

# ANTI-CORRUPTION HELPDESK

PROVIDING ON-DEMAND RESEARCH TO HELP FIGHT CORRUPTION

## OVERVIEW OF CORRUPTION AND ANTI-CORRUPTION IN EGYPT

### QUERY

Can you provide an overview of corruption and anti-corruption in Egypt?

### CONTENT

1. Overview of corruption in Egypt
2. Corruption challenges by sector
3. Overview of anti-corruption efforts in Egypt
4. References

### SUMMARY

Egypt has entered the fourth year of a period of political instability unheard of since its independence, after massive demonstrations denounced the deep-rooted system of corruption plaguing the country and finally ousted former president Mubarak. The political unrest gave leeway to the security forces, who control significant portions of the economy, to widen their influence and install a military-backed regime. Human right violations, brutality and censorship have been aggravated in the last years, and the security forces operate largely with impunity.

It is challenging to assess whether the level of corruption has increased or declined in the country due to the rapidly changing context, but it is generally admitted that political corruption remains a major problem in Egypt with clientelistic networks playing a central role both in politics and in the

economy. Corruption in the country's law enforcement agencies severely undermines the rule of law, and some recent abusive trials give the impression that the judiciary has become politicised.

Egypt has a relatively strong legal framework to prevent and stifle corruption, despite the notable lack of a comprehensive anti-corruption law, freedom of information law and whistleblower protection. The most important problem lies in the implementation of existing legislation. There are numerous institutions playing a role in fighting corruption, but their lack of coordination creates confusion and overlapping responsibilities. On anti-corruption day 2014, the government announced the launch of an anti-corruption strategy.



#### Author(s)

Sofia Wickberg, [tihelpdesk@transparency.org](mailto:tihelpdesk@transparency.org)

#### Reviewer(s)

Ghada Zughayar ; Lamiaa Transparency International

Date: 5 May 2015

## 1 OVERVIEW OF CORRUPTION IN EGYPT

### Background

Corruption has been high on the agenda in Egypt ever since the January 25 Revolution ousted then President Mubarak from power. Wrath against the deeply embedded corruption networks was one of the issues that made the population take to the streets in 2011 in a movement that created high hopes for a brighter future in Egypt and beyond. Despite the change in political leadership, many of the demands of the revolution did not materialise<sup>1</sup>, and the country is going through a phase of deep political turmoil to achieve the transition.

After the Egyptian spring, the country's political scene rapidly polarised between Islamist groups and the military and secular forces, and an interim military-backed government was installed to run the country while the constitution was suspended. In 2012, the Muslim Brotherhood and its leader, Mohammed Morsi, won the presidential elections. In 2013, the protest movement was re-ignited and demonstrators demanded Morsi's resignation. Army chief Al-Sisi used the momentum to call upon the government to make concessions, signalling that the military had sided with the popular demonstration.

In July, the military removed Morsi from the presidential seat, replacing him by Supreme Court Chief Justice Adly Mansour as interim president. The constitution was suspended, as were the main Islamist media outlets, and hundreds of arrest warrants were issued against Morsi supporters. The Muslim Brotherhood demonstrations were violently repressed and their party became outlawed by the new constitution, signed in January 2014. Former army chief Al-Sisi won the presidential elections in May of the same year, with a participation rate below 50 per cent. The country is still awaiting parliamentary elections to be held after several delays due to the Constitutional Courts' opposition to certain new electoral laws<sup>2</sup>.

<sup>1</sup> It is important to note that the revolution was not a uniform movement, and that the ideological diversity was significant.

<sup>2</sup> This chronological paragraph is based on information provided by the BBC (Egypt country profile – overview 2015) and the French Ministry of Foreign Affairs (Présentation de l'Egypte 2015)

The post-revolution years have seen an economically weakened Egypt, particularly due to the effects of the political turmoil on the investment and the tourism sectors. The country remains afloat thanks to financial support from its partners, Saudi Arabia, Kuwait and the United Arab Emirates (Ministère des affaires étrangères 2015). Increasing levels of corruption and its perceived unavoidability have bolstered the country's informal economy. Estimates suggest that the informal sector might account for up to 70 per cent of Egypt's economy. This, in turn, fuels corruption as people working in the informal economy pay bribes instead of taxation to obtain certain basic services (Chatman House 2012).

Since 2011, Egypt has had to renounce its influence on the regional scene, after having been a key actor in a number of peace-making processes, notably in the negotiations between Palestine and Israel. Putting Egypt back on the map is one of Sisi's priorities, partly to ensure the resumption of external financial aid from its traditional allies, the Gulf countries and the US (Istituto Affari Internazionali 2015).

One of the main axes of the country's foreign politics is the fight against terrorism. Without being formally involved with the international coalition against ISIL Daech, Egypt struck the group's positions in Libya several times and coordinated an alliance of countries neighbouring Libya (Ministère des affaires étrangères 2015). The 2011 events have not revolutionised Egypt's foreign policy, which remains in line with its traditions and continues to be subordinated to the country's domestic policy. After having seen the void left by a weakened Egypt in regional affairs, international powers are investing in guaranteeing the stability of their Middle Eastern partner (Istituto Affari Internazionali 2015).

