

Program on Extremism

THE GEORGE WASHINGTON UNIVERSITY

Egypt: Challenges and Opportunities for U.S. Policy

Written Testimony of:

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**Before the U.S. House of Representatives Foreign Affairs Committee,
Subcommittee on Middle East and North Africa**

June 15, 2016

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Madame Chairperson, Ranking Member Deutch, and members of the subcommittee, thank you for the opportunity to appear before you today to discuss the security situation in Egypt.

Egypt has been one of our long standing partners in the Middle East for more than three decades. Its peace with Israel, which was brokered by the U.S., remains one of America's notable successes in this turbulent region as it closed a chapter on a devastating era of large conventional wars between Israel and its neighboring states. In addition to providing overflight rights to U.S. military aircraft and preferential access to U.S. Navy ships through the Suez Canal, Egypt has maintained its peace with Israel. Unlike some other countries in the region, Egypt has not been a state sponsor of terror. Egypt has also been the recipient of U.S. Foreign Military Financing (FMF) for over 30 years and currently receives \$1.3 billion annually, and roughly 50 percent of its arsenal is supplied by the United States.

However, Egypt and the region have undergone fundamental changes that have shifted the underlying strategic rationale for this important relationship. The threat arising from the Arab World is no longer coming from conventional wars, but rather in large part from non-state actors deploying terrorism and asymmetric warfare to destabilize states and hold territory in ungoverned spaces. Egypt is increasingly facing such new threats as the country continues to adjust to a new political reality following five years of political upheaval and overwhelming demographic and economic pressures. As a result, the United States and Egypt have struggled to adjust to new regional realities and craft a new strategic rationale for the relationship that is relevant to meet the challenges and threats of the 21st century.

The United States and Egypt need to build new anchors for the bilateral relationship. These anchors should center on upgrading the security relationship, which remains the top priority, but we also need to work together to find new constructive approaches on economic and governance reforms vital for Egypt's continued stability and in ensuring dignity and economic opportunity for 90 million Egyptians, whose ranks grow roughly by 1 million people every six months.

As I wrote with Brian Katulis in a Center for American Progress report last year, both countries should heavily invest in continuing a serious strategic dialogue on issues of mutual concern, focus on expanding contacts between citizens, and look for ways to expand multilateral support for Egypt by coordinating with partners such as the United Arab Emirates, Saudi Arabia, and Egypt's European friends.¹ The new anchors should focus on ways to update the security relationship, open up a dialogue on the need for pluralism and political reform in Egypt, and finally, organize multilateral reform efforts that can help sustain Egypt's economy.

My testimony today will focus on how to update the security relationship in a way that best meets Egypt's new security challenges and U.S. priorities in the region. I hope that success in this area can help rebuild trust in the relationship and produce positive externalities into other areas in the bilateral relationship. Despite the overwhelming challenges in the relationship, Egypt remains one of the few stable countries in the region that has institutions with which we can engage. This is a radically different reality from failed states like Libya, Syria, and Yemen. More importantly, helping Egypt address its security challenges in ways that align with U.S. interests and values will have a tremendously positive impact on stability in Egypt and the wider region. Congress will play an important role in this process of updating our relationship with Egypt and

it should work with all of the key agencies of the U.S. administration involved in this relationship to send a unified message to Egypt.

I have structured my testimony today around two main topics:

1. A threat assessment outlining the security challenges that Egypt faces.
2. A set of recommendations for U.S. policy.

Egypt's Threat Assessment:

It is important to first understand the reality of the terrorist threat that Egypt faces today. Immediately following the ouster of the Muslim Brotherhood from power in July 2013, a diverse array of violent Islamist groups stepped up their activities aimed at destabilizing the new government. Over 900 security servicemen have lost their lives to Islamist violence since then, making it the deadliest Islamist insurgency in the country's modern history.

The threat to Egypt comes from three different geographic theatres – the Sinai, the Nile Valley, and the Western Desert – and three different types of actors – Salafi Jihadists affiliated with the Islamic State, others who are with or lean towards Al Qaeda, and a new category of violent Islamists affiliated with some factions inside the Muslim Brotherhood and allied Islamists.

