



**Government Defence
Integrity Index**



2020



Country Brief:

EGYPT



EGYPT

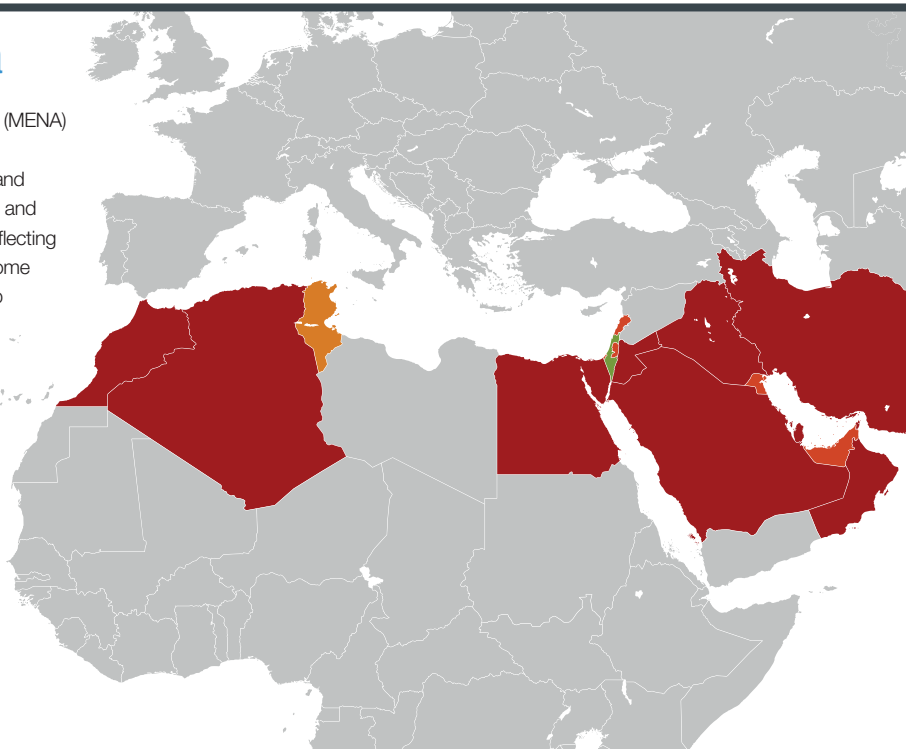
The Arab world's most populous country, Egypt faces an uncertain future as the economic downturn triggered by the COVID-19 pandemic compounds years of poor investment and stagnant growth.¹ That these pressures have not translated to political unrest, is partly due to the military and security forces' extensive powers and the government's use of force to impose its authority, contributing to a damning human rights record.² Moreover, under the cover of emergency health legislation, the government has expanded its powers to suppress opposition groups and extended the state of emergency that has been in place since 2017.³

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2005.
Arms Trade Treaty	Has not signed.

The military has accrued significant political and economic powers since independence,⁴ and barring the one-year rule of Mohammed Morsi, all four of Egypt's presidents since 1954 have been former military.⁵ Under current President Abdel Fattah al-Sisi, the military's influence has continued to grow, along with its business interests, strengthening the mutually beneficial relationship between the executive and military leaders.⁶ In the face of mounting national and regional security threats, from terrorist attacks in the Sinai,⁷ to rivalries in the Eastern Mediterranean and Red Sea,⁸ and conflict in Libya and Gaza,⁹ the military is expanding at a considerable rate and its critical political and economic role is set to continue. However, the current governance structure and functioning of the defence forces leaves them highly vulnerable to abuses. Defence exceptionalism and opacity pervade every aspect of the sector, putting it almost completely out of reach of external oversight mechanisms. Parliament and audit bodies are powerless to exert scrutiny, with procurement and defence revenue two particularly secretive activities. Access to information is non-existent and citizens risk severe repercussions for investigating military issues. Elsewhere, personnel management systems entrench impunity and facilitate corruption, while military operations are completely unprepared to mitigate corruption risks in the field.

