



EGYPTIAN CENTER
FOR ECONOMIC & SOCIAL RIGHTS
المركز المصري لحقوق الاقتصادية والاجتماعية



**Counter
Balance** Challenging
Public
Investment
Banks



Dear President Chakrabarti, EBRD Executive Directors,

This letter is in response to the Bank's comment on the letter sent to Sir Suma Chakrabarti's letter pertaining to the political developments in Egypt and the country's adherence to Art.1 principles of the EBRD's AOE. Namely developments pertaining of the oppression of civil society, but also in comment of the deterioration of the 14 principles against which the bank indicated it will gauge Egypt's progress towards meeting the standards of an advanced democracy, which are prerequisites to EBRD's support, as a public and transitional bank.

The below undersigned organizations are highly concerned that, despite the Bank having "significant concerns about [the state's] conformity with these principles [of democracy]", the Bank is nonetheless moving towards "making Egypt a full country of operations". This casts doubts on the object, the purpose, and the effectiveness of the democratic principles of the Bank, as it decides to not only remain engaged, but also expand lending in the country.

If the recent human rights and freedom of expression violations, anti-democratic practices and absence of representative democracy, separation of powers, freedom of civil society and multiparty democracy in Egypt do not constitute a breach of the Bank's political mandate then we question what does? We believe that the bank ought to draw a benchmark beyond which it will no longer engage nor expand in a country of operation. We have growing concern that the bank's uninterrupted public but also private loans that affect the public life in Egypt (e.g. energy

and infrastructure projects), without any measurable and tangible reconsideration despite the recent crackdown and increased repression, casts doubts on the political mandate of the bank and the value added of its participation in the region, especially regarding its identity as a development and a transitional bank.

Moreover, ignoring preconditions to democracy in revolutionary times would very dangerously identify the bank's operations as opposed to public interests. Egyptian and international civil society has previously expressed growing concern over the negative effects that IFI and MDB policy choices are having on democratic transition in the region, by providing legitimacy to state practices identified as a reproduction of the Mubarak regime. Such concerns were voiced through the "Save Our Spring" CSO campaign and petition. Since the last correspondence with the bank in late 2013 until today, the crackdown on social movements and violation of civil and political rights has escalated:

December 22nd, 2013 the Abdeen Court issues a verdict against Ahmed Maher, the previous Coordinator of April 6 Youth Movement ; Mohamed Adel, the Media Representative of the same movement, and volunteer in the media unit (ECESR) ; and Ahmed Doma, an activist for political and civil right, and previous member of the High Council for Culture, were sentenced to 3 years in prison and fined 50,000 Egyptian Pounds, each for organizing a protest, against the newly administered law regulating the rights to protest (Law No 107 year 2013), which is highly criticized, issued then by interim president, in the absence of a legislator.

In a similar situation, on January 2nd, a court in Alexandria sentenced eight protestors to two years in jail and a LE50,000 fine for gathering and holding a protest before the court trial of the Khaled Said murderers. Khaled Said was the 2010 victim of police torture who many hold as an icon of the Jan 25th 2011 revolution.

Arbitrary arrest and detention is not only limited to banning the right to protest, but is also used against members of opposition political parties. Members of Massr el-Qaweya were arrested for opposing the newly-proposed constitution. Captured while hanging "No to the constitution" posters, the Egyptian state practices cast major doubts on the status of freedom of expression and the legitimacy of the new constitution voted upon mid Jan 2014, but also puts alert onto the future of multiparty democracy in Egypt, a major precondition to EBRD support to countries of operations. Following the low turnout in the referendum that passed the constitutional amendments, the state continues to arbitrarily arrest and detain the youth of the political and social movements in Egypt. During the 3rd anniversary of the Jan 25th revolution, Nazli Hussein of the "No Military Trials for Civilians" campaign and other peaceful protestors were arrested and face trumped up charges. The crackdown saw about 1000 detainees arrested in three days.

Based on these concerns , and those raised in previous correspondences, we ask the EBRD's administration to take more active steps adhere with the Bank's Article 1 Principles, and to adhere to the wider obligations not to support, help legitimize, or contribute to the endorsement of practices of oppression and dictatorship. We also call upon the EBRD to

undertake a more frequent assessment of the countries in which the human conditions are deteriorating. A yearly assessment is simply too slow and too late to reflect the dynamic changes taking place in countries such as Egypt. This provides a perfect alibi for authoritarian regimes to engage in “society engineering” exercises at the expense of long-term progress towards human development, economic and democracy.

These frequent assessments have to be done in close cooperation with CSO’s, who are relevant representatives of a society and whose expertise has to be integrated to the EBRD decision making processes.

Sincerely,

AITEC

Al-Shehab Institution for Collective Development

Arab NGO Network for Development (ANND)

Both Ends

CEE Bankwatch Network

CounterBalance

Habitat International Coalition – HIC MENA

Egyptian Association for Collective Rights

Egyptian Center for Civil and Legislative Reform

Egyptian Center for Economic and Social Rights (ECESR)

Estonian Green Movements-FoEE (Friends of the Earth Estonia)

ODG (Observatori del Deute en la Globalització)

Platform London

Urgewald (Germany)