

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

STRATEGY FOR EGYPT

**REPORT ON THE INVITATION
TO THE PUBLIC TO COMMENT**

1. INTRODUCTION

The Bank has undertaken extensive outreach and consultations with national and international civil society organisations (CSOs) in the preparation of the first Country Strategy for Egypt, acknowledging the complexity of the challenges that Egypt faces, particularly in relation to Article 1 issues, and keen to listen to and engage in dialogue with civil society.

The objective of this report is to summarise key written and verbal comments received from stakeholders prior to, during and after the formal consultation period dedicated to the Bank's Country Strategy for Egypt. Comments received were reviewed by the Bank's management and reflected in the Strategy as appropriate. The Bank's management responses are provided only to the comments received in writing, in accordance with the EBRD Public Information Policy (PIP).

Also, in line with PIP, the draft strategy for Egypt was posted on the EBRD website in English and Arabic for 45 calendar days from 9 December 2016. The public was invited to submit written comments on the draft strategy until no later than 23 January 2017.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. In addition, targeted email notifications of the consultation process were sent to local and international CSOs that have expressed interest in the Bank's work in the country.

Six civil society organisations in total submitted extensive written comments on the draft strategy for Egypt during the public consultation period. The summary of these comments and management responses is provided in the table below.

Additionally, going beyond strict PIP requirements and in line with the Bank's increased efforts to involve civil society in country strategy development, the EBRD organised two consultative meetings with representatives of national civil society organisations in Cairo on 25 October 2016 – one with EBRD management and the other with a delegation of Board of Directors - during the preparatory phase leading to the draft strategy. Also, following the formal consultation period, the Bank organised a meeting in London on 25 January 2017 with the representatives of international CSOs to gather their feedback on the draft strategy. On an ongoing basis, including during Annual Meetings, and over the past few months in particular, EBRD staff, senior management and Board Directors have engaged in dialogue with a number of other CSO actors in relation to Egypt, and will remain engaged on these issues following the approval of the Country Strategy.

The consultation workshops in October 2016 and January 2017 and other exchanges provided a valuable platform for dialogue between civil society representatives and EBRD officials involved in the strategy preparation process. A summary of the consultation meetings and list of participating organisations are provided in the Annex to this report.

2. PUBLIC COMMENTS AND STAFF RESPONSES

Reference	Comment	EBRD Response
Bank Principles		
Article 1	<p>Most CSOs that have provided written comments believe that Egypt is not committed to the Bank's Article 1 principles – particularly democratic elections, the rule of law, and the compliance with international human rights standards – and questioned Egypt's eligibility as a recipient country.</p>	<p>EBRD's Country Strategy for Egypt has been developed through thorough analysis on the basis of the 14 criteria of political methodology approved by the Board in February 2013. On the basis of this evaluation, we have concluded that Egypt complies, albeit unevenly, with the Bank's Article 1 principles.</p> <p>Based on the Bank's own analyses and feedback received by multiple stakeholders, we have acknowledged in the Country Strategy text in several places that, while several important milestones have been reached, further reforms are needed to embed the application of democratic principles more firmly in Egypt.</p>
Article 1	<p>Some CSOs urge the Bank to articulate the need for progress in the areas such as human rights and rule of law and specify concrete and measurable steps which the government should take to comply with Article 1 principles - conditioning progress in these areas with the Bank's level of engagement in the country. These steps include amendments, withdrawal and/or passing of several key laws related to human rights and democracy; stopping criminal investigations against NGOs; ending trials of civilians before military courts; exercising stronger accountability over the Egyptian Military's operations; and implementing effective anticorruption measures in the country. Some CSOs recommended setting new benchmarks for the Bank's activities geared to assess development outcomes, particularly in relation to EBRD's energy strategy, and compliance with human rights.</p>	<p>Article 1 sets the political mandate of the EBRD, which the Bank takes very seriously. EBRD closely monitors political developments and regularly assesses commitment to and application of the principles of multiparty democracy and pluralism for all of its countries of operations, including Egypt. In response to the evolving economic and political reform environment in a given country, the Bank adopts the pace and direction of its operational engagement appropriately. While it remains committed to the full respect of human rights in the context of the projects it finances, EBRD is not a democracy promotion organisation. The EBRD is a long-term investor and partner in the countries where it invests with a mandate to promote transition to market</p>

