

From: Office of Terje Rod-Larsen <[REDACTED]>

Subject: IPI Middle East Update - January 11, 2013

Date: Fri, 11 Jan 2013 20:40:59 +0000

INTERNATIONAL PEACE INSTITUTE
IPI Middle East Update
January 11, 2013

Egypt: Reverberations from Egypt's constitutional controversy are impacting the economy. A currency crisis at the beginning of 2013 that left the Egyptian pound at a record low against the US dollar appears to have prompted the Morsi government to resume talks with the IMF on January 7th for a \$4.8 billion loan. Securing the loan has become a top priority for the government given that the country's foreign reserves now stand at \$15 billion, enough to cover approximately three months' worth of imports. As well as reviving the economy, the loan would help Egypt deal with its budget deficit, inspire confidence in the Egyptian market, and boost the government's credibility. As negotiations for the loan continue, the Qatari government provided an additional \$2.5 billion in assistance following an initial \$2.5 billion package in August 2012. Qatar is demonstrating its interest in actively cultivating a relationship with the Morsi government, in contrast to some of its Gulf neighbors.

Developments in Egypt's political institutions include a cabinet reshuffle on January 6th and the appointment of the final 90 members to the Shura Council (Upper House) on December 26th, bringing the total number of members to 279. In the past, the Shura Council has not played a significant role (in fact, only 7 percent of voters took part in the February 2012 election). However, Article 230 of the new Egyptian constitution has endowed the Council with full (but temporary) legislative powers until the People's Assembly (lower house) is elected. The Morsi government has taken advantage of this by putting forward a series of laws on sensitive issues—most crucially, an amended parliamentary election law that will determine the procedures for the upcoming People's Assembly election and a law regulating the right to protest.

Libya: As a direct response to Libya's request for help with its transition process and an indication of the interim government's interest in moving toward a parliamentary democracy, the Inter-Parliamentary Union (IPU) and Libya's General National Council (GNC) signed an agreement in Tripoli on December 18th. IPU will begin an advisory and training program by sending a three-member team of experts later this month. Financial assistance has also been forthcoming, with the European Commission approving a €25 million package on December 20th. Yet local debates surrounding the fate of a new Libyan constitution indicate that the transition remains rocky: a group of women activists from the Voice of Libyan Women NGO expressed their dismay after the GNC vice president indicated that there may be no women represented on the 60-member constitution-drafting committee. The transition suffered another blow on January 8th when the Liberal National Forces Alliance—Libya's main liberal coalition—withdrawn from the GNC in protest against the constitution-drafting impasse. The point of contention seems to be whether the constitution-drafting committee should be elected by the people or appointed by the GNC. These issues shed light on the difficulty certain groups in civil society face when attempting to play a direct role in post-Qaddafi political life.

Tunisia: A national dialogue on the first draft of the constitution took place in several regions in Tunisia on December 23rd, an initiative spearheaded by the National Constituent Assembly (NCA) in association with UNDP. This marks a positive development following a month of turbulence in Tunisia as a result of a government confrontation with the UGTT (Tunisian General Labor Union), the country's largest trade union and a potent opposition force. Following the terms of agreement reached between the government and the UGTT on December 13th, a joint committee comprising members of both the government and the UGTT has started investigating the violence that took place in Mohamed Ali square on December 4th.

Syria: As the United Nation's estimate of the official death toll reached 60,000, Bashar Al Assad proposed a peace initiative on January 6th comprising a national reconciliation conference and a new government. His appearance and tone on national television was reminiscent of Qaddafi's last ditch efforts at restoring order in war-torn Libya in the middle of 2011. Assad's rare appearance and proposal contrasted with the facts on the ground, particularly several new defections, most crucially the head of the military police on December 26th. A member of the Syrian opposition rejected Assad's offer, calling it "empty rhetoric."

Efforts by the international community continue, but without noticeable progress. Following a meeting with Assad on December 24th in Syria, UN-Arab League Joint Special Envoy to Syria Lakhdar Brahimi held a third trilateral meeting with US and Russian diplomats on January 11th in Geneva. According to press reports, Brahimi was quoted after the meeting as saying, "if you are asking me whether a solution is around the corner, I'm not sure that is the case."

Jordan: As of January 6th, a total of 54 candidates have withdrawn from the Jordanian parliamentary election (due to take place on January 23rd) according to the Independent Elections Commission. The commission had originally announced a total of 699 candidate applications at the district level and 61 applications at the national level. The most obvious absence is the Muslim Brotherhood, which is boycotting the election but announced on January 8th that it would monitor the proceedings carefully. The parliamentary election comes at a critical time for Jordan, particularly due to the protests that have taken place in the past two months—previously rare occurrences. In the midst of these changing political winds, a fierce winter storm hit the Levant on January 9th, leaving at least eight people dead in the region and bringing an unusual foot of snow to Jordan.

Kuwait: The Constitutional Court is scheduled to set hearings to investigate the 51 challenges submitted against the parliamentary election results. The complaints range from calls to recount votes to the total annulment of the emir's decree and overturning the single-vote system in favor of the previously existing multi-vote system. It remains unclear how the rulings will affect the newly elected parliament.

Palestinians: Palestinian Authority President Abbas ordered an official name change from the Palestinian Authority to the "State of Palestine" on January 6th, the latest of several decisions to boost the standing of the Palestinian people following the UN vote on November 29th that granted them non-member observer state status at the UN. The decision came two days after the 48th anniversary of Fatah, a major political party and the largest faction within the Palestine Liberation Organization (PLO). This anniversary was celebrated by an unusual rally in Hamas-dominated Gaza. The rally, the largest of its kind since Hamas took control of Gaza in 2007, was a popular show of unity between the former rival factions. Fatah officials claimed half a million supporters turned out, while Hamas put estimates at 200,000. In another apparent step toward reconciliation, Hamas chief Khaled Meshaal and Fatah leader Mahmoud Abbas met in Cairo on January 9th—the first such meeting in almost a year. Though this is the latest indication of a Palestinian rapprochement, it is also a telling manifestation of President Morsi's desire to maintain Egypt's role as a key regional mediator.

Iran: The United States announced new sanctions on Iran on January 4th, targeting industries including shipping, ports, and the media. The latest measures aim to put pressure on Iran to end its nuclear expansion, even as a new round of multilateral negotiations with Iran seem likely. On January 5th, Saeed Jalili, head of Iran's Supreme National Security Council, announced that the next set of talks with the P5+1 (the permanent members of the UN Security Council plus Germany) would take place in January, although no date or venue have been specified.

UAE: Security forces arrested eleven Egyptians alleged to be part of a Muslim Brotherhood cell on January 1st. According to press reports, they are being accused of forming an illegal organization and collecting security information about the UAE. The press also reports that Abu Dhabi has rejected an official Egyptian request for the release of the Egyptian nationals, despite the deployment of a high-level delegation.

Maureen Quinn at [REDACTED]

or

Camilla Reksten-Monsen at [REDACTED]

* The Middle East Update presents a summary of ongoing developments in the Middle East based on information from the local and international press, expert analyses, and other sources. This service is provided by the International Peace Institute (IPI) exclusively to donors to its Middle East program. The views expressed here do not necessarily represent those of IPI.