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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Relations with Egypt
- European Union's position for the Association Council's 8th meeting
(Brussels, 20 December 2018)

Delegations will find attached the European Union's position for the seventh EU-Egypt Association Council.

**8TH MEETING OF THE EU-EGYPT ASSOCIATION COUNCIL
(BRUSSELS, 20 DECEMBER 2018)**

Statement by the European Union

1. The European Union welcomes the eighth meeting of the EU-Egypt Association Council. The EU-Egypt partnership, which we seek to strengthen, is based on the implementation of the Association Agreement that entered into force in 2004, and on the joint Partnership Priorities (PPs) 2017-2020, adopted in 2017. The Priorities include support to Egypt's sustainable economic and social development, reinforcement of our partnership in foreign policy, and enhanced dialogue and cooperation in the stabilisation process, notably in the fields of democracy, good governance, the rule of law, human rights, security, counter-terrorism, energy and migration, with a special focus on the empowerment of youth and women as a cross-cutting theme. In line with the EU Global Strategy, the EU has a strategic interest in Egypt's sustainable stability, security and prosperity, both internally and regionally, and is firmly committed to support Egypt's path towards a modern and democratic state.
2. The EU attaches great importance to its bilateral relationship with Egypt, as an important partner and regional player, as demonstrated by the visits of the President of the European Council Tusk, Commissioners Hahn, Cañete and Avramopoulos, EU Special Representatives, the Chair of the EU Military Committee as well as numerous visits by Member States at the highest level.

3. The holding of all the sub-committees under the Association Agreement, as well as of the Association Committee in November 2018, allowed for increased dialogue on the implementation of the Partnership Priorities and for the joint identification of areas of potential cooperation. In the past year, the EU, together with its Member States (MS), supported Egypt's efforts to address the challenges faced by the country in a significant number of areas, including economic development, education, health, energy, transport, environment, climate action, water management, combatting terrorism, information society, research and innovation. People-to-people contacts are also at the heart of EU-Egypt cooperation.
4. Europe is the most important donor in Egypt, with an ongoing combined volume of financial assistance from the EU, its Member States and European Financial Institutions to Egypt in its different forms (grants, loans and debt swaps) of over EUR 11 billion. The EU contribution of EUR 460.2 million in blending grants in recent years has succeeded in leveraging approximately EUR 8.85 billion in loans.

Total ongoing EU financial assistance commitments to Egypt amount to over EUR 1.3 billion in grants, with around 45% of the portfolio targeting economic and social development, including employment creation, 46% devoted to renewable energy, water and sanitation/waste management and environment, and 9% dedicated to supporting governance, human rights, justice and public administration reform. The EU Annual Action Programme 2018 amounts to EUR 111 million and puts particular emphasis on energy and water, providing fair access to inclusive basic services to the most vulnerable as well as complementary support for capacity development and civil society.
5. Since November 2016, Egypt has been implementing an ambitious economic reform plan supported by the IMF's USD 12 billion programme under the Extended Fund Facility. Egypt has succeeded in stabilising its economy, accelerating economic growth and reducing unemployment. In order to go beyond economic stabilisation to strong, sustainable and inclusive growth, Egypt must now focus on structural reforms, while continuing prudent fiscal policy to keep public debt on a sustainable path.

6. The EU firmly supports Egypt's efforts to achieve strong, sustainable and inclusive economic growth, notably through the implementation of the IMF-supported economic reform programme. The EU welcomes the extensive economic reforms Egypt has already undertaken, including in overhauling subsidies and liberalising the currency. Continued reforms should contribute to economic recovery, attract investment, boost growth and create decent job opportunities. The EU stands ready to support and contribute to Egypt's efforts in this direction, notably in establishing an enabling business environment, implementing sectoral reforms, public finance management reforms and addressing the social and economic impact of adjustment, particularly on the most vulnerable, through the development of a well-targeted social protection system.
7. The EU and Egypt are major economic partners. With bilateral trade in goods amounting to EUR 27.9 billion in 2017 and EU investments of EUR 42.8 billion in 2016, the EU ranks first as Egypt's major trade and investment partner. In 2017, the EU accounted for 29.7% of the total foreign trade value of Egypt. The EU is looking for a continued strong economic partnership with Egypt. In this respect the EU welcomes Egypt's commitment to reduce the import tariffs on motor vehicles to zero as of 1 January 2019 in line with the Association Agreement. However, a number of long-standing trade and investment barriers, including technical barriers to trade, continue to affect EU-Egypt trade cooperation. The EU calls for a joint commitment to address these impediments to trade in order to further facilitate trade and investment in line with the EU-Egypt Association Agreement and the WTO commitments.
8. Egypt already benefits from a duty free and quota free access to the EU market for industrial goods and also for most agricultural products. The EU will continue to support Egypt in its efforts to improve its export performance by boosting its general export capacity and competitiveness and achieving a closer integration into global value chains. The EU wishes to continue strengthening the ongoing dialogue with Egypt on further enhancing bilateral trade relations, including by exploring options to further facilitate and deepen trade and investment.

