU engaged in talks aiming at bringing the parties together. However, the political polarisation deepened during spring 2013 and following immense nationwide protests against the FJP rule, President Morsi was forced out of office on 3 July 2013.

In recent weeks, the EU deployed intense efforts to promote dialogue and a peaceful solution to the Egyptian crisis through its constant engagement with all parties - including during the last visits by HRVP Ashton on 17 and 29-30 July, and the action of the EU's Special Representative for the Southern Mediterranean, Bernardino Leon. They both reiterated on various occasions that Egypt needed a fully inclusive transition process, taking in all political groups, to reach free and fair elections and a civilian-led government. These elements are the necessary pre-conditions for a stable, prosperous and democratic Egypt.

P R E S S

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However, in August, events have unfolded in a tragic way, resulting in a dramatic loss of lives and many injured. The EU has expressed strong concern and has called on all parties to stop violence. An extraordinary Foreign Affairs Council was convened on 21 August on the situation in Egypt.

EU BILATERAL ASSISTANCE TO EGYPT

1) EU-Egypt Task Force of November 2012: €5 billion pledged by the EU

During the EU-Egypt Task Force in November 2012, nearly €5 billion were pledged by the EU and associated financial Institutions (EIB and EBRD) as an additional overall package of long-term assistance to support Egypt in different frameworks.

- The European Commission committed to provide additional financial support to Egypt for an overall amount of nearly €800 million in the form of grants and loans:
 - €303 million in the form of grants (€90 million from funds under the SPRING programme, €50 million as a grant component of the macro-financial assistance operation, €163 from the Neighbourhood Investment Facility);
 - €450 million in the form of loans (macro-financial assistance linked to the conclusion of an Egypt-IMF loan which has not yet materialised).
- The European Investment Bank (EIB) announced potential lending of up to one billion euros per year, i.e. up to €2 billion for 2012-13;
- The European Bank for Reconstruction and Development (EBRD) announced plans to ramp up lending volumes to €1 billion per year, i.e. up to €2 billion for 2012-13.

This €5 billion comes in addition to the traditional cooperation assistance managed by the European Commission.

2) Regular Cooperation assistance

In the 2007-2013 financial period, the EU has made available more than **€1 billion to Egypt under the European Neighbourhood Partnership Instrument (ENPI)**, which is the main financial instrument for providing assistance programmes to the region. Currently, the programmes being implemented amount to about €892 million. Unfortunately, disbursement levels of on-going programmes have decreased: e.g. in 2013, only €16 million have been paid so far, due to the on-going instability in the country and the non-compliance with agreed conditions.

Sector budget support (i.e. funds channelled through the government budget to support reform in a specific sector) is the main aid modality - more than half of the on-going programmes – the remaining part being implemented through projects. Since 2012, no new budget support programmes have been approved for Egypt due to the lack of reform implementation.

In addition to the ENPI, EU assistance is provided through other financial tools such as the Neighbourhood Investment Facility (NIF), the European Instrument for Democracy and Human Rights (EIDHR), or thematic programmes under the Development and Cooperation Instrument (DCI). Support to Civil society organisations and non-state actors under these other financial instruments (outside of the ENPI) amounts to **about €23 million**.

Examples of projects

The support provided so far by the European Commission - and in particular under sector budget support programmes - has allowed for the provision and extension of basic social services (health, education, etc.) to reach out the poorest and the most vulnerable population. For instance, the EU support to the education sector has contributed to (i) a more equitable access to education by enhancing the availability of remedial support; (ii) the inclusion of disabled children in mainstream schools with appropriate training and infrastructure; and (iii) increased community involvement. Furthermore, support to civil society and women in particular have been enhanced, with women's rights projects representing about 25% of the EU's on-going support to civil society in Egypt. Supported activities include promotion of women's participation in electoral campaigns and fight against violations and abuse of women.

EU – EGYPT TRADE RELATIONS

EU and Egypt are major trading partners in the Southern Mediterranean region. The entry into force of the Association Agreement in 2004 improved conditions for trade between the EU and Egypt. Since 2004, EU-Egypt bilateral trade has more than doubled and reached its highest level ever in 2012 (from €11.5 billion in 2004 to €23.8 billion in 2012).

EU imports of goods from Egypt are dominated by energy, followed by chemicals and textiles and clothes. EU exports to Egypt consist mainly of machinery and chemicals.

EU exports of services to Egypt are dominated by business services, while the EU imports from Egypt consist mainly of travel services and transport.

For more information:

[EU-Egypt relations](#)

[Financial assistance to Egypt](#)

[EU-Egypt Trade relations](#)