Middle East & North Africa

Defence sectors across the Middle East & North Africa (MENA) region continue to face a high risk of corruption. At the same time, protracted armed conflicts in Syria, Libya, and Yemen persist, while public protests against corruption and authoritarianism continue in a number of countries – reflecting an overall context of insecurity and fragility. Although some governments have publicly committed to stepping up anti-corruption efforts, there remains a gap between existing legislation and implementation in practice. Military institutions in the region are characterised by a high degree of defence exceptionalism, resulting in a lack of transparency that precludes oversight actors from effectively scrutinising defence budgets and policies at a time when defence spending and arms imports continue to surge. These concerns are further compounded by authoritarian governance systems seen in many MENA countries. Resurgent protests and uprisings in the region after the 2011 Arab Spring demonstrate that corruption is a central and persistent public grievance.



¹ Jeremy M. Sharp, 'Egypt: Background and US Relations', *Congressional Research Service*, 27 May 2020, p. 1.

² Human Rights Watch, 'Condemnation of Egypt's Abuses at UN Rights Body', 12 March 2021.

³ Human Rights Watch, 'Egypt: Covid-19 Cover for New Repressive Powers', 7 May 2020.

⁴ Transparency International Defence and Security, *The Officer's Republic: The Egyptian Military and Abuse of Power*, TI-UK, London, 2018.

⁵ Sharp, 'Egypt', p. 4.

⁶ Yezid Sayigh, *Owners of the Republic: An Anatomy of Egypt's Military Economy*, Carnegie Middle-East Centre, Washington DC, 2019.

⁷ Allison McManus, 'ISIS in the Sinai: A Persistent Threat for Egypt', *Newlines Institute*, 23 June 2020.

⁸ Sharp, 'Egypt', p. 14.

⁹ Dina Ezzat, 'Egyptian Foreign Policy: Step-by-Step Diplomacy', *Ahram*, 13 February 2021.



EGYPT

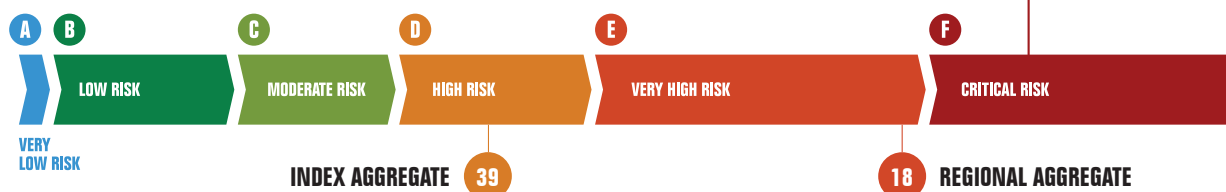
Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