The Sinai Threat:

First, in the northeastern corner of North Sinai governorate, somewhere between 700 to 1000 Islamic State affiliated fighters wage insurgency against the Egyptian military and launch terrorist attacks, of which some are directed at Israel. The main group, Ansar Bayt al-Maqdis, or Supporters of Jerusalem, launched several attacks against Israel and a pipeline that fed Egyptian gas to Israel in 2011-2012.² Following former President Mohamed Morsi's ouster in July 2013, the group escalated its attacks against Egyptian security forces in the Sinai, and used sleeper cells they had developed since 2011 in the Egyptian Nile Valley to launch attacks outside the Sinai. Since the fall of 2014, the group's capabilities and the lethality of its attacks significantly increased as it pledged allegiance to the Islamic State group and changed its name to Wilayat Sinai, or Sinai Province. However, despite what the name may imply, the group does not control any population centers and does not exercise governance over any significant territory as the Islamic State does in Syria, Iraq, and Libya.

The so-called Wilayat Sinai was able to launch several large scale ground offensives against Egyptian security forces in the period from fall 2014 to summer 2015. More advanced anti-tank weapons, such as Russian-made Kornet missiles smuggled from Libya and Sudan, were also increasingly used by the group. These efforts culminated into a massive simultaneous attack on July 1, 2015, that appeared to have a primary goal of holding parts of the North Sinai city of Shiekh Zuwaid. Only after a 12 plus hour battle and the intervention of Egyptian F-16s did the Jihadists retreat. In the following months, Egyptian security forces launched a major campaign that seemed to have immediate results in decreasing the number of attacks and casualties. However, the Jihadists adapted tactics and began to rely more heavily on IEDs, use of sleeper cells in cities like Al Arish, and terrorist attacks like the downing of the Russian airliner in October 2015.

As a result, the first quarter of 2016 has been the deadliest for Egyptian troops in North Sinai since 2014 and the frequency of attacks has increased (see figures A and b). Despite this, the Jihadists do not appear to have regained the same qualitative capabilities that they possessed prior to July 2015 as of yet.

Although the major trouble area has been contained to northeastern Sinai, the Jihadists have demonstrated an ability to plant IEDs in central and western Sinai. They have also copied Islamic State tactics in booby-trapping houses in empty or near empty villages whose residents had fled the fighting, presenting a challenge for advancing Egyptian troops.

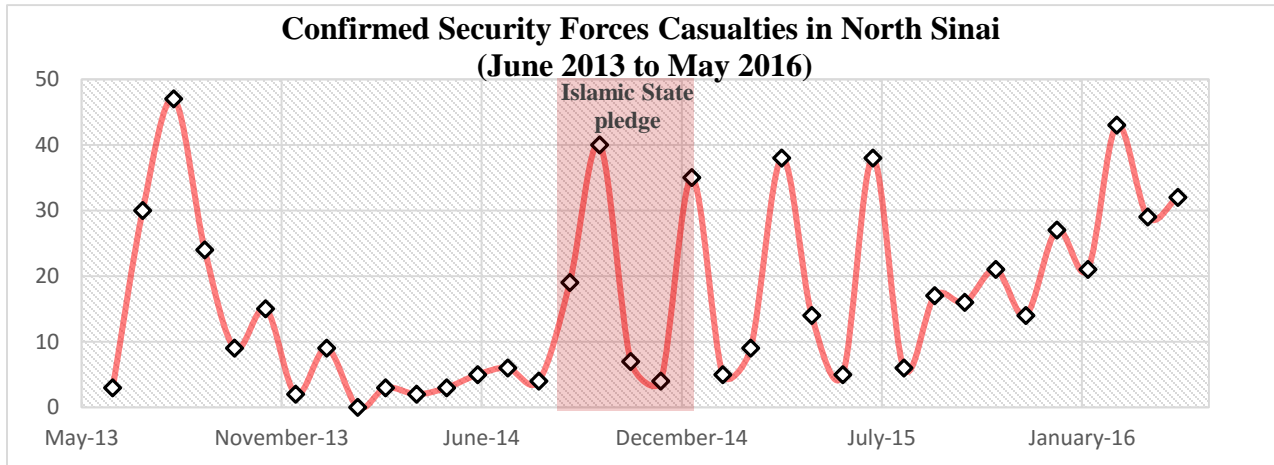


Figure A—Confirmed Security forces casualties in North Sinai (June 2013 to May 2016). Source: Own database based on official government statements and open source reporting on soldiers’ funerals and deaths (approximate).