### Extent and forms of corruption

Despite massive demonstrations proving people's frustration, corruption continues to be a central problem in Egypt. Studies on the matter have shown divergent results, indicating that the level of corruption has slightly decreased, stayed the same or significantly increased. These sometimes contradictory results can be explained by the different research methodologies used and the type of corruption that is being measured or observed.

The political unrest that has characterised the country for the last three years appears to have left the field wide open for the security forces to broaden their influence, profoundly shaking the rule of law and weakening accountability mechanisms. As demonstrated in the following section, political corruption and the persistence of clientelistic networks remain the most significant obstacles to the country's democratisation.

### *Extent of corruption*

As in previous years, Egypt performed quite poorly on [Transparency International's Corruption Perceptions Index \(CPI\)](#) in 2014, being ranked 94 out of the 175 countries assessed, with a score of 37 on a scale of 0 (highly corrupt) to 100 (highly clean). The country experienced a slight increase in score compared to the previous years when it scored 32. The [World Bank's 2014 Worldwide Governance Indicators](#) show a decline in all governance areas examined but accountability, with a percentile rank of 32 with regard to control of corruption (compared to 41 in 2009), 34 for the rule of law (compared to 54 in 2009), of 20 for government effectiveness (compared to 47 in 2009) and 26 for regulatory quality (compared to 47 in 2009). Egypt's percentile rank for voice and accountability has slightly improved, from 15 in 2009 to 18. The [2014 Ibrahim Index of African Governance \(IIAG\)](#) indicates that Egypt had the most substantial drop in its score on governance indicators of all the countries examined, with an eight point decline between 2009 and 2013. The most significant deterioration concerned rule of law, accountability and personal safety.

The [2015 Heritage Foundation's Index of Economic Freedom](#) stresses that corruption poses a real problem to the Egyptian economy, with "freedom from corruption" being the area in which the country receives its poorest score (32 on a scale from 0 to 100). The World Economic Forum and The IFC/World Bank join the Heritage Foundation in pointing to corruption as an impediment to business in Egypt; the survey for the [World Economic Forum's 2014-2015 global competitiveness report](#) indicates that corruption is the fifth biggest obstacle for doing business after, inter alia, political and policy instability. Similarly, more than 45 per cent of the firms surveyed for the [2008 IFC/World Bank Enterprise Survey](#) say corruption is a major

constraint for doing business in Egypt. The last survey is relatively old, but there is no indication that the situation has changed, rather the contrary.

Public opinion surveys tend to echo the previous assessments in arguing that corruption is a serious problem in Egypt. The majority of respondents to [Transparency International's 2013 Global Corruption Barometer \(GCB\)](#) perceived corruption as a worsening problem in Egypt, with 64 per cent answering that the level of corruption has increased in the past two years. According to the [2013 Afrobarometer report](#), Egyptians lack trust in their government officials and perceive them as corrupt: 42 per cent say that all or most of them are corrupt and only 5 per cent of the respondents thought that none was involved in corruption.

### *Forms of corruption*

#### **Petty corruption**

Petty corruption, understood as bribe-paying by ordinary citizens, is quite common in Egypt, according to public opinion surveys. Of all the respondents to Transparency International's 2013 GCB, 36 per cent said they had paid a bribe in the last year. The same survey indicates that the police and the registry and permit service were the public institutions most likely to ask for a bribe. Respondents to the 2013 Afrobarometer rather pointed to the health services as the public entity most prone to corruption. Firms surveyed in 2008 for the World Bank/IFC Enterprise Survey and in 2014-2015 for the WEF Global Competitiveness Report also recognised that they had been asked to pay bribes in their operations in Egypt.

Petty corruption goes by various names in Egypt, from bribery and baksheesh to facilitation or grease. A professor of economics at Cairo University interviewed by Puddephatt (2012) explained that petty corruption was a way to get things done: "It is not a matter of paying it to get something extra, but to have your basic rights and get work done". This would mean that Egypt is faced with what scholars refer to as "need corruption" (Bauhr 2012).

The high degree of centralisation combined with the discretionary power of local governors and the lack of oversight and control facilitate the propagation of



corruption in people's interaction with the administration (Bertelsmann Foundation 2014).

### Grand corruption

Corruption has been a feature of the Egyptian economy ever since the country's independence. The partial liberalisation of the economy in the 1970s created a system of corrupt crony capitalism. Similarly, the reforms undertaken by the government in 2004 to stimulate market economy were opaque and plagued by corruption (Bertelsmann Foundation 2014). Corruption still constitutes an obstacle for doing business in Egypt, according to firms (World Economic Forum 2014 2015). Corruption, especially in customs services and for the access to permits, is seen as a non-tariff barrier to free trade (Bertelsmann Foundation 2014).

Grand corruption is manifested in need to use corrupt practices to obtain permits, especially for construction and basic connection to infrastructure (World Bank/IFC 2008). This survey indicates that many of the surveyed firms had to pay bribes to secure government contracts, but more recent studies praise Egypt for its good public procurement framework (Transparency International forthcoming 2015), which seems to point to an improvement in this field.

