

January 16, 2013

To : Mr. Herman Van Rompuy
The President of the European Council
European Council
Rue de la Loi 175
B-1048 Brussels/Belgium

Dear President Van Rompuy,

We are writing this letter following your recent meeting with the Egyptian President Mohammed Morsi on January 13th, 2013. The issues raised in this letter recapture the concerns and propositions the Arab NGO Network for Development (ANND) has been raising with regard to EU-Arab relations, and our calls for enhancing policy coherence within the European-Arab relations, between the economic relations and the development objectives, towards policies that serve peace, democracy, and economic and social justice. ANND is a regional network located in Beirut, Lebanon and is working in 12 Arab countries with seven national networks (with an extended membership of 200 CSOs from different backgrounds) and 23 NGO members. ANND aims at strengthening the role of civil society, enhancing the values of democracy, respect of human rights and sustainable development in the region and advocates for more sound and effective socio-economic reforms in the region, which integrate the concepts of sustainable development, gender justice, and the rights-based approach (www.annd.org)

(1) We appreciate that the EU closely follows the developments in the region and states its support for “*the new democratic Egypt to succeed*”¹. Nevertheless, the acts of President Morsi have reflected so far mere power grabbing, thus endangering the achievement of democracy in Egypt. This is in stark contrast to your own call that “in order to achieve genuine progress towards deep and sustainable democracy, it is so important to ensure consensus building, inclusiveness, and dialogue among all parties concerned”².

(2) Besides, we are as well concerned with the position taken by the EU in regard to the economic relations with Arab countries, and its stance that focuses on an economic approach that prioritizes “*achieving economic growth rates on par with pre-revolutionary growth*”. This limited approach that presents “economic growth” as a panacea to help combat Egypt's high unemployment rates does not resound with the lessons learned from the failure of previous decades of economic policy practice in the Arab region. The re-enforcement of economic policies adopted by previous regimes, which prioritized economic liberalization over any other developmental aspects of the partnership with the EU would bring no genuine or effective address of for the root developmental problems facing Egypt. Thus, there is an urgent need to shift from an economic approach within the relations with Arab countries that focuses solely on economic growth, to an approach that prioritizes support for productive capacities, mechanisms of redistribution, promotion of decent work opportunities, and promotion of equality in access to economic resources and opportunities and outcomes of economic growth.

(3) We have also highlighted your statement that “*the resumption of talks between the IMF and the Egyptian government represented a vote of confidence in the*

¹ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/134655.pdf

² *ibid.*

*country's economic future*³. Nevertheless, we are concerned about the continued lack of transparency in IMF talks and the “policy-conditions” imposed by the IMF, as well as further lack of clarity on the use of the nearly five billion dollars loan much of which is going to paying interest on pre-existing debt and not rebuilding the Egyptian economy based on a developmental vision. Accordingly, we are concerned with your reasoning in the statement in which you indicate that “*an agreement with the IMF will open the door to further lines of credit and will help re-establish the confidence of international investors and economic partners. It is growth, ultimately, that will allow to overcome high levels of unemployment, particularly dramatic among the youth.*” Indeed, we perceive that the priority should be to fully integrate a development approach, which promotes progress of production capacities and promotion of decent work opportunities, as centric for the international financial institutions’ role in Egypt and the broader region. This applies as well to the role of the European Investment Bank and European Bank for Reconstruction and Development with regard to the foreseen loans in Egypt.

(4) Finally, we share similar perceptions regarding the vitality of trade and investment relations, given “*the EU is Egypt’s most important trading partner and investor*”⁴. However we want to highlight that the implementation of the Euro-Mediterranean trade and investment agenda since the launch of the Barcelona process has resulted in significant stress on productive capacities in Arab countries, and on the private sector including small and medium enterprises, employment and wages, as well as public expenditure on public social services. Therefore, any new negotiations, such as that on Deep and Comprehensive Free Trade Agreement, should only come after a thorough impact assessment of trade and investment relations that extend beyond economic consideration to integrate a development and human rights approach as well. This is in line with the direction adopted in the EU Strategic Framework and Action Plan on Human Rights. Moreover, we have been calling for full transparency regarding the proposal of ‘Deep and Comprehensive Free Trade Agreements’ to be ensured, including the publication of the timeframe for any resulting negotiations process, ensuring that a human rights and development focused impact assessment is carried with a space for civil society groups and national parliaments to contribute to developing the terms of the assessment and to access the results.

We believe the issues raised in this letter are vital for the future of the EU-Egypt relations. Given your encouragement to civil society leaders as “*having an enormous responsibility to secure a better and democratic future for the whole Egyptian people*”, we hope your agenda will tackle them in the course of future discussions or negotiations with the Egyptian officials.

We thank you for your consideration and remain at your disposal for further clarifications on the abovementioned points.

Yours truly,



Ziad Abdel Samad
Executive Director
Arab NGO Network for Developm

³ *ibid.*

⁴ *ibid.*