9. In a context where rapid population growth represents a major challenge to the sustainable development of the country, the EU is supporting Egypt's National Population Strategy. The EU supports Egypt's efforts to promote social development and protection, to address the social and demographic challenges and to enhance its capacities to advance sustainable economic and social development, and to create employment, particularly for youth and women. In this regard, the EU will continue its support to the country on employment and social protection, rural and urban development, water management as well as education and health systems, including sexual and reproductive health, in order to contribute to improving the delivery of quality basic services across the country. Finally, the EU will broaden its efforts to promote social justice by supporting Egypt's efforts to protect children and people with disabilities from the impacts of economic reforms.
10. The EU welcomes Egypt's progress towards achieving Education for All and the Sustainable Development Goals (SDGs), particularly in expanding access to basic education, and closing the gap between the enrolment of boys and girls. The EU remains a strong supporter of the Egyptian education sector as a whole, with particular emphasis on increasing the access to education for the most vulnerable children, the modernisation and quality of education, including Technical and Vocational Education and Training and Egyptian Higher Education, to provide skills matching the labour market. In addition to the EU's substantial bilateral support in this sector, Egypt's active participation in EU programmes such as ERASMUS+ (in the fields of higher and non-formal education) also plays a key role. Between 2015 and 2018, 2550 scholarships/fellowships have been approved to support Egyptian students and university staff to move to Europe to study, teach or train and 1145 Europeans received support to move to Egypt, making ERASMUS+ a success in both directions.
11. The EU and Egypt will continue to work together in the field of research and innovation, mainly through Horizon 2020 projects. Furthermore, the EU values Egypt's commitment and active involvement in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA).

12. In its bilateral support to Egypt, the EU will continue to place particular emphasis on women and youth, taking into account their crucial role in sustainable socio-economic development and long-term political and overall stability. It will also continue to promote People-to-People contacts through enhanced cooperation in the field of culture and cultural heritage, at bilateral level, as well as via regional EU programmes.
13. Considering Egypt's ambition to become a regional energy hub, sustainable energy security is key for the EU and Egypt's stability and development. A new Memorandum of Understanding on Energy covering period 2018-2022, signed in April 2018, paves way for strengthening energy dialogue in order to identify potential areas of enhanced cooperation for the benefit of both sides and the Mediterranean region, including by taking advantage of existing relevant facilities in Egypt, as well as of project for possible interconnectivity of the power grids of the neighbouring EU Member States as well as of other relevant projects with interested EU MS. The EU supports renewable energy development in Egypt and works on further boosting EU-Egypt business cooperation on Sustainable Energy including on Energy Efficiency and on helping on the mobilisation of adequate investments in the sector. The EU is also strongly committed to the African Renewable Energy Initiative (AREI) and to cooperating closely with its members, including Egypt, to launch new projects. Recalling that it has developed EU-led risk and safety assessments ('stress tests') of nuclear power plants, the EU reiterates the need for full compliance with international environmental and nuclear safety standards.