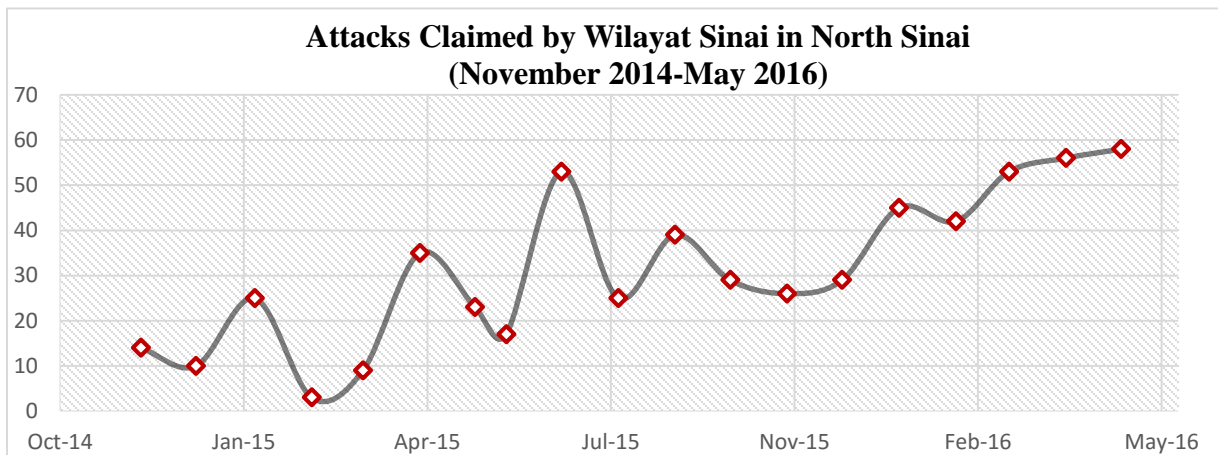


Figure B—Attacks claimed by Wilayat Sinai in North Sinai. Source: Wilayat Sinai, Islamic State official publications as well as data compiled by analyst Jantzen Garnett. This is not a comprehensive accounting of all attacks and incidents in North Sinai, only those claimed by the group (approximate).

Although Wilayat Sinai remains relatively contained and isolated geographically, some troubling trends must be monitored closely. The transformation of the group since its pledge of allegiance to the Islamic State in November 2014 makes it one of the most active Islamic State branches. The Islamic State appears to have completely subsumed the local affiliate as its attacks and strategy seem to clearly advance Islamic State core strategic interests.³ The group’s downing of a Russian airliner in October 2015, instantly killing over 200 civilians, is the best demonstration of

this as up to that point it had avoided mass civilian casualties. Wilayat Sinai has also been the recipient of material support from the Islamic State core leadership by way of Libya.⁴ A network of small fishing boats connects the Northern Sinai coast with Libya's and allows for these transfers. Due to this, the local group may continue to receive material support and other assistance from Islamic State core leadership by way of the sea, even as Egyptian forces may make some gains against it on the ground. The Islamic State looks to this affiliate as both a promising base to attack Egypt and, perhaps more importantly, as a launching pad for attacks against Israel.

The Nile Valley Threat:

Second, there is the Nile Valley, the heart of Egypt where 97 percent of the population lives. Since 2013, some violent Islamist groups believed to be affiliated with certain factions inside the Muslim Brotherhood and other allied Islamists have carried out terrorist attacks against Egyptian security services and acts of sabotage targeting Egypt's infrastructure.⁵ Other Salafi Jihadists with Al Qaeda leanings, like the Afnad Misr group, have also operated there. Finally, the Islamic State has succeeded in infiltrating the Nile Valley by recruiting existing native Salafi Jihadists for its cause and other non-Salafi Jihadists who were engaged with the Muslim Brotherhood affiliated groups.

Despite the great number of threats, the security situation in the Nile Valley is much more stable than North Sinai. This is largely due to work by Egypt's State Security apparatus, which has been able to check violent groups. Egypt's State Security have advantages in the Nile Valley that they lack in other parts of the country, including a deep familiarity of key population centers. An additional reason is that many of the actors they have had to face, especially those affiliated with some inside the Muslim Brotherhood, lack the capacity in terms of strategy and materiel to present a major threat at this time. In the Nile Valley, violence has seen a marked decrease since the summer of 2015 due to security successes and also due to increased fragmentation inside the Muslim Brotherhood.