Nepotism is a very common feature of the Egyptian economy, and employment is often distributed through personal connections and networks. This has a negative impact on the economy by preventing adequately trained people from occupying certain positions, preventing efficiency and innovation and fuelling unemployment (Chatman House 2012).

### Political corruption

Widespread political corruption under the Mubarak regime was one of the factors that ignited the 2011 revolution. The successive post-revolution governments all pledged to root out political corruption, but there are no signs that the system has in fact changed (Bertelsmann Foundation 2014). The lack of separation of powers, the lack of accountability and transparency in the executive branch of government, the absence of effective

oversight of public finances and political financing leave a fertile ground for political corruption<sup>3</sup>.

Many commentators underscore the importance of clientelistic networks formed decades ago and which have survived fallen dictators and political leaders (The Daily Star 2013). In a forthcoming book, El Tarouty describes how the Mubarak regime co-opted the business community to defuse challenges posed by economic difficulties and to reinforce its political family (El Tarouty forthcoming 2015). These clientelistic relationships are still widespread in Egyptian politics, and observers forecast that citizens, desperate and disappointed with the aftermath of the revolution, might cast their vote in accordance with the same old system (Mourad and Fick 2015).

One of the major obstacles to democratisation in Egypt is the strong historical bonds between the political and the military spheres. The military is extremely influential in the policy-making process and has acted as a kingmaker ever since independence. Its role is even likely to be strengthened under Sisi's presidency (Elmenshawy 2014). The military remains the most powerful interest group of the country and dominates large parts of the economy; its grip is estimated to reach up to 40 per cent of the economy (Aljazeera cited by Bertelsmann Foundation 2014).

Vote-buying has become an increasingly prevalent phenomenon in recent elections in Egypt, and it affects predominantly the underprivileged (particularly female breadwinners), disabled women and the illiterate. Votes are bought through direct exchange of cash or food supplies (Helmy 2015). The 2013 Afrobarometer survey echoes this situation, with about 20 per cent of respondents saying they were approached by a candidate or a party representative who offered money or food in return for a vote during the 2012 campaign.

## 2 CORRUPTION CHALLENGES BY SECTOR

### Military

The military has had a tremendous influence on the Egyptian economy ever since independence, and the

---

<sup>3</sup> This information was provided by local experts.

cultivation of economic interests by the military has increased since the fall of Mubarak. The Ministry of Defence is regularly awarded government contracts by its fellow ministries for the development of major infrastructure projects. Major public contracts also go to the military's partners from the Gulf States (Istituto Affari Internazionali 2014). Given the corruption risks traditionally associated with construction projects and the notorious lack of transparency in military forces, this stronghold infers significant integrity problems. The military controls the state-owned oil sector and commercial transportation (Transparency International UK 2012), and the industries owned by the military and their affiliates are known as being very lucrative and opaque. The profits of the military are "national secrets" and therefore not listed on the stock market (Transparency International UK 2012). According to the Washington Post (2014), since the revolution, the military has positioned its allies in key economic and administrative posts and have expanded their influence on the country's major development deals, such as the Suez Canal project.

[Transparency International's Government Defence Anti-Corruption Index 2012](#) puts Egypt in the category of the most opaque and corrupt militaries of the world. The study points to the embranchment of the military in the political sphere, even under civilian rule, as a major cause of political corruption. Also, the lack of transparency of the military's operations protects it from public scrutiny, as most of the ministry's budget consists of "unidentified items". Finally, controlling military personnel's behaviour and integrity is challenging because those suspected of corruption can only be tried before a military court, the proceedings of which remain opaque.

## Police

The police is perceived by public opinion as one of the most corrupt institutions of the country, with 80 per cent of respondents to Transparency International's GCB saying that the police is corrupt or extremely corrupt. Almost 40 per cent of those who had encountered the police in the past twelve months said they had to pay a bribe. Petty corruption is widespread within the police, and firms see the institution as unreliable and impartial (WEF 2014-2015).

Reports indicate that, far from undergoing a democratic reform, the police only became harsher in

its repression and more influential politically under the military rule following the fall of Mubarak, despite the fact that police corruption was one of the decisive factors of the Arab Spring (Sayigh 2015). The police force has become deeply unpopular among the Egyptian population who do not trust their internal security apparatus after repeated abuse of power. A former police officer interviewed by the BBC admits, "Police officers would bully people, torture them, 'sex-up' cases and deliberately send innocent people to jail" (BBC 2012). The police has killed hundreds of protesters since the revolution without any effort from the successive governments to account for the crimes (Human Rights Watch 2014).

The Egyptian Ministry of Interior has resisted any sort of reform and remains a black box, characterised by opaque decision making, dominated by officer networks operating without financial transparency or political oversight (Sayigh 2015).

## Justice system

Judicial independence was always a claim of the country's judges, many of whom considered that the country needed more accountability (Transparency International forthcoming 2015). The 2014 constitution is a step in that direction, giving each judicial authority a separate budget and thus enhanced financial autonomy. The respect and performance of the rule of law has, however, declined in the last years, and the court system has become highly politicised (Freedom House 2015).