		economy. The Bank believes that promoting the development of a dynamic private sector in Egypt and other countries of operations is a key tool to foster transition and reform progress in a sustainable manner. Successful projects, combined with sound policy reforms, also help demonstrate to all stakeholders, in and out of Government, how to build effective, inclusive approaches based on good international practice which delivers sustainable jobs and growth for the benefits of the citizens.
Operational environment		
Structural reform context	Some CSOs raised concern over what they described as challenges to structural reform to the business environment, citing Law 32/2014 as restricting the capacity for third parties to challenge contractual agreements between the government and an investor.	In relation to structural reforms, the Strategy acknowledges contractual uncertainties especially in the energy sector. It also list a number of positive developments and decisions made by the government that are likely to improve business environment, such as important amendments to the Investment Law to improve investors' dispute resolution and bold subsidy reforms in the energy sector (pages 14-15).
Labour and working conditions	In regard to labour laws, one CSO claimed that Egypt has failed to fulfil commitments made to the ILO on legal reforms.	The Strategy points out that Egypt has ratified all eight core ILO conventions, as well as other international standards, but that the challenges are mainly related to adequate enforcement of the law. The Strategy states that the Bank will continue to ensure that clients' HR policies and labour practices are compliant with relevant ILO conventions, with a particular focus on child labour, discrimination at the work place, and working terms and conditions, which remain key challenges in the country (page 40).
Strategic Orientations		

<p>Privatization, FDI and PPPs</p>	<p>A CSO advised that the Bank should revise its strategic direction and promotion of privatization and PPPs, stating that the success of these measures would depend on what CSOs described as legal and institutional mechanisms that are not in place in Egypt.</p> <p>Focusing on attracting FDI under a model of privatisation was also questioned by a CSO who felt that EBRD should focus more on what they described as investments that promote the Egyptian economy's productive capacity and redistribution mechanisms.</p> <p>A CSO also believes that EBRD's promotion of utility privatization in the water sector does not adequately take into account affordability issues.</p>	<p>The Strategy states that the Bank's ability to develop and finance PPPs in Egypt will depend on the selection of PPP projects by the authorities, the continuing political support from the authorities for private sector delivery of public infrastructure (e.g. water & wastewater, power) coupled with the operational capacity to execute PPPs. Delay to implement required key institutional reforms in the urban transport sector will slow down the development of the Bank's pipeline, as these reforms are required to guarantee the financial sustainability of utilities in the sector (page 38).</p> <p>In addition to its focus on Egyptian local companies, the Bank believes that FDI flows (including related to privatisation) can contribute to increased economic activity and support the transfer of technologies and skills in support of higher levels of productivity.</p> <p>The Bank always conducts a feasibility study for infrastructure projects. The studies are done by external consultants procured in accordance with the Banks open international procurement rules. In line with other IFIs, the Bank uses the international rule of thumb of 5 per cent of an average family income as an upper threshold for water and wastewater services. Should there be breaches for the poorer segments of the population the Bank includes obligations for targeted subsidies in the project legal agreements.</p>
<p>Energy</p>	<p>CSOs welcome EBRD's focus on promoting the green economy in Egypt.</p>	<p>The point is noted.</p> <p>The Strategy acknowledges that transparency and</p>