14. Environment and climate change is another area of requiring urgent action. The EU commends Egypt for hosting COP14 of the UN Convention on Biological Diversity and welcomes the “Sharm El-Sheikh to Beijing Action Agenda for Nature and People” launched during this COP 14. The EU will continue to support Egypt's efforts and reforms in the fields of solid waste management, water and sanitation, air pollution and sustainable transport, as well as Egypt's contribution to the regional efforts for the de-pollution of the Mediterranean. The EU welcomes Egypt's Chairmanship of the G77 and the African Group of Climate Change Negotiators and reiterates the shared goal to deliver a successful outcome at UNFCCC COP24, consistent with the spirit and the letter of the Paris Agreement, and with the conclusions of the 1.5°C IPCC (Intergovernmental Panel on Climate Change) report. The EU will continue to cooperate with Egypt in the area of environment and climate change with the broader objective of achieving the goals identified, *inter alia*, in the 2030 Development Agenda.
15. The EU fully recognises and appreciates Egypt's efforts in preventing irregular migration, in fighting smuggling of migrants and trafficking in human beings, in addition to Egypt's significant contribution in hosting refugees and migrants. The EU welcomes Egypt's efforts to improve its national legislative and coordination framework through the adoption of relevant by-laws and of the “National Strategy on Combating Illegal Migration” (2016-2026). The EU recognises the active role played by National Coordinating Committee on Preventing and Combating Illegal Migration and Trafficking in Human Persons (NCCPIM & TIP) re-established through Prime Ministerial Decree No. 2353 of 2010.

16. Following the President of the European Council Tusk's visit to Cairo, the EU looks forward to further strengthening its cooperation with Egypt on all aspects of migration as part of a broader partnership framed in the EU-Egypt Partnership Priorities, further shaped by the formal EU-Egypt Migration Dialogue in 2017 as the forum to address all aspects of a stronger, more strategic and comprehensive cooperation on migration and reaffirmed by the European Council on 18 October 2018. The EU has offered specific support to Egypt in addressing migration challenges through a EUR 60 million programme of the EU Emergency Trust Fund for Africa (EUTF) and looks forward to its ratification by the Egyptian Parliament. As the EU and Egypt deepen their cooperation on migration, the EU stands ready to discuss how to tailor its assistance to Egypt's needs and to examine how to further enhance its support to Egypt's efforts on to address migration challenges. The EU is also ready to step up its on-going support to Egypt's efforts to strengthen its migration and asylum governance framework, to protect the rights of refugees and migrants and to provide protection to those who qualify for it, in line with international standards, and search for durable solutions, including voluntary resettlement. The EU looks forward to an enhanced exchange of information and a reinforced cooperation in the fight against smuggling, including within the Africa-Frontex Intelligence Community (AFIC) and through the European Border and Coast Guard Agency (EBCGA), within the limits of the applicable legal frameworks.

17. The EU and Egypt will continue to strengthen cooperation on return of irregular migrants to their country of origin, in accordance with international law. This goes hand in hand with cooperation in addressing root causes of forced displacement and drivers of irregular migration, in particular underdevelopment, poverty, climate change and unemployment. While respecting national competences, facilitation of legal pathways to migration including circular mobility schemes can contribute to the development of skills and knowledge which could in turn contribute to the development of Egypt. The EU and Egypt have a mutual interest in strengthening dialogue and cooperation in this field, through the implementation of the Joint Valletta Action Plan and the existing multilateral fora, such as the Khartoum process in which Egypt is actively involved, the African Union and the League of Arab States. In light of the positive developments on the migration agenda, the EU looks forward to holding its next session of the Migration Dialogue in early 2019.
18. The EU has a strong interest in Egypt's sustainable stability and security. As agreed in the PPs, establishing a modern and democratic state that delivers benefits equitably to all people is essential in this regard. The entry into force in January 2014 of the new Constitution, which includes robust provisions on human rights and individual freedoms, and the parliamentary elections held in October and December 2015, constituted two important steps towards enhancing democracy in Egypt. The EU looks forward to the provisions of the Constitution on the rule of law, human rights and individual freedoms being fully implemented and existing and new legislation being in line with these provisions. The EU stands ready to support Egypt in translating these rights into law as agreed in the EU-Egypt PPs.
19. The EU supports Egypt's commitments to enhance State institutions' accountability, efficiency, independence and transparency. In addition to the support that the EU has already been providing to Egypt in past years to reform the public administration, improve public finance management, and fight corruption, the EU stands ready to further support Egypt in these crucial areas, including improving the capacity of the Parliamentary Training Institute.