The Islamic State has demonstrated some signs of trying to make inroads in the Nile Valley and since 2015 has re-activated Salafi Jihadist networks there.⁶ They blew up the Italian consulate in Cairo and also attempted to carry out a terror attack at the Karnak Temple in Luxor in the summer of 2015. They have also targeted other government buildings. Most recently, the group has recruited what appears to be Islamist youth in Greater Cairo in an attempt to bring armed insurgency closer to Cairo. These efforts have thus far had limited success due to the strength of Egypt's State Security apparatus and the inexperienced nature of the recruits.

The Islamic State appears to be trying to consolidate the fragmented landscape of Nile Valley Islamist militants and simultaneously attempt insurgency in the region while directing terrorist attacks against government, tourist, and other Western interests. The nature of the Nile Valley threat may escalate if the Islamic State—with its expertise, weapons, and financing—succeeds in recruiting more Egyptian Islamists. There are untold thousands of Egyptian Islamist youth who may be susceptible to such recruitment, threatening to turn Egypt into another Tunisia in terms of contributing large numbers of foreign fighters.

Yet at the same time, the ability of the Islamic State to make major gains inside of mainland Egypt in the way that the group has in Syria and Iraq over the past three years is constrained by the simple fact that the sectarianism between Sunni and Shiite groups that drives the conflict in Iraq and Syria is not a factor in Egypt. Furthermore, Egypt lacks easily extractable resources that can finance Islamic State like governance activities. Most importantly, the state is far more cohesive. With that being said, the Islamic State may likely attempt to target Egypt's Christians in an attempt to instigate sectarian strife in areas such as Cairo, Alexandria, and Upper Egypt. Christians are also viewed by Islamists as a legitimate target and Islamic State affiliated elements will view Christians' property and wealth as legitimate financing sources.

Western Desert and Libya Threat:

Finally, there is Egypt's vast Western Desert which shares a more than 1,000 km long border with Libya. Egypt faces threats from weapons smuggled from Libya as well as from the infiltration of Islamic State elements inside its territory. The main threat from the Western Desert was previously criminal networks and smuggling of weapons, but since the rise of Al Qaeda in Eastern Libya and later the Islamic State, Egypt has increasingly focused on terrorist elements spilling over. The government has been able to intercept many weapons shipments, but recognizes that it is not catching all.

Since 2014, Salafi Jihadists have taken an interest in the area and launched some attacks. These groups are primarily interested in securing vital smuggling routes, but also seem to be interested in slowly setting up an infrastructure in the vast desert to be able to launch attacks inside the Nile Valley and more securely link the Libyan and Egyptian theatres. In 2015, the Islamic State officially announced the presence of some of its elements in the Western Desert and decapitated a Bedouin who worked with the government to track smugglers. In the fall of that year Egyptian forces battled Islamic State elements that had infiltrated from Libya and reportedly reached some 30 KM west of Asyut in Upper Egypt.

Egypt also faces an Al Qaeda threat from across the border in the form of Al Murabitun, a terrorist group headed by former Egyptian special forces officer Hisham Ashmawy. Ashmawy used to be a member of Ansar Bayt al Maqdis, but defected due to his refusal to pledge allegiance to the Islamic State. Although his group has not claimed any attacks inside Egypt, it has stated as its objective to topple the government and is attempting to recruit Egyptian Islamists.

Recommendations:

For these reasons, a continued security relationship with Cairo is vital both for U.S. strategic interests and to help ensure the stability of a long time U.S. partner in the region and the Arab World's most populous nation. However, the 20th century strategic rationale for this security relationship is no longer as salient—peace between Egypt and Israel continues not because of U.S. assistance dollars, but because of common interests among actors on the ground. Thus the relationship should reflect the changing nature of the challenges Egypt faces and the wider region in confronting asymmetric threats from non-state actors in the 21st century.

The Obama administration's announcement that starting in Fiscal Year 2018 the U.S. will channel FMF funds towards procurement in four categories—counterterrorism, border security, maritime security, and Sinai security—is a good basis for the future of the FMF program to help advance core U.S. interests in the region and secure Egypt's stability. This pathway for updating U.S.-Egypt cooperation is sound and will require close coordination and support between Congress and the administration in order to implement it effectively.