	<p>Some CSOs claim that a perceived lack of transparency and good governance in Egypt’s energy sector are main challenges to a transition to an efficient private sector led commercial model.</p> <p>A CSO also stated that CSO assessments found private sector investment in oil and natural resource production would not contribute to reducing power shortages in Egypt. The CSO also feels that EBRD should revise its strategy and limit lending to multinationals in this sector.</p>	<p>accountability of public utilities’ managerial and operational structures needs to be improved to increase the quality of service delivery, improve economic efficiency, bolster financial sustainability and improve governance standards. (page 35). In fact, the Egypt Country Strategy is the first EBRD strategy to incorporate a dedicated priority on corporate and governance in public economic affairs.</p> <p>The Strategy states that in the state-dominated oil and gas sector, the Bank will support increased competition and production levels – thus contributing to reducing power shortages - by providing finance to medium-sized private sector operators with a particular focus on energy efficiency (e.g. gas flaring reduction, waste heat recovery from gas compressor stations), improvements of environmental, health and safety standards, integration of local SMEs into the value chain, as well as promotion of women employment in the sector (pages 32-33).</p>
Policy Dialogue	<p>A CSO requested more information on judicial training programmes outlined in Priority 4, Policy Dialogue, to support the private sector business environment, for instance with a focus on arbitration to help reduce the time required to resolve commercial disputes.</p>	<p>The Bank is developing with the National Centre for Judicial Studies a technical co-operation to cover training of trainers and the delivery of judicial training in intellectual property law, commercial mediation, enforcement of arbitral awards and competition law. It is intended that the training will be delivered to up to 150 judges in Cairo, Alexandria and Luxor.</p>
SME Support	<p>One CSO believes that EBRD failed to prioritize SMEs in its investments, citing a February 2014 briefing stating that the Bank allocated “\$25 million out of \$534 million [to SMEs] in its first year of lending”.</p>	<p>The Strategy states that, in order to facilitate SMEs’ access to bank debt finance, the Bank will continue to provide dedicated SME credit lines, including expanding its import and export trade finance facilities, coupled with SME business development training programmes to its existing partner banks, and capacity building programmes to SME sub-borrowers. It also aims to extend its reach by developing banking relations with new partner banks and exploring opportunities for new products (e.g., subordinated debt to</p>

		local banks). In addition, the Bank will promote the development of SME access to finance beyond Cairo and Alexandria. It will also develop focused SME energy efficiency finance facilities (jointly with IFI partners and supported by the EU grants) to local banks allowing SMEs to finance small scale renewable projects or energy efficiency investments. Lastly, the Bank stands ready to consider financing alternative financial intermediaries such as in microfinance, leasing and factoring (page 26).
Political Assessment		
	<p>Free Elections and Representative Government</p> <p><i>Free, fair and competitive elections</i></p> <p>A number of CSOs believe that draft political assessment does not adequately describe the perceived oppressive climate in which the May 2014 presidential elections and November and December 2015 parliamentary elections took place. They highlight challenges to national reconciliation and transitional justice which, according to CSOs, are not outlined in the assessment, including core elements of the EU Election Observation Mission findings and EU Parliament's resolution (2014/3017(RSP)) on the presidential elections.</p> <p><i>Effective power to govern of elected officials</i></p> <p>A few CSOs claim that parliamentary oversight in Egypt is weak in practice and disagree with the Country Strategy's assessment that the Parliament has effectively exercised its power over the Executive in regard to rejecting or redrafting laws. They also cite a perceived lack of scrutiny of the operations of the Ministries of Interior, Defence, and</p>	<p>Response on Political Assessment</p> <p>The political assessment was undertaken as per the political methodology approved by the Board in 2013. Among the different sources it was based on, there were various consultations with stakeholders in and outside the country. Corresponding to each of the criteria of the Political Assessment, and whilst noting the milestones completed and progress made, the Country Strategy's Political assessment lists different concerns and areas where improvements are expected. In most criteria, the Assessment details the specific challenges that existing conditions create, and quotes reports by international organisations that commented on the issue.</p> <p>The assessment devotes a highly detailed section to the conditions of civil society in the country. It details the key concerns of various stakeholders, corresponding to different regulatory frameworks; puts forward the specifics of the most notable legal cases in which local and international organisations have been involved; and, when relevant, quotes</p>