According to Amnesty International, hundreds of Muslim Brotherhood affiliates and other opposition activists have been sentenced to long terms in prison or to death after unfair trials using fabricated evidence (Amnesty International 2014-2015). The Guardian reports that in March 2014, a judge took only two court sessions to sentence to death more than 500 Morsi supporters over the death of a police officer (The Guardian 2014). At the time this paper was published, former president Morsi had just been sentenced to 20 years imprisonment for the killing of protesters in 2012, closely avoiding a death penalty, inspiring Amnesty International's deputy director for the Middle East to declare that, "This verdict shatters any remaining illusion of independence and impartiality in Egypt's criminal justice system" (The Guardian 2015).

The judiciary is still ill-equipped to investigate and punish corrupt practices; concurrently to Morsi's imprisonment, most corruption charges against former president Mubarak were dropped and his three-year sentence for embezzlement might be overturned (Freedom House 2015).

The judiciary is considered by a majority of citizens as a corrupt institution. Of GCB all the respondents to the GCB, 65 per cent say that they see the judiciary as a corrupt or extremely corrupt institution. The [World Justice Project Rule of Law Index 2014](#) shows that the Egyptian criminal justice system is too slow to be efficient, that prosecutors and judges lack independence from the executive power and that corruption is rather common, especially among the judicial police.

### 3 OVERVIEW OF ANTI-CORRUPTION EFFORTS IN EGYPT

#### Overview

Despite a number of significant flaws, such as the absence of a freedom of information law or whistleblower protection, Egypt has taken some positive steps towards establishing a sound anti-corruption framework. Following the revolution and the resignation of former president Mubarak, the country has undertaken a number of institutional reforms and has deepened its partnerships with the EU and the UN around anti-corruption and anti-money laundering programmes. During Morsi's rule, a new anti-corruption law composed of 22 articles on the establishment of an independent anti-corruption agency was drafted. It was discussed in parliament in 2012 but was finally abandoned. The main issue the country faces is the lack of coordination of its efforts (Transparency International forthcoming 2015).

Egypt's legal anti-corruption framework is quite exhaustive but the main obstacles to genuinely reduce corruption reside in the implementation of existing laws. The country has an extensive number of anti-corruption entities, to the point that the institutional framework is referred to as a "labyrinth" in the forthcoming National Integrity System Assessment produced by Transparency International to illustrate its lack of clarity and coordination. These entities are often constrained by their lack of resources, internal regulations and decrees.

On 9 December 2014, the Egyptian government announced the launch of a national anti-corruption strategy. The National Coordinating Committee for Combating Corruption (see below) developed the strategy and its implementation will be coordinated by a technical committee headed by the Administrative Control Authority (ACA). The Egyptian National Anti-Corruption Strategy adopts ten main objectives, which range from short to medium term, namely: (i) raising the level of performance in government; (ii) establishing transparency and integrity principles among public officials; (iii) developing and updating anti-corruption legislation; (iv) strengthening judicial procedures to achieve prompt justice; (v) strengthening capacities of anti-corruption bodies; (vi) raising living standards and achieving social justice; (vii) raising awareness and building trust between citizens and state institutions; (viii) strengthening national cooperation against corruption; (ix) strengthening regional and international cooperation against corruption; and (x) strengthening civil society participation in combating corruption (UNDP-ACIAC 2014b).

#### Legal framework

The Egyptian criminal code criminalises active and passive bribery, influence peddling and abuse of power. The law does not indicate any limits of value and can therefore be understood as forbidding facilitation payments as well as bribes. The wording of the law is broad enough to include private employees, thus criminalising private-to-private bribery as well. Foreign bribery is not a criminal offence in Egypt, and the legislative framework does not provide for criminal liability of legal entities (Talaat and Makram 2014). The Anti-Money Laundering Law of 2002 criminalises money laundering.

The Egyptian regulatory framework contains an obligation for public officials to declare their assets, upon taking their position and at the end of their term or contract and every 2-5 years during their mandate, to the Illicit Profit Apparatus. All public officials, with the notable exception of judges, are required to declare: (i) loans; (ii) bank deposits; (iii) real estate assets; (iv) valuable movables; and (v) securities. These declarations are, however, not available to the public for scrutiny nor are there mechanisms in place to ensure that declarations are filled out in due time

(Transparency International forthcoming 2015). Interim President Mansour adopted a Conflict of Interests Law in 2013, establishing regulations of what activities and assets senior public officials may and may not enjoy (Ahram Online 2013). Public employees are bound to comply with the 2014 Code of Conduct of Public Employees which contains integrity provisions, but its implementation has not been sufficient (Transparency International forthcoming 2015).

The law provides for a ban on donations from corporate and foreign interests to political parties and candidates (IDEA 2012). Financial transparency is required for political parties to register and the Central Audit Organisation (CAO) has the mandate to monitor the activities of internal party auditors. Political parties are required to disclose the donations they receive and to make their books available to the CAO (Transparency International forthcoming 2015).

