

Egypt will reap benefits from Israel-Gaza mediation

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Egypt has been central in mediating between Israelis and Palestinians in Gaza, including during the latest fighting

When Israel and Hamas agreed on a Cairo-proposed ceasefire on May 21, Egypt was catapulted to centre stage in regional diplomacy. Clashes in June and early July, including more Israeli airstrikes on Gaza and incendiary balloons floated into southern Israel from Gaza, were a reminder of weaknesses in the ceasefire, the risks of future violence and Egypt's continued role in managing the situation.



Egyptian crews removing rubble caused by Israeli air strikes in Gaza, June 2021 (APAIImages/Shutterstock)

What next

Decades of close diplomatic ties with both Israel and Palestinian factions mean Egypt will remain the most capable broker over Israel-Palestine issues, despite initiatives by competing intermediaries and shifting alliances in the region. Cairo will use its role as a broker to strengthen ties with powerful allies (such as the United States and United Arab Emirates, UAE) and reassert its regional relevance.

Subsidiary Impacts

- The Biden administration will tone down earlier gestures toward holding the Egyptian regime to account on human rights abuses.
- Egypt will expand its footprint in Gaza, both diplomatically and physically through reconstruction efforts.
- Egypt may also look to take a more active role in resolving the situation in Libya.

Analysis

The military-backed government of President Abdel Fattah el-Sisi has faced a range of diplomatic challenges over the past year.

Diplomatic challenges

After the administration of US President Joe Biden assumed office in January, there were concerns that human rights abuses in Egypt could sour ties with Washington. As a candidate, Biden had said there would be "no blank checks" for the man Donald Trump once described as his "favourite dictator" (see [EGYPT: Cairo will resist pressure on human rights - January 15, 2021](#)).

Egypt's decades-long status as one of only two countries in the region to recognise Israel -- earning special benefits from the United States -- was also downgraded in 2020 with the Abraham Accords, which saw the UAE, then Bahrain, Morocco and Sudan, normalise relations with the region's one-time pariah (see [GULF STATES/ISRAEL: Ties could change deep structures - January 21, 2021](#)).

These developments came at a time when Cairo was keen to maintain good ties with the United States. US support would aid Egypt's position in the impasse with Ethiopia over its mega-dam that threatens Egypt's water supply, ensure the cooperation of the Washington-based IMF and World Bank to keep Egypt's economic crisis at bay (for now), and preserve Washington's annual USD1.3bn in military aid to maintain both a stocked arsenal and a satisfied powerbase in the armed forces.

Indispensable partner?

The latest outbreak of violence between Israel and Hamas, the governing authority in the Gaza Strip, allowed Sisi to prove his role as indispensable partner in the region (see [PROSPECTS H2 2021: Arab-Israeli conflict - June 17, 2021](#)).

Neither Israel nor the United States will engage openly in direct talks with Hamas, which makes an

intermediary essential to brokering ceasefires. Historically, Cairo has played this role -- acting as broker in the major violence that erupted in 2008-09, 2012 and 2014.

Cairo has encountered some competition as Israeli-Palestinian broker recently

However, in recent months, Egypt has been vying for influence in the region with countries that have normalised relations with Israel, as well as those that remain committed to Palestinian statehood.

Competing brokers

UAE officials had claimed that normalisation with Israel would help them negotiate for Palestinian interests. However, these assertions proved hollow during the latest round of violence.

The UAE issued a muted response throughout the fighting and made no apparent attempt to mitigate Israel's bombardment of Gaza.

Palestinians, still reeling from the Abraham Accords, which they consider a betrayal, would not have accepted the UAE's attempts had it tried to mediate. The creation of a Palestinian state has been a long-held precondition to recognising Israel among most Arab states.

The signatories of the Abraham Accords, led by the UAE, are therefore seen by the Palestinians as having forfeited valuable leverage in exchange for domestic interests. The wounds from Egypt's peace deal signed decades earlier are not as fresh, making Egypt a less unpalatable option.