	<p>Judiciary as indications of the Parliaments inadequate performance, particularly with regards to the budget of the Defence Ministry as well as of broader economic and other activities of the armed forces.</p> <p>Civil Society, Media and Participation</p> <p><i>Scale and independence of civil society</i></p> <p>Several CSOs believe that the political assessment does not adequately reflect what they described as the repressive environment in which CSOs operate in Egypt over the past few years, including assets freezing and/or travel bans for many of CSOs investigation for having received foreign funding.</p> <p>The CSOs also points out that the Country Strategy does not mention the new association law (The Law on Civil Society and Foundations and Other Entities Working in the Civic Sphere), approved by parliament in November 2016, nor does it analyse potential future challenges for CSOs if a draft association law comes into force, which many CSOs and the United Nation’s Special Rapporteur on the rights to freedom of peaceful assembly and association consider to be repressive.</p> <p>CSOs also claim that the government-funded National Council for Human Rights has vaguely defined duties which do not include, contrary to what the EBRD draft assessment states, the power to initiate investigations by prosecutors in areas related to its mandate.</p> <p><i>Independence and pluralism of media operating without censorship</i></p> <p>Several CSOs agreed with the Country Strategy’s recognition that the 2014 Constitution guarantees freedom of expression and the press. However, they believe that the draft Political Assessment does not adequately address what they describe to be as difficulties faced by</p>	<p>the commentary of local and International stakeholders.</p> <p>A number of the comments of CSOs have been reflected in the updated assessment, which addresses the draft NGOs law that the parliament approved in December 2016, but which was not ratified. In addition to those related to civil society, the assessment makes explicit references to cases that domestic and international stakeholders have commented on, and in several of the most notable ones, quotes comments from international organisations.</p> <p>Whilst the assessment makes tribute to the advancements achieved and rights secured in the 2014 constitution, it notes comments made by international organisations with regard to its application. The assessment refers to cases in which there have been concerns regarding potential excessive use of force and allegations of torture, such as the example of the case in an Italian graduate student found dead in February 2016 with signs that, rights groups assert indicate torture. Also, with regard to electoral exercises in the past few years in the country, the assessment puts forward key findings of the international organisations that took part in observing them, on the undertaking of the exercises and the context in which they were undertaken.</p> <p>The consultations with CSOs continue beyond the country strategy process, and are reflected in briefings to the Board of Directors.</p> <p>Free Elections and Representative Government</p> <p>The Political assessment states that the European Union Election Observation Mission (EU EOM) commended authorities in May 2014 for their impartiality and efficiency in administering the election, including voting, counting and</p>
--	--	--

	<p>media outlets and individual journalists in Egypt, citing Law 94/2015 as violation of these rights and listing additional examples of detention and imprisonment.</p> <p>Rule of law and access to justice</p> <p><i>Supremacy of the law</i></p> <p>Some CSOs feel that in areas of criminal justice and dealings with criticism to the regime, the Judiciary has not acted with impartiality and adherence to due process in accordance with the constitution.</p> <p>Some CSOs raise concerns over what they describe as a lack of transparency and accountability for the Egyptian Army’s economic activities. Furthermore, they highlight the perceived vast reach of military court authorities over civilians – as well as alleged due process violations in both military and regular courts, citing a number of examples to illustrate the points.</p> <p><i>Government and citizens equally subject to the law</i></p> <p>Some CSOs believe that the draft Political Assessment underestimates the impact of the broad definition of terrorism (which they claim is exceeding the country’s penal code), wide application and harsh sentences stipulated under the Terrorist Entities Law of February 2015.</p> <p><i>Effective policies and institutions to prevent corruption</i></p> <p>Several CSOs agree with the EBRD’s draft Political Assessment that corruption remains a serious concern in Egypt. However, they believe that the Assessment understates the extent to which the power of independent organisation to combat corruption has been undermined by a July 2015 presidential decree which grants the president the right</p>	<p>tabulation, in line with the law. The EU EOM report also stated that state media provided approximately equal coverage to both candidates (pages 41-42).</p> <p>At the same time, the Assessment also describes the challenges associated with the parliamentary oversight. It cites the EOM report which states that “several local and international civil society organisations (CSOs) were not permitted to observe the elections, some candidates’ representatives had limited access to polling stations and there were reports of limited episodes of violence.” The Assessment also mentions that the EU EOM report further indicated that the non-participation of several political groups, which in some cases challenged the legitimacy of the process or opposed the democratic roadmap, undermined universal participation in the election. (Refer to pages 41 – 24 for the full text on Free, fair and competitive elections).</p> <p>Civil Society, Media and Participation</p> <p>The Strategy points out that there are hundreds of private newspapers, radio stations, and TV channels where a wide range of views are expressed on political, economic, and social matters, including criticism of the Government and the Armed Forces. At the same time, the Strategy also states that limitations on media freedom persist, acknowledging that “according to some international CSOs, there have been numerous attacks on local and foreign journalists in the last five years. In 2013, several TV stations supportive of political Islamist forces were taken off the air and many of their journalists were prohibited from reporting in Egypt” and commented in detail on other notable cases as well, in relation to limitations on media freedom. The Strategy also highlights that “in its European Neighbourhood Policy in Egypt, the European Commission noted that the freedom of the press</p>
--	---	---