EGYPT SCORE CRITICAL RISK

F

6



A > 83-100 VERY LOW

B > 67-82 LOW

C > 50-66 MODERATE

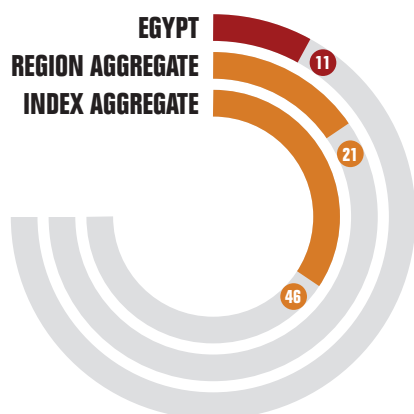
D > 33-49 HIGH

E > 17-32 VERY HIGH

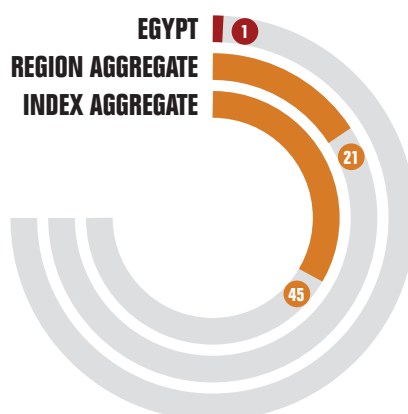
F > 0-16 CRITICAL

Risk Comparison

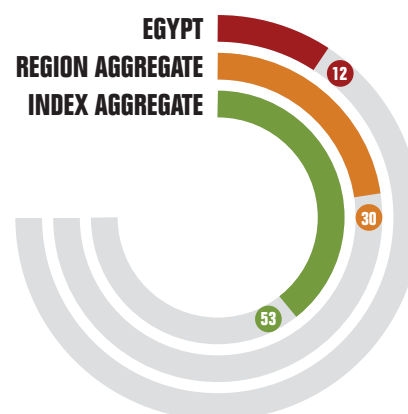
POLITICAL



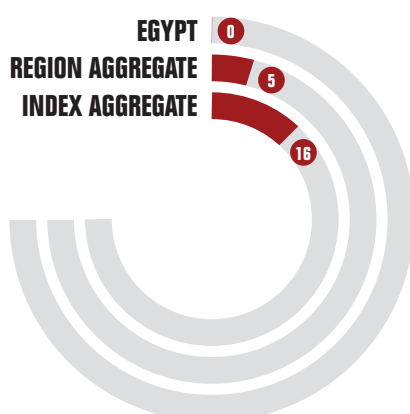
FINANCIAL



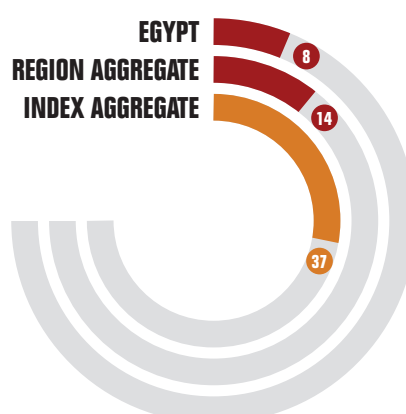
PERSONNEL



OPERATIONAL



PROCUREMENT





EGYPT

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	50/100
Military expenditure as a share of government spending (SIPRI, 2020)	4.6%
Committee members with defence expertise (%)	44% (15 of 34)
# of meetings/year	Data is not publicly available.
Last review of defence policy/strategy	The strategy is not made public.

President Sisi's contested re-election in 2018 was followed by constitutional amendments, which could see him in power until 2030.¹⁰ His administration has overseen an unprecedented consolidation of control over all branches of government and further entrenched the military's powers.¹¹ The symbiotic relationship between the government and senior military officials has left little room for the development of a strong and effective legislature. Egypt's parliament is highly supportive of the government's agenda, in part due to threats against lawmakers who oppose initiatives.¹² Equally, tailor-made election laws allow for almost exclusively regime supporters in parliament, who depend on military support to win their seats.¹³ The military's special status has guaranteed it immunity from parliamentary scrutiny. Though the parliament must approve laws, its powers to review budgets, arms acquisitions and defence policy are heavily restricted.¹⁴ Instead, the National Defence Council (NDC), led by the president and senior military officials, is mandated to develop policies and is required to be 'consulted' by parliament on laws relating to defence. As a result, parliamentary policy-making powers are virtually non-existent and there have been no debates about defence policy in the legislature for the past five years. Its oversight powers, too, are heavily restricted. The executive has cracked down on attempts by lawmakers to question the financial and political assets of the military, with the speaker of parliament himself declaring that the legislature's role is not to provide a critical oversight function.¹⁵ Accordingly, parliament's defence committee (DNSC) is heavily influenced by the military, with around half its members former officers. The committee's work is purely symbolic and it has not reviewed any reports or policies in the past five years. Similarly ineffective oversight powers are evident in auditing practices as there is no external auditing of defence institutions. Though the Central Auditing Authority (CAA) has formal powers, it has never conducted an assessment of the Ministry of Defence or Armed Forces. Moreover, the military's business and economic interests are legally beyond the CAA's remit, whose independence has been cut back in recent years through legislation granting the president the power to remove its head.¹⁶

Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: Data is not publicly available. (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	No such body exists.
Does the commissioner have authority over the MoD?	No such body exists.
Audit reports on defence (2015-2020) #	None.
Open Budget Index (IBP, 2019)	43/100
World Press Freedom Index (RSF, 2021)	166th out of 180