The Egyptian legal framework does not provide for the protection of whistleblowers, neither in the public nor in the private sector. In addition, Egypt does not have an access to information law (US Department of State 2014). Several draft access to information laws have been put forward, but the government recently announced that no such law would be passed before a new parliament is elected<sup>4</sup>

In terms of international commitments, Egypt has ratified the United Nations Convention against Corruption (UNCAC) in 2005 and is a state party to the United Nations Convention against Transnational Organized Crime (UNTOC). Since July 2014, Egypt is also a state party to the Arab Convention to Fight Corruption, a pan-Arab anti-corruption instrument issued by the League of Arab States.

## Institutional framework

### *Central Audit Organisation (CAO)*

The CAO was created in 1964 and is today a legally, technically and physically independent entity under the auspices of the president. The CAO is the external auditor of the national and local administration, local governments, public bodies,

political parties, trade unions and federations (Constitution of the Arab Republic of Egypt 2014).

The head of the CAO is nominated directly by presidential decree upon approval of the majority of the House of Representatives. S/he is directly subordinate to the president (IAACA 2012), which could put the independence of the organisation into question. The CAO holds an independent budget, as required by law, but the resources at its disposal are not always sufficient (Transparency International forthcoming 2015). The organisation's staff appear to be sufficiently trained and educated, and the CAO has a department of research and training at its disposal

The CAO issues nearly 30,000 reports each year. There is no provision guaranteeing public access to CAO reports and documents (UNDP-ACIAC 2014). The CAO produces reports for the scrutiny of the president's office, the prime minister's office and the parliament. At the time this paper was published, the CAO's website was not accessible. The CAO's work has historically not been fully transparent because of the limited public access to information, however, the CAO set a precedent in February 2014 when it held a press conference revealing financial violation under President Morsi, resistance to scrutiny by some ministries and lack of will to act upon complaints issued by the CAO (UNDP-ACIAC 2014).

### *Supreme Election Committee (SEC)*

The SEC is Egypt's electoral management body. It is composed of seven judges and is assisted by a secretariat made up of representatives from the judicial power and various ministries. The secretariat is in charge of the establishment of local election committees composed of five judges each.

The SEC enjoys an independent budget and financial management, and reports indicate that the budget is adequate for the fulfilment of its tasks. Resources nevertheless vary from one region to the other, and local election committees sometimes lack resources and equipment (Transparency International forthcoming 2015).

The board of the SEC is appointed by presidential decree, based on the position they hold in the judicial hierarchy. The members of the SEC board cannot be

<sup>4</sup> This information was provided by local experts.



removed from their position. They are bound by the code of judicial conduct but are not accountable as members of the SEC. There are almost no provisions making the SEC accountable for its decisions. The SEC secretariat staff is bound to comply with the code of conduct for public servants (Transparency International forthcoming 2015).

The SEC is generally trusted by the people and manages elections professionally and effectively (African Union Commission 2014). During the last presidential elections, it allowed citizens to access important information about voting rights and election management. Observers nevertheless report that some procedures were inadequately communicated or implemented, creating confusion among voters (Democracy International 2014). Freedom House (2015) reports several electoral irregularities around the last presidential campaign, such as voter intimidation or misuse of state resources. The SEC will be assisted by international organisations and NGOs to monitor the upcoming parliamentary elections (Nader 2015).

#### *Ombudsman's office*

Egypt does not have an ombudsman's office as such<sup>5</sup>, but the function is divided between the National Council for Women (NCW) and the National Council for Human Rights (NCHR) who both have an ombudsman's office with which citizens can file complaints. The process for filing complaints is considered fairly easy and the councils receive a substantial amount of complaints each year. Experts indicate that the NCW manages to resolve close to 50 per cent of the complaints received. There are no statistics available regarding the NCHR (Transparency International forthcoming 2015).

Both institutions are independent by law: the NCW is under the auspices of the president and the NCHR falls under the administration of the Shura Council, which has not been re-established in the 2014 constitution making the appointment procedure to the NCHR unclear (Transparency International forthcoming 2015).

Neither the NCW nor the NCHR seem to experience financial difficulties. Both entities receive funding and technical assistance from external donors. The NCW staff enjoys the status of public employees who are thus better protected from dismissal by the labour law than NCHR personnel (Transparency International forthcoming 2015). The recent reshuffle of the NCHR board made analysts question the resistance of the organisation to political interference (Taha 2013).

Both councils present reports to the president's and the prime minister's offices, and publish some of the reports and information on their websites, even though they are not required to do so by law.

After he resigned from his position as chairperson for the NCHR, Negad el-Borai declared that his former organisation was currently unable to perform its tasks both because of internal problems of status and resources and because of the general situation of the country where torture is widespread and relatively accepted (AI Monitor 2014).

#### *National Coordinating Committee for Combating Corruption (NCCCC)*

The NCCCC is an inter-ministerial entity set up in 2010 to enforce the provision of the UNCAC and other conventions, and to fulfil the tasks of supervision and coordination of the 28 agencies that compose Egypt's public sector monitoring framework. It does not have any investigation prerogatives since these are located in the various bodies that the NCCCC supervises.

The NCCCC receives financial support from the UNDP and the Ford Foundation, in addition to the budget allocated by the Ministry of Justice. It is not clear, however, if these resource allocations are sufficient for the proposer running of the committee (Transparency International forthcoming 2015).