20. The EU remains concerned about the continuing restriction of space for civil society in Egypt and pressure put on human rights organisations and defenders, including through arrests, asset freezes, travel bans, electronic surveillance and court summons. Civil society actors are key contributors to sustainable social and economic development, to the democratic consolidation processes and the promotion of human rights, helping to build sustainable stability and security. It needs to be allowed to operate in an enabling environment. The EU welcomes the positive role played by the Anna Lindh foundation, based in Alexandria, in engaging with Civil society organisations (CSOs) for the promotion of cross-cultural dialogue and highlights Egypt's important role as a host country. The EU reiterates its calls on the Egyptian authorities to shed light without further delay on the circumstances of the death of the Italian citizen Giulio Regeni and the French citizen Eric Lang and to identify and prosecute those responsible for these odious crimes, fully cooperating with the authorities of the concerned Member States on these cases.

21. The EU is concerned about the subsequent consequences of the NGO law of 2017 on NGOs' activities and the space for debate and discussion in the country. It is necessary to ensure that the future implementation of the law does not additionally undermine fundamental freedoms enshrined in the Egyptian Constitution and constrain civil society's contribution to political, economic and social development as highlighted in the PPs. To this end the EU welcomes the announced revision of the law and urges Egypt to engage in meaningful and inclusive consultations with civil society. Some provisions, such as the ones related to the registration process, the activities the NGOs are allowed to perform and the procedure for receiving domestic and foreign funding, are also likely to directly affect European cooperation assistance to Egypt. Indeed, a large part of EU and MS cooperation relies on civil society organisations as important implementing partners. The EU is available, should the Egyptian authorities so wish, to contribute to this reflection.

22. The EU is concerned about the efforts to limit freedom of expression and opinion, as seen with the arrest and the sentencing of journalists and bloggers on anti-state charges, continuous blocking of news websites and other measures limiting access to information and freedom of expression on the internet, including social media. The EU is also concerned about the potential restrictive impact of the cybercrime and media laws, on media freedoms and journalistic work. The EU calls on Egypt to be in line with its commitments to promote and protect the freedom of expression, association and assembly, as well as the freedom of the press and access to information, as guaranteed by the 2014 Constitution and according to Egypt's international obligations. The EU encourages Egypt to improve the situation with respect to civil and political rights, including freedom of expression both online and offline, and to review its legislation in accordance with international law and with the Constitutional guarantees with respect to human rights and fundamental freedoms.

23. The EU acknowledges the government's commitment to promoting women's full enjoyment of all human rights and their social and economic empowerment, and welcomes the adoption of the National Strategy for the Empowerment of Egyptian Women 2030 and amendments to the Inheritance Law, and encourages Egypt continuing its efforts in this regard. The EU will continue supporting Egypt on women's empowerment, preventing and combating sexual harassment and violence against women, notably through the National Council for Women and the National Council for Childhood and Motherhood.

24. The EU notes that Egypt is party to the UN Convention on the Rights of the Child and that its candidate has been elected to the Committee on the Rights of the Child. In this context, the EU encourages Egypt to endorse the Paris Principles and Commitments to protect children from unlawful recruitment or use by armed forces or armed groups. Furthermore, the EU encourages Egypt to join The Hague Convention on the civil aspects of international child abduction.

25. The EU remains concerned about reports of torture, enforced disappearances and poor detention conditions and encourages Egypt to address these issues, including through the access to all detention centers by independent monitors in accordance with national laws. The EU is concerned about the recent Law Governing the Treatment of Certain Senior Commanders of the Armed Forces and underlines the need for accountability for all violations. Increase in the handing down of death sentences, executions and mass trials, as well as military trials of civilians are also of particular concern. The EU reiterates its principled position against the death penalty and calls on Egypt to establish a formal moratorium with a view to its abolition. The EU encourages Egypt's participation to the 7th World Congress Against the Death Penalty which the EU will co-host with Belgium in February 2019.

26. The EU takes note of Egypt's participation in the UPR midterm review and its engagement with the UN Special Procedures and encourages Egypt to issue a standing invitation to all Special Procedures. The EU calls Egypt to investigate allegations that people who met with the Special Rapporteur on Adequate Housing were subjected to pressure or reprisal for meeting with her. The EU appreciates Egypt's recent hosting of the EU Special Envoy for freedom of religion or belief outside the EU. The EU welcomes Egypt's' decision to establish a Higher Permanent Committee for Human Rights with a mandate to draw up a national human rights strategy and follow up its implementation.