President Sisi's increasingly authoritarian rule is buttressed by an opaque administration that provides very little information and violently represses any form of dissent.¹⁷ The military is notoriously secretive, especially with regards to its core expenditures and extensive business interests. The defence budget is confidential and only a single top line figure is provided in the national budget.¹⁸ No further details or breakdowns are provided and the published figure itself is inaccurate as it does not include revenue from the military's commercial interests.¹⁹ Exact figures around the size of this revenue are hard to come by, however they are widely held to be substantial, representing above 2% of GDP.²⁰ The complete lack of transparency around these interests also raises questions about the extent of institutional scrutiny over them. Though the President has asserted that they are subject to scrutiny by the Central Auditing Agency, the Agency itself is controlled by the President, who fired its previous head for speaking out against military corruption.²¹ As a result, the defence budget is likely only a fraction of the resources dedicated to the military, leading to a situation where certain activities are financed entirely off-budget using this income as slush funds to pay for significant weapons contracts, for instance.²² Compounding the government's opacity is a system of repression that dissuades journalists, NGOs and the public from discussing or seeking to obtain information related to the military. Authorities restrict internet access, censor online content, and monitor private communications.²³ There is no legislation that regulates access to state information. Most defence information is considered a 'military secret' and its dissemination is punished by law,²⁴ meaning that the only available information is what the government releases.

¹⁰ Sharp, 'Egypt', p. 13.

¹¹ Bertelsmann Stiftung, *BTI Country Report 2020 – Egypt*, Gutersloh, Bertelsmann Stiftung.

¹² Reuters, 'Special Report: How Egypt's President Tightened His Grip', 1 August 2019.

¹³ Bertelsmann Stiftung, *Egypt*, p. 10.

¹⁴ Jan Claudius Völkel, 'Sideline by Design: Egypt's Parliament in Transition', *The Journal of North African Studies*, 22, no. 4 (2017), pp. 595-619.

¹⁵ "غضب رئيس البرلمان المصري عند حديث النائب محمد أنور السادات عن معاشات القوات المسلحة" Youtube, 25 July 2016, <https://www.youtube.com/watch?v=p1pTaoTFNYc>.

¹⁶ Omar Fahmy, 'Egypt's Sisi sacks top auditor who alleged mass state corruption', *Reuters*, 28 March 2016.

¹⁷ Freedom House, 'Freedom in the World – Egypt', 2020, C3.

¹⁸ Constitution of the Arab Republic of Egypt, Article 203, 2014.

¹⁹ Zeinab Abul-Magd, 'Egypt's Military Business: The Need for Change', *Middle East Institute*, 19 November 2015.

²⁰ DCAF, 'Security Sector Governance in Egypt: Civil-Military Relations in Focus', April 2014.

²¹ Fahmy, 'Egypt's Sisi'.

²² Kuimova, 'Egyptian Military Expenditure', p. 16.

²³ Check Point Research, 'The Eye on the Nile', 1 October 2019.

²⁴ Government of Egypt, *The Military Provisions Law No. 25, 'Article 31'*, Cairo, 1966.



EGYPT

Personnel Ethics Framework

Whistleblowing legislation	None
# defence-sector whistleblower cases	None
# Code of conduct violations	Military: Data is not publicly available.
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: No such disclosures.
	# of violations: No such disclosures.

Since independence, the military has held a prized place in Egypt's national identity. However, recent years have been marked by repeated abuses and human right violations that have drawn condemnation.

The shootings of protesters in Tahrir square and the rise of military courts and their sanctioning of civilians for opposing the regime are testament to this,²⁵ as are the damning allegations of serious war crimes by the military in North Sinai.²⁶ These incidents point to serious failings in the military's ethics and anti-corruption frameworks that allow for abuses of power to occur on a large scale. Impunity is a significant issue, with senior military figures protected by law from investigation for any violation they have committed.²⁷ Codes of conduct are not properly enforced and there is a failure to investigate abuses. Since the prosecution of military personnel is the exclusive jurisdiction of military courts, cases are not investigated as a means of protecting military interests. Additionally, Egypt does not currently have legislation granting protection for whistleblowers. The practice is reported not to be encouraged by the military or government which has been reluctant to pass any legislation. Given this lack of legal protection and the lack of independence of the justice system, personnel have little trust that the system would protect them should they report wrongdoing. The military's politicised nature also creates significant risks in relation to recruitment and promotion practices. Though there are some formal processes for appointing senior officers, these appointments are based almost exclusively on loyalty and obedience. As the executive depends on the military for stability and the military depends on the executive for guaranteeing its business interests, recruitment and promotions depend much more on politics and personal connections than objective attributes and performance.