The NCCCC is composed of representatives of various ministries and public bodies, and its status does not indicate that it should be independent or impartial. This issue is mitigated by the limited mandate of the committee and the fact that it is exempt from any investigative power (Transparency International forthcoming 2015).

The NCCCC was suspended in September 2014 and replaced by the Supreme National Committee

<sup>5</sup> President Morsi established an ombudsman's office, but no information about this entity has been available after Morsi was removed from office



Against Corruption, on which little information was available at the time when this paper was published.

### *Administrative Control Authority (ACA)*

The ACA was established in 1964 as an independent entity under the auspices of the prime minister. It is in charge of the detection and the fight against corruption by exercising a financial, administrative and technical control of the government, state-owned enterprises and private sector firms that accomplish public work. The ACA also follows up on the implementation of related legislation, plays an advisory role for the prevention of corruption and other abuses, and detects negligence and violations. The ACA has investigative powers, and it can hand over suspects to the Illicit Gains Authority (IAACA 2012b).

It has been active for over fifty years in identifying and combatting corruption in the public sector, but its independence is limited by the fact that it requires permission from the president to arrest public officials suspected of corruption cases (Transparency International forthcoming 2015).

### *Administrative Prosecution Authority (APA)*

The APA was founded in 1958 as an agency to monitor and investigate civil servants in all ministries and agencies at all levels. The APA is supported by professional staff to investigate administrative and financial corruption. It is mandated to hand over perpetrators to criminal courts (IAACA 2012c).

The range of administration that the ACA is mandated to cover lacks clarity. In an article published in 2014, Abdel Nasser Khattab, the APA spokesman, demanded that the APA's prosecution power be extended to all administrative public entities and services. Some administrations and entities have refused to be under the APA's prosecution power, making the mandate of the organisation difficult to fulfil (Daily News Egypt 2014).

### *Illicit Gains Authority (IGA)*

The IGA, under the Ministry of Justice, also called Illicit Profit Apparatus, was set up in 1975 by law no. 62, to investigate cases of suspected illegal revenue. The IGA collects the asset declarations that public officials are required to disclose upon joining the

sector. The IGA does not enjoy investigative power, but it receives reports concerning corruption from the general public as well as from private and public employees and passes the relevant cases on to investigate authorities (Transparency International forthcoming 2015).

There is limited information available on the power of the IGA, but it appeared to have some influence when it announced that it would appeal a court ruling acquitting former Interior Minister Habib al-Adly of corruption charges amounting to 181 million Egyptian pounds (US\$23.6 million). The reason for this objection is that, according to the IGA head, the authority had discovered legal flaws in the ruling (Ahram Online 2015).

### *Money Laundering Combating Unit (MLCU)*

The MLCU is the Egyptian financial intelligence unit. It was established by the Anti-Money Laundering Law of 2002. The MLCU is an independent unit functioning within the Central Bank of Egypt (CBE). The MLCU receives all reports concerning money laundering activities and offences. It is in charge of the investigation and reports any investigation results to the public prosecution body. The MLCU maintains a database gathering all received reports and information concerning money laundering and terrorism financing activities. The MLCU exchanges information related to its activities with other organisations, such as supervisory and competent authorities within the country but also abroad (Anti-money Laundering Forum 2009).

According to the Anti-Money Laundering Law of 2002, the MLCU personnel is nominated by minister of justice decree, upon the request of the governor of the Central Bank of Egypt.

## **Relevant non-state actors**

### *Media*

The 2014 constitution guarantees freedom of the press but states that censorship can be imposed in times of war or general mobilisation. Freedom of the press and freedom of expression are not respected in Egypt, despite them being a constitutional feature. Reporters Without Borders rank Egypt 158 out of 180 countries on its [World Press Freedom Index 2015](#). Official censorship remains widespread and, despite

the existence of a number of private outlets, the vast majority of media channels are controlled by the state or is an open supporter of the military and the Sisi regime (Freedom House 2015).

In the name of the fight against terrorism, the Sisi government has cracked down on opposition media, especially the outlets affiliated or seen to be affiliated to the Muslim Brotherhood (Reporters Without Borders 2015). Newspapers criticising the government have been apprehended by law enforcement agencies or seized, and three journalists from Qatar-based Al Jazeera were sentenced to jail in June 2014 for conspiracy with the Muslim Brotherhood. Arrests of media personnel on questionable charges continued throughout the year. This repressive environment reinforced already existing self-censorship among journalists (Freedom House 2015).

Media usually appears as a watchdog of state institutions and an important asset to fight corruption, but interestingly, in Egypt, citizens perceive the media as the most corrupt institution of the country, according to [Transparency International's Global Corruption Barometer](#).

### *Civil society*

The number of civil society organisations (CSOs) expanded significantly in the last years of the Mubarak regime, gaining increased appreciation from the public and contributing to the overthrow of the regime (Bertelsmann Foundation 2014). The situation is now becoming increasingly difficult for civil society despite the hopes of the revolution. The 2014 constitution provides for the freedom of assembly and association but these rights are tightly restricted.