27. Sustainable security is a shared objective for the EU and Egypt and a central element of the EU Global Strategy. The EU is fully aware of the serious destabilising threats and challenges that Egypt's stability and security is facing, primarily terrorism and the impact on the Egyptian population, the state institutions as well as the country's economy, including tourism. The EU strongly condemns acts of terrorism in Egypt including against security services and the military, as well as attacks against religious communities, including Copts, and places of worship and stands in solidarity with Egypt in its fight against terrorism. The EU and Egypt have a common interest in strengthening cooperation on security and countering terrorism. The EU and Egypt will continue to progress on CT cooperation, in line with the EU-Egypt PPs' commitment to promoting and respecting democracy, fundamental freedoms and human rights as constitutional rights of all citizens, and to enhancing the capacity of law enforcement institutions to provide security to all in full respect of these obligations and norms. Following the adoption of Council's decision authorising the Commission to open negotiations for an agreement between the EU and Egypt on the exchange of personal data with Europol with appropriate data protection safeguards, the EU calls on Egypt to continue working to strengthen cooperation with Europol and to enter into negotiations with the Commission on such an agreement.

28. The EU acknowledges the serious and destabilising security challenges faced by Egypt that led to the State of Emergency. In this respect, the EU strongly encourages Egypt to address the concerning consequences of the ongoing state of emergency for the respect of human rights, fundamental freedoms and the rule of law. The EU reiterates its position that arbitrary arrests, long pre-trial detention, poor prison conditions and torture contribute to fuelling radicalism and violent extremism. It highlights the importance of tackling terrorism and violent extremism in full respect of human rights and international obligations and recalls the Constitutional provisions that apply to the declaration of a State of Emergency.

29. An effective Counter Terrorism effort needs the support of the public, and respect of the rule of law. The EU is concerned about amendments to the Judicial Authority Law. The EU recalls the importance of the independence of the Judiciary, as guaranteed by the 2014 Constitution.

30. In line with the 2013 transition roadmap to democracy, the EU also encourages Egypt to take steps to foster national reconciliation and youth inclusion that are key to Egypt's long term stability. The EU notes the efforts made in this direction through the National Youth Conference.
31. With its upcoming Presidency of the African Union in 2019, Egypt has a key role to play in the whole region and beyond. As strategic regional actors, the EU and Egypt have a shared interest in continuing to reinforce their cooperation in foreign policy and in particular addressing the main regional challenges, including in Libya, Syria, the Middle-East Peace Process, Yemen and in Africa. It is in our interest to continue to enhance dialogue and cooperation on these issues both at the bilateral and multilateral levels, including in the framework of the Union for the Mediterranean. The EU welcomes Egypt's decision to host the EU-League of Arab States' Summit on 24-25 February 2019.
32. The EU acknowledges that the instability in Libya poses significant security and humanitarian pressures on its neighbours, including Egypt. The EU and Egypt share the view that there can only be a political solution to the Libyan crisis and will continue their respective efforts, bilaterally or within regional organizations, to support the UN-led political process aimed at bringing stability, peace and prosperity for all Libyans. The EU remains fully committed to an inclusive Libyan owned political process. The EU and Egypt are committed to support the recalibrated UN Action Plan endorsed at the Palermo conference, with a view to hold a National Conference and complete the electoral process by Spring 2019; to consolidate security in Tripoli and throughout the country, fully implement the new security arrangements and establish regular security forces; and to complete structural monetary and fiscal reforms, such as the subsidy and wage bill reforms, needed to address the economy of predation in Libya and ensure a fair and sustainable distribution of national resources. All those who undermine the political process or threaten the stability of Libya will be held accountable. Subject to further developments, the EU stands ready to consider the application of additional sanctions.

