CRS Insights

The Islamic State in Egypt: Implications for U.S.-Egyptian Relations
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In early November 2014, the Sinai Peninsula-based terrorist group formally known as *Ansar Bayt al Maqdis* (Companions or Supporters of Jerusalem) declared its allegiance to the leader of the Islamic State organization (IS, aka the Islamic State of Iraq and the Levant, ISIL/ISIS), Abu Bakr al Baghdadi, and changed its name to the Sinai Province (*Wilayat Sinai*) of the Islamic State (IS-SP). For lawmakers, this development raises questions such as how significant is the Islamic State presence in Egypt and what is the appropriate U.S. response to its supposed expansion beyond Iraq and Syria? Islamist radicals in the Sinai have been waging an insurgency against the Egyptian military for years, and many observers believe that this adoption of a terrorist "brand" is designed to increase radical recruitment to a group that previously had been unaffiliated with either Al Qaeda or the Islamic State "franchises."

Islamist militancy in Egypt stretches from the northern half of the Sinai Peninsula to the Western desert bordering Libya. Despite Egyptian military claims of counter-insurgency successes, violence in Sinai has steadily continued for several reasons:

- After nearly four years of political upheaval in Egypt, anti-government violence is more commonplace, particularly since the Egyptian military retook power in July 2013 and launched a crackdown against radical and moderate Islamists writ large.
- The Gaza Strip, which is internally controlled by the Palestinian terrorist group Hamas but whose borders are closely controlled by the Israeli and Egyptian militaries, continues to serve as a source of radical fighters, weapons, and training for militants over the Egyptian border.
- Libya's civil war has created opportunities for Egyptian and Libyan transnational terrorists/militias to cooperate and smuggle or access weapons via unprotected Libyan weapons caches. In fact, such cooperation may be compelling the Egyptian military and other foreign nations to become more involved in Libya's internal strife.
- The civil wars in Syria and Iraq may have driven the export of foreign fighters to Egypt.

Figure 1. The Islamic State's Sinai Province

Arabic Text Reads *Wilayat Sinai* under Islamic State Flag



Source: Image accompanying group's name change, Twitter/U.S. Government Open Source Center.

In recent months the tactics of Egyptian terrorist groups like IS-SP have become more lethal, with more experienced fighters using remotely detonated bombs equipped with signal strength technology. Moreover, militants may have informants in the military and have grown more confident in their ability to engage the army in firefights rather than resorting to hit-and-run maneuvers. Additionally, Israel claims that Sinai Province fighters were behind a July 2014 attempted hijacking of an Egyptian missile boat in the Mediterranean in one of the first ever sea-based attacks against the Egyptian Navy. Finally, Egyptian jihadists also have increased the emphasis they place on the propaganda and demonstrative effects of terror. Shortly before the group's rebranding as the Sinai Province of the Islamic State, its members carried out several beheadings of suspected informants—a possible imitation of Islamic State tactics. IS-SP also recently claimed credit for killing an American oil expert whose death in August 2014 had been classified as having been the result of a carjacking.

In the sparsely populated areas and geographically forbidding terrain where the group operates, the Egyptian military has for years struggled to root out militancy. It has imposed emergency rule, installed checkpoints along the main roads, instituted a general curfew, and asked the local population for support. The army recently announced that it would destroy homes in the town of Rafah along the border with Gaza in order to create a buffer zone to curb smuggling to Gaza. Overall, combating terrorism in the Sinai is complicated by limitations Egypt faces in fully enforcing its rule over the area since the 1979 Israeli-Egyptian peace treaty caps the number of soldiers that Egypt can deploy in the Sinai, subject to Israel and Egypt negotiating changes to Egyptian deployments. According to one Sinai resident, "I'm not sure how the army operates, but I doubt it has enough intelligence information."

Since then-General and now President Sisi assumed executive power in July 2013, U.S.-Egyptian relations have been more distant—to the consternation of some Gulf Arab, Egyptian, Israeli, and <u>U.S. observers</u> who believe that more cooperation is crucial <u>regardless of Egypt's domestic politics</u>. Although U.S. officials have not overtly connected Egypt's terrorist problem to the resurgence of military-led authoritarian governance, Administration officials have at times publicly <u>objected to Egyptian state repression</u>. There may be concern in the Administration and among some lawmakers that the Egyptian government's anti-Islamist crackdown has created significant blowback. Egypt's military appears to see terrorist groups like IS-SP and Islamist groups like the Muslim Brotherhood as two sides of the same coin. Some U.S. leaders may reject this Egyptian narrative.

Despite these differences, the United States and Egypt now face a shared adversary in the Islamic State, and Egypt is officially part of the international coalition undergirding Operation Inherent Resolve. To date, Egypt's contribution has been mainly political rather than military. Egypt claims that the fight against the Islamic State in Iraq and Syria is too distant and that it has more pressing priorities against domestic militancy in the Sinai or in neighboring Libya. It also may be wary of further emboldening Iranian influence in Iraq and Syria. Beyond claims of limited capabilities, diplomatic considerations also may be dampening Egypt's willingness to contribute. The military has complained about the Obama Administration's October 2013 decision to suspend certain weapons systems, and President Sisi stated in a television interview that Egypt would be more forthcoming if "you give us the Apaches and F-16s that you have been suspending for over a year and a half now." The United States has since resumed the delivery of Apache helicopters.

If the Administration and Congress believe that expanding the fight against the Islamic State to its so-called Sinai Province in Egypt is a top global counter-terrorism priority, then somehow the two governments may need to overcome the mistrust that has plagued their relationship in recent years. However, it is unclear whether either government is prepared to meet the other's demands. Overall U.S. policy toward Egypt is deeply divided between those who want Egypt to ease its domestic crackdown against non-violent Islamists and secular democracy activists before relations can improve and those who believe the United States should take the lead in advancing bilateral security cooperation without tying it to Egyptian domestic politics. Egypt wants the Administration and Congress to ease conditionality on foreign assistance and resume "normal" bilateral relations (see CRS Report

RL33003, <u>Egypt: Background and U.S. Relations</u>). The FY2015 Consolidated and Further Continuing Appropriations Act (<u>H.R. 83</u>) includes a national security waiver which would allow the Administration to obligate foreign aid to Egypt without having to certify that Egypt is governing democratically.

Despite the persistent terrorism problem in Egypt, there is little momentum to jumpstart bilateral counter-terrorism cooperation. In addition to the reservations noted above, the United States may be prioritizing more imminent terrorist threats elsewhere in the region. Continued provocations by IS-SP, particularly if they target U.S. personnel or Israelis, may lead to more urgent calls for and implementation of countermeasures.

Figure 2. Militant Attacks in Egypt



Source: CRS Graphics