	<p>to remove heads of independent administrative agencies.</p> <p>Civil and Political Rights</p> <p><i>Freedom from harassment, intimidation and torture</i></p> <p>Some CSOs believe that the draft Political Assessment underestimates the extent of what they describe as torture and enforced disappearances in Egypt, citing local NGO and other sources. CSOs expressed that the Country Strategy should be updated to recognise a perceived growing trend in acts of harassment, intimidation and torture.</p> <p><i>Freedom of speech, information, religion and conscience, movement, association, assembly, and private property</i></p> <p>CSOs felt that the Country Strategy should recognise adequately deficiencies in the freedom of assembly, association (including forming unions) and expression as channels for civic and political participation in Egypt.</p>	<p>was reduced significantly.”</p> <p>The Country Strategy points out that civil society sector has grown significantly in the last four years – beyond traditionally strong labour unions and farming associations – and Constitutional protections for CSOs have been enhanced. However, it also states that “several local and international NGOs were prevented from operating freely in the country” and provides an example from December 2011, when “Egyptian authorities raided the offices of several local and international NGOs, seized their documents and computers, and banned a number of their officers from leaving the country ... the Central Bank ordered all banks to provide to the Government details of the financial transactions of these NGOs and some of their officials whose private accounts were used in receiving foreign funding.” The final version of the strategy has also been updated to reflect the latest developments regarding the new association law approved by parliament in November 2016 (refer to pages 43 and 42 for the full text).</p> <p>Rule of law and access to justice</p> <p>The Strategy points out that the 2014 Constitution provides for the independence of the judiciary and strengthens the rule of law in the country. The assessment states that judiciary is highly assertive in protecting this independence (page 48). However, the Strategy also states that rulings by criminal courts, in which large numbers of people were sentenced to death, have called into question the adherence to due process in several cases (page 47).</p> <p>The Strategy points out that the Constitution refers civilians to be tried in military courts in cases of direct attacks on military installations or military districts, which is a narrower scope</p>
--	---	--

		<p>for referrals compared to the previous decades. However, it also cites March 2015 Report on the Implementation of the European Neighbourhood Policy in Egypt which states, after the series of terrorist attacks in October 2014, the jurisdiction of military courts in trying civilian was expanded. The strategy also mentions that rights organisations have claimed that the use of military courts to try civilians represents a potential threat to protection of citizens' legal and constitutional right to due process (pages 48).</p> <p>The Strategy mentions that several international and Egyptian CSOs voiced strong reservations against the broad scope of the February 2015 Terrorist Entities Law. It also points out that the law tasks the prosecution with creating a list with the names of terrorist entities and individual which must be considered by the Court of Appeals. Any entity or individual mentioned on either list can protest their inclusion to the Court of Cassation (page 49).</p> <p>The Strategy maintains that the National Council for Human Rights is able to initiate investigations, including against the executive authority, by the Public Prosecutor in areas related to their mandates. The Strategy also refers to the fact that the National Council for Human Rights established a fact-finding mission into the dispersal of the August 2013 sit-ins of supporters of former President Mohammed Morsi. It issued its report in March 2014. (Page 50).</p> <p>The Country Strategy states that the 2014 Constitution balances presidential prerogatives with parliamentary legislative powers and oversight over the executive and clarifies the role of the military. The Strategy also points out that, for the first time in Egypt's history, the Constitution stipulates that the parliament must now approve state budgets, without exception. The parliament will vote on every chapter</p>
--	--	---