The UAE is unable to step in as a broker between Israelis and Palestinians

Meanwhile, UAE-Israel ties do not run deep enough for Abu Dhabi to exert influence over its new strategic ally on matters of national security. Nor does the UAE wish to compromise lucrative economic deals in the pipeline.

This inability on the part of the UAE to act as a regional peacemaker benefits Egypt, which has been outmanoeuvred by its wealthy ally in other arenas. For example, the UAE plans to build an oil pipeline with Israel that would reduce oil transport through the Suez Canal -- a central revenue source for the cash-strapped Egyptian government.

Although the UAE-Israel detente may sideline Egypt over conflicting economic interests, Abu Dhabi needs Cairo's cooperation to mitigate the damage done by the Abraham Accords with regard to relations with Palestine and domestic and wider Arab opinion.

When UAE leader Crown Prince Sheikh Mohammed bin Zayed Al Nahyan wanted to offer his diplomatic assistance to mediate in the wake of the ceasefire, he called Sisi to see how he could help.

The UAE also sent 960 tonnes of food and medical aid into Gaza via the North Sinai Rafah crossing in early June, winning points for both itself and Egypt, which let the shipments pass through the border, the only entry to the besieged Strip not controlled by Israel.

In the wake of the Accords, had Emirati assistance travelled through Israel, it would have been politically tainted. Abbas rejected COVID-19-related medical aid sent by the UAE in 2020 because it was set to enter the occupied West Bank via Israel.

Warming ties with regional rivals

Egypt's role in the ceasefire has offered an opportunity for its regional rival, Qatar -- still committed to Palestinian statehood -- to ease tensions further with the Sisi regime.

Qatar's foreign minister visited Cairo for the first time since 2014

Qatar's Minister of Foreign Affairs Mohammed bin Abdulrahman Al Thani visited Cairo immediately after the ceasefire and recognised Sisi's legitimacy -- something the Gulf state had been unwilling to do since the former general took office in 2014 (see QATAR: Post-boycott prestige strategies will diversify - May 28, 2021).

Qatar officially restored diplomatic ties with Egypt, Saudi Arabia, the UAE and Bahrain in January, after they ended the three-and-a-half-year blockade against the emirate. However, the reconciliation so far remains limited.

As part of their nascent rapprochement, Egypt can more easily check Qatar's increasing influence in Gaza. Qatar, which maintains close ties to Hamas, has previously stepped on Egypt's toes on issues concerning Palestine.

Qatari, not Egyptian, officials were the preferred brokers following an outbreak of violence in August 2020 -- when Gazans sent incendiary balloons into Israel in a bid to end the blockade, and Israel bombed Hamas positions in Gaza. While Egypt still played a supporting role, it was reportedly Qatari diplomats who cemented the truce.

The Gulf state was also a major contributor of aid to Gaza and has active communication channels with Israel's intelligence agency, with which Qatar cooperated to deliver the assistance. In January, Qatar announced it would send USD360mn in aid to Gaza, on top of the hundreds of millions of dollars gifted in the preceding years.

The August 2020 truce demonstrated the extent to which Qatar's cash and commitment to Palestinian statehood has earned the tiny emirate influence in Gaza.

This likely played a role in Cairo's decision to promise USD500mn in reconstruction aid as ceasefire negotiations were ongoing this time around. Even before making sure the fragile truce would stick, Sisi sent in Egyptian construction teams with bulldozers, trucks and cranes to start the rebuilding efforts and -- more importantly perhaps -- expand Egypt's footprint in Gaza.

Egypt and Qatar have pledged USD500mn each for Gaza's reconstruction

Qatar matched Egypt's pledged USD500mn for reconstruction efforts just a week later, demonstrating that Egypt cannot outspend the wealthy emirate.

Yet Qatar, hoping to thaw its diplomatic freeze with Egypt, is unlikely to try to dampen Cairo's moment of renewed relevance. Instead, the emir will likely continue to support Egypt's brokerage, as he has in previous negotiations, such as during the Israel-Gaza clashes in November 2018. Qatar will want to strengthen the fragile rapprochement with Cairo and alleviate the dire humanitarian situation in Gaza.