Operations

Total armed forces personnel (World Bank, 2018)	835,500
Troops deployed on operations #	1031 in Mali (MINUSMA), 984 in CAR (MINUSCA), 149 in Sudan (UNAMID)

With troops engaged in counter-terror operations in the Sinai and significant contributions to various United Nations peace operations,²⁸ Egypt's military has gained extensive recent operational experience. However, critical levels of corruption risk within military operations risks severely undermining mission objectives. There is no evidence the country has a military doctrine that identifies corruption as a strategic threat for the success of operations. According to one source, there were some discussions in 2013 to introduce anti-corruption guidelines for the military, although this was abandoned in 2014. Since then, corruption has not been taken into account in the forward planning of operations or large-scale military exercises. Failings at the strategic level also trickle down into training. The military does not deliver training at any level on issues of corruption, be it as part of basic or pre-deployment training. There is also no policy of monitoring and evaluating corruption risks in the field and no practice of drawing up mitigation strategies to counter corruption risks.

²⁵ Mahmoud Khalid, 'Egypt's Emboldened Military Courts,' *Carnegie Endowment for International Peace*, 23 June 2020.

²⁶ Human Rights Watch, "If You Are Afraid for Your Lives, Leave Sinai!": Egyptian Security Forces and ISIS-Affiliated Abuses in North Sinai, HRW, Washington DC, 2019.

²⁷ Government of Egypt, *Law no. 161 Concerning The Treatment of Armed Forces Senior Leaders*, Cairo, 2018.

²⁸ United Nations Peacekeeping, 'Country Contributions by Mission and Personnel Type – Egypt', January 2021.



EGYPT

Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	4,016
Open competition in defence procurement (%)	0%
Main defence exports – to (SIPRI, 2016-20)	N/A
Main defence imports – from (SIPRI, 2016-20)	Russia, France, United States, Germany, Italy

In the face of a myriad of internal and regional security threats, Egypt has heavily invested in defence over the past decade and now has the largest inventory of major weapons in the region.²⁹ Between 2015 and 2019,³⁰ it became the third largest global importer of arms and has diversified its suppliers, away from a reliance on the United States, to significant partnerships with Russia, France and the UAE.³¹ Imports from Russia alone have increased by 430% since 2015.³² However, striking deficiencies in defence procurement processes increase the risk of resource diversion at a time of severe economic contraction. The entire procurement process is shrouded in secrecy and almost completely exempt from oversight. It is unclear whether there is a clear and defined acquisition planning process in place and there is no evidence that individual purchases are linked to strategic needs. Instead, acquisition planning is based on political and personal factors, rather than an objective assessment process. Many procurement deals are politically driven, including the recent push to acquire

French and Russian weapons, agreements that were personally managed by President Sisi.³³ Furthermore, key legislation is designed to entrench defence exceptionalism and guarantee absolute secrecy throughout the procurement process. For instance, Law No. 182 provides broad discretionary powers and allows the Ministry of Defence to conduct all procurement through limited tenders or direct contracting, with no bidding process.³⁴ Additionally, Law No. 147 exempts all arms contracts from taxes and financial regulation and scrutiny by both the Central Auditing Office and the Ministry of Finance,³⁵ essentially barring external bodies from overseeing any aspect of the defence procurement process. The lack of transparency in the acquisition of goods and equipment is so significant that, according to SIPRI, it is "difficult to identify the actual sources of funding for [Egypt's] arms deals."³⁶

²⁹ Alexandra Kuimova, 'Understanding Egyptian Military Expenditure', *SIPRI Background Paper*, October 2020, p. 1.

³⁰ Pieter D. Wezeman, Alexandra Kuimova and Siemon T. Wezeman, 'Trends in International Arms Transfers, 2020', SIPRI, March 2021, p. 6.

³¹ Kuimova, 'Understanding Egyptian Military Expenditure', p. 13.

³² Wezeman et al, 'Trends in International Arms Transfers', p. 4.

³³ Shaul Shay, 'Egypt's Arms Diversity Strategy', *Israel Defense*, 25 June 2015.