		<p>in the state budget (including the budget of the Defence Ministry) and not only on the budget in its entirety, as it was previously the case (pages 42-43).</p> <p>With regards to anti-corruption measures, the Strategy acknowledges that the 2014 Constitution enshrined the independence of the Central Authority for Supervision of Accounts, endowed it with wide prerogatives over the executive, and stipulated that the parliament will review and vote on its annual report on an itemised basis. The Strategy also points out that in 2015, law number 98 for that year was issued, concerning the potential removal of heads of independent and monitoring agencies, which endowed the executive with such right in specific cases. Based on that law, the Head of the Central Authority for Supervision of Accounts was removed after he had made statements to the media in which he gave assessments of the extent of corruption in the country. A judiciary-led commission, mandated to review the matter, concluded that his reports to the media included “gross exaggerations”. The concerned person has the right to appeal the decision in front of the High Administrative Court, which could then, refer the case to the Supreme Constitutional Court for issuing a final verdict.</p> <p>Civil and Political Rights</p> <p>The Strategy points out that the 2014 Constitution prohibits torture and stipulates that international treaties ratified by Egypt become integral parts of the national legislation. As a result, the Egyptian legal system now adheres to the international definition of torture as contained in the International Convention against Torture, although Egypt has not yet ratified the Convention (pages 52-53). At the same time, the Strategy also mentions the concerns raised by some rights groups and UNHCR with regards to the alleged use of</p>
--	--	---

		<p>torture and enforced disappearances in Egypt. It states that “in December 2014, the Office of the UN High Commissioner for Human Rights stated that the authorities must ensure that security forces do not use excessive force. It also urged individuals using demonstrating to air grievances to exercise their rights peacefully” (page 53).</p> <p>The Country Strategy text points out that the 2014 Constitution devotes a chapter to specifying and codifying political, civil, and human rights, such as freedoms of speech and assembly. It also states that there are improvements in gender, regional, and youth inclusion related to political participation and in consultations regarding social and economic decision making. At the same time, the Strategy recognises a number of areas of concern – especially freedom of speech and assembly, and cites specific cases (pp.51-52). It also acknowledges that rights groups and international observes, including the EU Election Observation Mission (EUEOM), have expressed concerns regarding the respect for freedom of association, assembly and expression (pages 41-42).</p> <p>For example, the Country Strategy highlights that “In its March 2015 Egypt Progress Report, the EC noted that freedom of assembly is seriously restricted. Several demonstrators were arrested and put on trial for violating the Assembly Law. Some were charged with multi-year sentences. The March 2015 EC Report stated that often trials in which activists were charged were based on violations of this law.</p>

General remarks		
	<p>Few CSOs felt that more representatives from Egyptian civil society should be involved in the Country Strategy Review process, particularly in relation to the Political Assessment.</p>	<p>EBRD has engaged in extensive outreach and consultations with both national and international CSOs in the preparation of the Country Strategy for Egypt. In addition to the opportunity to provide written comments on the draft strategy during the formal consultation period, national NGOs were also part of two consultation meetings in Cairo in October 2016 during the pre-drafting stage of the process. A meeting was held in London with International CSOs. Also, the Bank is engaged in an ongoing dialogue over the past few years with a number of national CSOs and other CSO actors in relation to Egypt in many different formats. This dialogue intensified during the preparation of the CS.</p>
	<p>A CSO recommended that EBRD should invest in community based and eco-tourism, which promotes economic as well as human development.</p>	<p>The Bank currently does not have plans to invest in eco tourism in Egypt.</p>

Summary of EBRD meetings with civil society on 25 October 2016 in Cairo and 25 January 2017 in London

Cairo, 25 October 2016

As part of the public consultation process, the EBRD held a roundtable discussion on 25 October 2016 at the EBRD's Cairo Resident Office with civil society representatives to discuss the Bank's forthcoming Country Strategy for Egypt. The consultation meetings, which were chaired Head of Egypt, took place in a pre-drafting stage of the Country Strategy preparation to secure civil society input at an early stage the process. CSO participants were interested to learn from EBRD management about the Bank's experiences in operating in Egypt and engaging with Egyptian civil society from 2012 to 2016. CSOs pointed out to few recent positive developments, but also shared their concerns about a number of deficiencies in the operating environment for civil society. The CSOs were broadly in favor of the Bank's planned investment priorities for the upcoming strategy, particularly the overarching emphasis on economic inclusion, gender equality and governance, and planned efforts to encourage the development of SMEs and sustainable energy. CSOs urged to Bank to enhance its engagement and cooperation with civil society in the upcoming strategy period.