Qatar would be an unlikely mediator in Israeli-Palestinian disputes

Moreover, while Egypt can leverage security along Israel's long border with North Sinai and its control of a border with Gaza, Qatar has few bargaining chips to offer Israel -- making it an unlikely leader in mediating major ceasefires like the one clinched in May.

Detente with Hamas

Alongside warming relations with Qatar, Cairo and Hamas have also reached an understanding after a rocky start.

Abbas Kamel, Sisi's right-hand man and head of intelligence, travelled to Gaza at the end of May to meet with Hamas leaders -- the first time an Egyptian spy chief has visited the Strip since Sisi came to power.

Hamas-Cairo ties have improved over the years

Following the 2013 coup that ousted former President Mohammed Morsi, a leader in the Muslim Brotherhood movement, Sisi led a campaign to flood the tunnels linking Gaza and the North Sinai and closed longstanding communication channels between Egypt's intelligence service and Hamas. Egypt views Hamas as an affiliate of the Brotherhood, which Egyptian authorities have designated as a terrorist organisation.

The 2014 Gaza war -- which erupted just one month after Sisi assumed the presidency -- tested the new leader's ability to preserve his predecessors' role as broker. Negotiations got off to a bad start when Egypt and Israel announced a ceasefire a week into the fighting without consulting the Palestinians.

Hamas rejected the truce as it failed to incorporate its demand of easing the blockade, but after 50 days of fighting that left around 2,200 people (mostly Palestinians) dead, the Islamist movement ultimately accepted a deal similar to the one originally proposed by Egypt, for lack of better options.

The ceasefire brought only a mild easing of restrictions to travel and fishing in the blockaded Strip. It failed to address serious Palestinian grievances, such as the blockade of Gaza and continued building of illegal Israeli settlements in the occupied West Bank.

Following this debacle, Hamas made a string of concessions to Egypt in 2017:

- It removed mention of the Muslim Brotherhood from its founding charter.
- It secured its side of the border with the North Sinai.
- It provided information on movements in that volatile region, where Egyptian security forces have been battling a militant opposition.

In return, the border crossings have opened more frequently after years of near-complete closure, and Egypt-Hamas intelligence communication has resumed.

Outlook

This detente proved its worth during negotiations for the May ceasefire, which brought political gains for both Hamas and Cairo. For example, Sisi had two phone calls with Biden in May, after months of silence from Washington. Washington also requested the maximum USD1.38bn in annual military aid for Egypt.

Moving forward, Egypt has a heavy diplomatic agenda ahead to consolidate the truce and foster longer-term stability in Gaza.

First, Cairo has hosted indirect Hamas-Israeli talks on prisoner swaps, as a gateway to a more functional agreement. So far, these have failed, as Israel wants to condition the return of financial

assistance (notably, Qatari salary payments) to Gaza on the return of captives and soldiers' remains, while Hamas rejects any such linkage, demanding large-scale freeing of its own prisoners.

Israel also wants better mechanisms to ensure that aid entering Gaza is not used by Hamas to rearm, demanding that the Palestinian Authority (PA) in the West Bank is involved in oversight. Cairo is thus also mediating another round of Palestinian international reconciliation talks.

This is an equally difficult proposition, since the PA insists on its own pre-eminence, while Hamas is bitter over a late decision to cancel long-delayed elections that had been scheduled this year, and insistent on acknowledgement of its own leadership in defending the Palestinian cause through the recent conflict.

Despite these difficulties, Cairo remains the only effective mediator. It will likely look to translate the fact that it is the sole country that can work with both Israelis and Palestinians into concrete political benefits, especially from the United States: less scrutiny on the human rights front, continued military aid and more support from Washington on the Grand Ethiopian Renaissance Dam.

Under Trump, the United States had sided with Egypt instead of brokering a deal with Ethiopia. Biden stepped away from that position but will probably come under pressure to reinstate it (see ETHIOPIA: US aid cut may harden Nile dam position - September 3, 2020). Likewise, the Biden administration may be compelled to tone down the emphasis on human rights.