To help meet these challenges and ensure that the Islamic State does not continue to expand in Egypt, the U.S. and Egypt must both invest in their bilateral relationship. This relationship has witnessed considerable strains and challenges, especially in the past few years, but our significant common interest in fighting terrorism and stabilizing Egypt means that our work together should rest on mutual trust, respect, and frankness. Attempting to leverage the security relationship to force Cairo to implement political and economic reforms will not likely produce the stability and types of economic and political reforms desired and may in fact be counterproductive.

The United States needs to speak frankly with Egypt's leaders about a wide range of concerns including the anti-Americanism prevalent in the Egyptian media and conspiracy theories that the U.S. seeks to destabilize the Egyptian government which Cairo sanctions, serious human rights abuses, and its jailing of non-violent secular activists and artists. Furthermore, the closing down of political space closes off avenues to defeat extremists in the realm of politics and ideas. In fact, some of those who have spoken out against extremists have themselves been jailed, such as anti-Islamist researcher and TV presenter Islam El Beheiry. Unchecked human rights violations and the use of torture in prisons and other detention facilities also contribute to the problem of radicalization. Finally, a free Parliament without the interference of security services is also vital to provide space for open debate on important issues and help build democratic institutions inside Egypt. Failure to address this serious issues ultimately hamper America's ability to develop a new set of anchors to steady its relationship with Egypt, and some of these actions can ultimately undermine stability in Egypt.

But the top priority focus for the United States should be on providing the right set of incentives and disincentives to Egypt so that it can enhance its capacities deal with security threats. U.S. security cooperation and assistance with Egypt should be conditioned on Egypt's performance in that field.

In implementing a more focused security assistance and cooperation program, the United States should encourage Cairo to implement a comprehensive counterinsurgency strategy in the Sinai that integrates technologies and training with economic development and tribal outreach in order to effectively defeat terrorist elements, all while simultaneously minimizing collateral damage. The government in Egypt has taken some steps in this direction, especially in terms of economic development, but it remains to be seen whether these steps are evidence of a coordinated and effective counterinsurgency strategy that aligns with American expectations. Both governments should also ensure that defense officials are able to discuss issues related to counterinsurgency frankly and be granted the access necessary to adequately provide training and assistance.

More cooperation is also needed with Egypt's General Intelligence Directorate and the Ministry of Interior, specifically State Security. These institutions form the backbone of the Egyptian state and most importantly share in devising and implementing Cairo's counterterrorism measures. For these reasons, they warrant greater engagement. Egypt requires a comprehensive counterterrorism strategy and countering violent extremism strategy in its mainland in order to more effectively combat the different strands of Islamist extremists, to make sure Egypt's prisons do not contribute to radicalization, and to prevent Islamist youth from becoming a reservoir of potential Jihadi recruits for either ISIS or Al Qaeda.

Egypt's police, especially those in rural and peripheral areas, requires more training and equipment to be able to ensure basic law and order, and be the first lines of defense against extremists. More intelligence sharing is also needed and frank exchanges of advice and recommendations that help ensure that both countries are more closely aligned in how they combat extremists in the region. High level discussions between Egyptian and American security officials are needed to effectively strategize how both countries can work together and assist one another in combating terrorism.

If indeed Cairo does take concrete steps in aligning its counterinsurgency, counterterrorism, and countering violent extremism strategies with U.S. vision and values, then the FMF program can continue to be of strategic value and benefit for both countries. This will allow for greater exchanges of technologies, training, and provision of weapons that can help Cairo meet these challenges. At the same time, if trust is rebuilt and the security relationship becomes more functional and effective, it could open the pathway to a strategic dialogue on a wider range of issues, including economic and governance reforms.

Sources:

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⁵ For research documenting the turn to violence by some inside the Muslim Brotherhood, please review: Mokhtar Awad and Mostafa Hashem, *Egypt’s Escalating Islamist Insurgency* (Beirut: Carnegie Middle East Center, 2015).

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⁶ Mokhtar Awad, “The Islamic State’s Pyramid Scheme: Egyptian Expansion and the Giza Governorate Cell,” CTC Sentinel, April 22, 2016, <https://www.ctc.usma.edu/posts/the-islamic-states-pyramid-scheme-egyptian-expansion-and-the-giza-governorate-cell>