33. Regarding the situation in Syria, the EU welcomes Egypt's ongoing commitment to the UN process for the resolution of the crisis, as well as to the defeat of Da'esh and all UN designated terrorist groups in Syria, including through the efforts of the Global Coalition. The EU urges the maintenance of the Idlib lasting ceasefire and the unimpeded humanitarian access to all Syrians in need. As the Council reaffirmed in April 2018, any sustainable solution to the Syria conflict requires genuine political transition in line with UNSCR 2254 and the 2012 Geneva Communiqué. The EU strongly supports the resumption of intra-Syrian talks within the UN-mediated Geneva process and the efforts to convene the first meeting of the constitutional committee before the end of this month. The EU recognises the active role played by Egypt in the "Small Group" which supports the UN process. In consideration of Cairo's active role within the League of Arab States, the EU seizes the opportunity to reiterate that now is neither the time to normalise relations with Syria, nor to and reintegrate Syria into international bodies. The EU stands ready to assist in the reconstruction of Syria once a comprehensive, genuine and inclusive political transition on the basis of UNSCR 2254 (2015) and the 2012 Geneva Communiqué is firmly under way. War crimes and possible crimes against humanity need to be investigated thoroughly and independently, and perpetrators held accountable. Furthermore, the EU notes that in order to allow for the safe, voluntary and dignified return of Syrian refugees, the conditions, as defined by UNHCR, must be in place. The EU remains committed to the support of Syrian refugees and IDPs as well as refugee-hosting countries.

34. The EU recognises Egypt's indispensable role and will continue to engage closely with Egypt in pursuing a just, sustainable and comprehensive resolution of the Israeli-Palestinian conflict, based on the two state solution, with the State of Israel and an independent, democratic, contiguous, sovereign, and viable State of Palestine, living side by side in peace and security and mutual recognition in line with relevant Council Conclusions, and with Jerusalem as capital of the two states. The EU will continue to respect the international consensus on Jerusalem embodied in UN Security Council Resolution 478 of 1980. The EU and Egypt will continue to work towards that end with both Israeli and Palestinian counterparts, and all other relevant stakeholders in the region, in particular in the framework of the Arab Peace Initiative. The EU will continue to support Egyptian efforts towards the reunification of Gaza and the West Bank under one single and legitimate Palestinian Authority.

35. The war in Yemen has created the world's gravest humanitarian crisis, ravaging the country, inflicting unprecedented suffering on its population and undermining regional stability and security, including in the Red Sea. The EU reiterates the urgent need to support the UN Special Envoy for Yemen as he attempts to resume political negotiations between the parties to the conflict. De-escalation is key in this regard. The EU has therefore called on all the parties to show restraint and participate constructively in the ongoing UN-led consultations. The EU is committed to providing concrete support, including through confidence-building measures, at the request of the UN Special Envoy. The EU will continue its political, developmental and humanitarian engagement with Yemen.

36. The EU reiterates its preoccupations with regard to the ongoing Gulf dispute a year and a half after it started. It stresses the importance of unity within the GCC for the stability of the Gulf region and for the efficiency of our collective efforts to deal with regional issues such as the fight against terrorism. The EU continues to discuss the negative effects of the crisis with all the parties and stands ready to assist Kuwaiti mediation efforts in ways which can lead to a regional détente. The EU has the firm intention to keep strong relationships and ties with all the Gulf countries and hope that they will manage to restore good relations among them.

37. In Africa, the EU and Egypt have a common interest in working together constructively to promote closer regional cooperation to reinforce this region's capacity to address the many challenges it is facing. In this regard, the EU welcomes Egypt's upcoming Presidency of the African Union in 2019. The EU also looks forward to working with Egypt for their mutual benefit in the context of the Post-Cotonou Agreement negotiations. The EU is keen to strengthen engagement with Egypt and other stakeholders in a cooperative and predictable manner on issues regarding dialogue on the Red Sea and the Horn of Africa, while preserving the local ownership of the region. The EU also welcomes the ongoing trilateral talks between Egypt, Ethiopia and Sudan on the Grand Ethiopian Renaissance Dam. The EU stands ready to engage in support of further cooperation on the Nile, at the request of all the parties.

38. The EU-Egypt Partnership has been reinforced since the adoption of Partnership Priorities in July 2017, on the basis of a closer dialogue both on issues on which we agree and on which we differ, in a spirit of mutual trust and openness. Regular assessment of the progress made in the implementation of the PPs, through the various mechanisms foreseen in the PPs and through regular political dialogue, should allow us to continue to maintain this positive momentum, in the interest of our people and region.