Following the consultation with management, the CSO representatives met a delegation of Board Directors who visited Egypt. The challenges facing CSOs in Egypt, particularly regarding the respect for human rights, women economic opportunities, obstacles for entrepreneurship and sustainable energy issues were discussed. The Directors were keen to learn about day to day work of CSOs in Egypt and impact they are making on the ground for their consistencies and environment.

London, 25 January 2017

A consultation workshop was held for international civil society organisations to provide input on the draft Country Strategy for Egypt in London on 25 January 2017. The meeting was attended by several members of EBRD's management responsible for Egypt, including the Managing Director for the SEMED region. From the civil society side, the representatives who took part in the meeting either in person or via remote dial-in came from a number of countries, namely the United Kingdom, United States, Belgium, Switzerland and Lebanon. Participants discussed topics related to civic participation, public oversight and the Country Strategy's Assessments as well as EBRD's Strategic Orientations.

Civil Society & Freedom of Press

CSOs highlighted cases of imprisonment and persecution of journalists as cause for concern. They cited legislation, including anti-terrorism laws, which, according to CSOs, restrict the capacity of journalists to operate freely. CSOs also questioned the scope of the Political Assessment included in the draft Country Strategy, citing that the November 2016 bill on civil society approved by Parliament should be assessed within the Country Strategy.

The Bank's Political Counsellor assured CSOs that the Political Assessment is currently being revised ahead of submission to the Board in order to reflect the most up to date socio-political developments and feedback received since the draft CS was published online.

Strategic Priorities

Some CSOs raised questions over EBRD's strategic priorities in support of the private sector. They noted that previous privatisation efforts have been perceived to have limited success in Egypt, and that specific efforts should be implemented to prevent discrimination, such as equal pay for women.

Several CSOs also warned of challenges around transparency and accountability, both in the private and public sector, prompting EBRD to promote better public oversight practice in Egypt.

EBRD management highlighted that the process of privatisation is conducted on a case by case basis, and each opportunity is closely assessed by the Bank prior to engagement in order to ensure positive outcomes. Furthermore, management assured CSOs that EBRD's procurement rules and standards are stringent and provide important safeguards against corruption.

Rule of Law

Several CSOs expressed concern over the rule of law in Egypt, and questioned in particular the level of accountability over the Military. CSOs found that the Military's economic activities have been expanding without sufficient oversight from the Executive. CSOs also felt that the Judiciary has shown to lack independence, and called for EBRD's increased involvement in efforts to strengthen the rule of law.

EBRD management highlighted that as a long-term investor and partner in the countries where it invests, EBRD is committed to promoting strong governance and a level playing field for all businesses. Management expressed to CSOs that accountability and transparency are central to EBRD's strategic priorities and that the Bank does seek measures to counteract violations in these areas, particularly with regards to public procurement.

List of CSO represented at the consultation meetings

Cairo

- Egyptian Association for Human Rights
- Alliance for Arab Women
- CARE Egypt
- Nahdet El Mahrousa
- American University of Cairo
- Regional Center for Renewable Energy and Energy Efficiency
- Arab Office for Youth and Environment

London

- Transparency International
- Reporters without Borders (RSF)
- International Commission of Jurists (ICJ)
- CIVICUS
- International Center for Not-for-Profit Law
- Charity Commission
- The Arab NGO Network for Development (ANND)
- Center for Economic and Social Rights (CESR)
- Human Rights Watch (HRW)
- Cairo Institute for Human Rights Studies (CIHRS)

Written comments

- New Horizon Association for Social Development
- Arab NGO Network for Development
- Human Rights Watch
- Center for Economic and Social Rights (CESR)
- An organisation which requested to remain anonymous
- An organisation which requested to remain anonymous