The 2002 civil society law contained a few restrictions regarding registration and political activities and a number of decrees were passed by the Sisi government putting limitations on civil society in the name of the protection of national interests, such as the restrictions on the registration of foreign CSOs and on the foreign funding of CSOs, for example (Freedom House 2015).

The executive branch has the right to approve funding of NGOs and to access meeting minutes and approve the composition of the board. These rigidities have prevented CSOs from properly holding

the government to account (Transparency International forthcoming 2015).

CSOs have been marginalised since the fall of Mubarak (Bertelsmann Foundation 2014) and the government has been particularly harsh on civil society in the last year, strongly restricting dissent and assembly by activists from all parts of the political spectrum. Several thousands of opponents, mostly affiliates of the Muslim Brotherhood, were jailed because they demonstrated without a permit.

Since the passing of a 2013 decree, the police and the military enjoy significant latitude to disperse gatherings (Freedom House 2015). Many grave abuses on protesters were reported in the last years, especially targeting women through sexual harassment (Bertelsmann Foundation 2014).

### *Business*

The business community's involvement in the fight against corruption in Egypt is relatively limited. One notable initiative was launched by the Egyptian Junior Business Association (EJB), with the support of the United Nations Global Compact and the Siemens Integrity Initiative, to raise awareness to anti-corruption issues and to mainstream integrity, transparency and accountability mechanisms in the private sector. The initiative was particularly focused on improving the business environment for small and medium enterprises.

Efforts to collaborate with the government and to form an anti-corruption ministerial committee bringing together government officials and representatives of the private sector to join forces against corruption were stalled by the revolution of the 25 January.

## 4 REFERENCES

African Union Commission. 2014. *African Union Election Observation Mission to the 2014 Presidential Election in the Arab Republic of Egypt Final Report*.

Afrobarometer. 2013. *Afrobarometer Round 5 Survey in Egypt*.  
[http://www.afrobarometer.org/files/documents/summary\\_results/egy\\_r5\\_sor.pdf](http://www.afrobarometer.org/files/documents/summary_results/egy_r5_sor.pdf)

Ahram Online. 2015. *Egypt's Illicit Gains Authority to Appeal Mubarak-era Interior Minister Release*.

Ahram Online. 2013. *President Mansour Issues Anti-Corruption Law for Government Officials*.

<http://english.ahram.org.eg/News/86493.aspx>

Al Monitor. 2014. *Activist: Human Rights Situation Remains Poor in Egypt*.

<http://www.al-monitor.com/pulse/politics/2014/02/human-rights-situation-egypt-deterioration.html#>

Amnesty International. 2014-2015. *Egypt Report 2014/15*.

<https://www.amnesty.org/en/countries/middle-east-and-north-africa/egypt/report-egypt/>

Anti-money Laundering Forum. 2009. *Egypt*.

<http://www.anti-moneylaundering.org/middleeast/Egypt.aspx>

Bauhr Monika. 2012. "Need or Greed Corruption?" in Holmberg, Rothstein (ed.), *Good Government: The Relevance of Political Science*. Cheltenham (UK): Edward Elgar

BBC. 2015. *Egypt Country Profile*.

<http://www.bbc.com/news/world-africa-13313370>

BBC. 2012. *Egypt's Police Still In Crisis after Revolution*.

<http://www.bbc.com/news/world-middle-east-17128116>

Bertelsmann Foundation. 2014. *Egypt Country Report*.

Chatman House. 2012. *Defining and Tackling Corruption*.

[http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Middle%20East/0212egyptsummary\\_corruption.pdf](http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Middle%20East/0212egyptsummary_corruption.pdf)

Daily News Egypt. 2014. *100,000 Cases of Administrative and Financial Corruption: Administrative Prosecution Authority*.

<http://www.dailynewsegypt.com/2014/12/17/100000-cases-administrative-financial-corruption-administrative-prosecution-authority/>

Democracy International. 2014. *Egypt Presidential Election Observation Report*.

<http://democracyinternational.com/sites/default/files/Egypt%20Presidential%20Election%20Observation%20Report%20%28ES%29%20-%20for%20web.pdf>

El Tarouty Shafinaz. Forthcoming 2015. *Businessmen, Clientelism, and Authoritarianism in Egypt*. London: Palgrave Macmillan

Elmenschawy Mohamed. 2014. "Revisiting Egypt's Civil-military Relations". *Al Jazeera*.

<http://www.aljazeera.com/indepth/opinion/2014/05/revisiting-egypt-civil-militar-2014528115444200894.html>

Freedom House. 2015. *Freedom in the World Egypt*.

<https://freedomhouse.org/report/freedom-world/2015/egypt#.VTd60mal2L1>

Helmy Heba. 2015. "Campaign Launched to Increase Egyptian Women's Political Know-How". *Egypt Independent*.

<http://www.egyptindependent.com/news/campaign-launched-increase-egyptian-women-s-political-know-how>

Heritage Foundation. 2015. *Index of Economic Freedom*.

<http://www.heritage.org/index/country/egypt>

IAACA. 2012. *Central Auditing Organisation (CAO)*.

[http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209\\_801456.shtml](http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209_801456.shtml)

IAACA. 2012b. *Administrative Control Authority (ACA)*.