³⁴ Government of Egypt, *Law No. 82 on the Regulation of Public Authorities Contracts*, 'Article 77', Cairo, 2018.

³⁵ Government of Egypt, *Law 204 of 1957 Concerning the Exemption of Arms-related Contracts from Taxes, Fees and Financial Regulations Amended by Law No. 147*, Cairo, 1964.

³⁶ Kuimova, 'Understanding Egyptian Military Expenditure', p. 17.

Version 1.0, October 2021

GDI data collection for **Egypt** was conducted July 2018 to September 2019. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.



EGYPT 2020 GDI Scorecard

		Grade	Score
Political Risk		F	11
Q1	Legislative Scrutiny	F	0
Q2	Defence Committee	F	13
Q3	Defence Policy Debate	F	0
Q4	CSO Engagement	F	0
Q5	Conventions: UNCAC / OECD	C	50
Q6	Public Debate	F	13
Q7	Anticorruption Policy	F	0
Q8	Compliance and Ethics Units	E	17
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	F	0
Q11	Acquisition Planning	F	8
Q12	Budget Transparency & Detail	E	25
Q13	Budget Scrutiny	F	0
Q14	Budget Availability	F	0
Q15	Defence Income	F	0
Q16	Internal Audit	F	6
Q17	External Audit	F	0
Q18	Natural Resources	E	30
Q19	Organised Crime Links	C	50
Q20	Organised Crime Policing	E	25
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	F	8
Q23	Export Controls (ATT)	F	0
Q76	Lobbying	F	0

		Grade	Score
Financial Risk		F	1
Q24	Asset Disposal Controls	F	0
Q25	Asset Disposal Scrutiny	F	0
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	F	0
Q28	Secret Program Auditing	F	0
Q29	Off-budget Spending	F	0
Q30	Access to Information	F	0
Q31	Beneficial Ownership	F	13
Q32	Military-Owned Business Scrutiny	F	0
Q33	Unauthorised Private Enterprise	F	0
Q77	Defence Spending	F	0

		Grade	Score
Personnel Risk		F	12
Q34	Public Commitment to Integrity	F	0
Q35	Disciplinary Measures for Personnel	F	13
Q36	Whistleblowing	F	0
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	F	0
Q39	Pay Rates and Allowances	F	0
Q40	Payment System	C	58
Q41	Objective Appointments	E	17
Q42	Objective Promotions	F	13
Q43	Bribery to Avoid Conscription	B	67
Q44	Bribery for Preferred Postings	F	0
Q45	Chains of Command and Payment	F	0
Q46	Military Code of Conduct	F	13

OVERALL COUNTRY SCORE

CRITICAL RISK

F

6

RISK GRADE

A • 83-100 VERY LOW

B • 67-82 LOW

C • 50-66 MODERATE

D • 33-49 HIGH

E • 17-32 VERY HIGH

F • 0-16 CRITICAL



		Grade	Score
Personnel Risk		F	12
Q47	Civilian Code of Conduct	F	13
Q48	Anticorruption Training	F	0
Q49	Corruption Prosecutions	F	0
Q50	Facilitation Payments	E	17

		Grade	Score
Operational Risk		F	0
Q51	Military Doctrine	F	0
Q52	Operational Training	F	0
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	F	0
Q56	Private Military Contractors	NS	

		Grade	Score
Procurement Risk		F	8
Q57	Procurement Legislation	F	0
Q58	Procurement Cycle	F	0
Q59	Procurement Oversight Mechanisms	F	8
Q60	Potential Purchases Disclosed	F	0
Q61	Actual Purchases Disclosed	F	0
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	F	0
Q64	Competition in Procurement	F	0
Q65	Tender Board Controls	F	6
Q66	Anti-Collusion Controls	E	25
Q67	Contract Award / Delivery	E	25
Q68	Complaint Mechanisms	D	33
Q69	Supplier Sanctions	F	0
Q70	Offset Contracts	E	25
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	E	25
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

KEY

NEI Not enough information to score indicator

NS Indicator is not scored for any country

NA Not applicable



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Foreign, Commonwealth
& Development Office



Ministry of Foreign Affairs of the
Netherlands