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June 25, 2013

Mr. Gene L. Dodaro
Comptroller General of the United States
Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Dodaro:

We are writing to request that the Government Accountability Office conduct a review of U.S. economic and security assistance to Egypt. In light of recent political events in Egypt, we are concerned about how U.S. economic and security assistance to Egypt is used to meet U.S. strategic objectives. Egypt is currently among the largest recipients of U.S. foreign assistance worldwide. Since 1979, Egypt has received an annual average of more than $2 billion in economic and military aid, including about $1.3 billion each year in foreign military financing assistance.

Following the resignation of President Mubarak in February 2011, the U.S. re-programmed $165 million to support Egypt's economy and political transition. In May 2011, President Obama announced a plan to provide $1 billion in bilateral debt relief to Egypt, $1 billion in U.S. backed-loan guarantees, and the creation of an enterprise fund. However, given the anti-American sentiments permeating Egyptian politics, members of the House Committee on Foreign Affairs have raised concerns about providing additional U.S. assistance unconditionally. In September 2012, members of the Committee on Foreign Affairs placed holds on a congressionally notified $450 million cash transfer to Egypt which was intended to support fiscal stabilization programs prescribed by the International Monetary Fund. Concern was further expressed in the Consolidated Appropriations Act of 2012 that required State to certify, among other things, that Egypt is supporting the transition to a civilian government before making funds available.

Our subcommittee is concerned that the recent verdict of an Egyptian court convicting 43 NGO workers and shutting down four civil society and democratic reform NGO offices was a politically motivated decision. We would like to inquire about the implications of the verdict on U.S. supported NGOs and civil society programs in Egypt, and if we should reevaluate those programs.

Given such concerns, we are interested in GAO providing information on the following:

1) How have U.S. objectives for security and economic assistance programs to Egypt changed, if at all, in response to the political transition in Egypt?

2) How has U.S. funding for security and economic assistance to Egypt changed, if at all, since the resignation of President Mubarak, including an assessment of the extent to which allocated funds have been disbursed?

3) To what extent does the allocation of U.S. funding and assistance efforts align with U.S. economic and security assistance goals, particularly has there been a shift from less military assistance to more investment in democracy and rule of law programs?

4) Will the proposed new Egyptian NGO law impact the ability of the U.S. to efficiently operate or disburse its assistance to Egypt and what impact will appropriate stakeholders have to endure with the new law?

5) To what extent has the United States assessed the effectiveness of U.S. assistance in meeting U.S. strategic goals since the political transition in 2011?

6) To what extent has the United States maintained or changed its end-use monitoring and human rights vetting for defense articles and training it provides to Egypt since the political transition in 2011?

The staff points of contact for this work are Mr. Eddy Acevedo, Staff Director for the Subcommittee on Middle East and North Africa for Chairman Ros-Lehtinen who can be reached at 202-225-3345 and Ms. Hera Abbasi, staff member for Congressman Gerald Connolly who can be reached at 202-225-1492. We would appreciate it if the GAO team conducting this review brief staff periodically as the work progresses.

Sincerely,

ILEANA ROS-LEHTINEN
Chairman
Subcommittee on Middle East and North Africa

GERALD E. CONNOLLY
Member of Congress
Subcommittee on Middle East and North Africa