[http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209\\_801454.shtml](http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209_801454.shtml)

IAACA. 2012c. *Administrative Prosecution Authority (APA)*.

[http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209\\_801458.shtml](http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/E/Egyptjigou/201202/t20120209_801458.shtml)

IDEA. 2012. *Political Finance Data for Egypt*.

<http://www.idea.int/political-finance/country.cfm?id=69>

Istituto Affari Internazionali. 2015. *From Morsi to Al-Sisi: Foreign Policy at the Service of Domestic Policy*.

[http://www.iai.it/sites/default/files/inegypt\\_08.pdf](http://www.iai.it/sites/default/files/inegypt_08.pdf)

Istituto Affari Internazionali. 2014. *The Military, Egyptian Bag-snatchers*.

[http://www.iai.it/sites/default/files/inegypt\\_05.pdf](http://www.iai.it/sites/default/files/inegypt_05.pdf)

Ministère des affaires étrangères. 2015. *Présentation de l'Égypte*.

<http://www.diplomatie.gouv.fr/fr/dossiers-pays/egypte/presentation-de-l-egypte/>

Mo Ibrahim Foundation. 2014. *Ibrahim Index of African Governance*.

<http://www.moibrahimfoundation.org/interact/>

Mourad, M and Fick, M. 2015. "Four Years After Egypt Uprising, Patronage Politics Dominate Again". *Business*

*Insider.*

<http://www.businessinsider.com/r-four-years-after-egypt-uprising-patronage-politics-dominate-again-2015-2?IR=T>

Nader Emir. 2015. "68 NGOs Accepted To Observe Parliamentary Elections". *Daily News Egypt*. <http://www.dailynewsegypt.com/2015/01/25/ngos-accepted-observe-parliamentary-elections-au-announces-desire-monitor/>

Puddephatt Andrew. 2012. *Corruption in Egypt*. Global Partners and Associates. <http://www.gp-digital.org/wp-content/uploads/pubs/Corruption-in-Egypt-Report-new-cover.pdf>

Rabie, A and Sabry, T. 2013. "Minister of Justice: We have 28 Monitoring Bodies that Lack Coordination in Combating Corruption". *El Watan News*

Sayigh Yezid. 2015. *Missed Opportunity: The Politics of Police Reform in Egypt and Tunisia*. Carnegie Middle East Center. <http://carnegie-mec.org/2015/03/17/missed-opportunity-politics-of-police-reform-in-egypt-and-tunisia>

Taha Rana Muhammed. 2013. "NCHR Reshuffle Receives Mixed Reactions". *Daily News Egypt*. <http://www.dailynewsegypt.com/2013/08/24/nchr-reshuffle-receives-mixed-reactions/>

Talaat, M and Makram, S. 2014. *Anti-Corruption in Egypt*. <http://globalcompliancenews.com/anti-corruption/anti-corruption-laws-around-the-world/anti-corruption-egypt/>

The Daily Star. 2013. *Democratisation effort vs. clientelism and tribalism*. <http://archive.thedailystar.net/newDesign/news-details.php?nid=268370>

The Guardian. 2015. *Egypt's Former President Mohamed Morsi Sentenced to 20 years in Prison*. <http://www.theguardian.com/world/2015/apr/21/egypts-ex-president-mohamed-morsi-jailed-protest-deaths-muslim-brotherhood>

The Guardian. 2014. *Egypt Sentences to Death 529 Supporters of Mohamed Morsi*. <http://www.theguardian.com/world/2014/mar/24/egypt-death-sentence-529-morsi-supporters>

Transparency International, forthcoming 2015. *Egypt 2014 National Integrity System Assessment*.

Transparency International. 2014. *Corruption Perceptions Index*. <http://www.transparency.org/cpi2014>

Transparency International. 2013. *Global Corruption Barometer*. <http://www.transparency.org/gcb2013/country/?country=egypt>

UNDP-ACIAC. 2014. *Egypt's Central Auditing Organization discloses information and stirs controversy*. <http://www.pogar.org/publications/ac/Newspiece/ACIAC%20-%20News%20Piece%20on%20Egypt%20CAO%20Arousing%20Controversy.pdf>

UNDP-ACIAC. 2014b. *Egypt Adopts a National Anti-Corruption Strategy*. <http://www.undp-aciac.org/resources/ac/newsDetails.aspx?nid=1198>

US Department of State. 2014. *Country Reports on Human Rights Practices for 2013*. <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>

Washington Post. 2014. *Egypt's Military expands its Control of the Country's Economy*.

World Bank. 2014. *Worldwide Governance Indicators*. <http://info.worldbank.org/governance/wgi/index.aspx#home>

World Bank/IFC. 2008. *Enterprise Survey*. <http://www.enterprisesurveys.org/data/exploreconomies/2008/egypt>

World Economic Forum. 2015. *Global Competitiveness Report*. <http://www.weforum.org/reports/global-competitiveness-report-2014-2015>

"Anti-Corruption Helpdesk Answers provide practitioners around the world with rapid on-demand briefings on corruption. Drawing on publicly available information, the briefings present an overview of a particular issue and do not necessarily reflect Transparency International's official position."