— since the framework within which mutual societies operate differs from one Member State to another, the regulation should ensure that European mutual societies are able to freely define their own objects and to provide a broad spectrum of services, including social insurance and health insurance and the granting of loans, to their members.

Recommendation 4 (on governance of European mutual societies)

The European mutual society should be managed democratically and financed collectively for the benefit of its members. The statute should stipulate that the members are the collective owners of the mutual organisation.

The statutes of a European mutual society should lay down governance and management rules providing for the following: a general meeting (which can take the form of a meeting of all members or a meeting of delegates of the members), a supervisory organ and a management or administrative organ, depending on the form adopted in the statutes.

Each member (natural or legal person) or delegate of the general meeting should in principle have equal votes.

The member or members of the management organ should be appointed and removed by the supervisory organ. However, a Member State may require or permit the statutes to provide for the appointment of the member or members of the management organ by the general meeting.

No person should at the same time be a member of the management organ and a member of the supervisory organ.

The effect of the Solvency II Directive on the corporate governance of mutual organisations should be closely monitored.

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Situation in Egypt

European Parliament resolution of 14 March 2013 on the situation in Egypt (2013/2542(RSP))

The European Parliament,

— having regard to its previous resolutions on Egypt, in particular those of 16 February 2012 on Egypt: recent developments (1) and of 15 March 2012 on human trafficking in Sinai (2),

— having regard to its plenary debates of 12 June 2012, 4 July 2012 and 12 December 2012 on Egypt and the Middle East,

— having regard to the statements made by High Representative (HR/VP) Catherine Ashton and her spokesperson on Egypt in 2012, in particular those of 25 May 2012 on the presidential elections in Egypt, of 1 June 2012 on the lifting of the state of emergency in Egypt, of 15 June 2012 on the Egyptian Supreme Constitutional Court's rulings, of 20 June 2012 on the political situation in Egypt, of 24 June 2012 on the election of Mohammed Morsi as the President of Egypt, of 13 September 2012 on the launching of a new EU-Egypt Task Force, of 5 December 2012 calling for a national dialogue, of 25 December 2012 on the referendum in Egypt, and of 25 January 2013 on the killings in Port Said,

— having regard to the Council conclusions of 27 February 2012, 25 June 2012, 19 November 2012 and 10 December 2012 on Egypt, of 31 January 2013 on EU Support for Sustainable Change in Transition Societies and of 8 February 2013 on the Arab Spring,

— having regard to the European Neighbourhood Policy (ENP) Package, Country Progress Report — Egypt, of 15 May 2012,

— having regard to the EU-Egypt Task Force meeting of 13—14 November 2012 and its conclusions,

— having regard to the ‘Cairo Declaration’ of the Second European Union — League of Arab Foreign Affairs Ministerial Meeting of 13 November 2012,

— having regard to Council Regulation (EU) No 1099/2012 of 26 November 2012 amending Regulation (EU) No 270/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Egypt,

— having regard to the statements made by the President of the European Council, Herman Van Rompuy, after his meetings with the President of Egypt, Mohamed Morsi, on 13 September 2012 and 13 January 2013,

— having regard to the Commission memorandum of 8 February 2013 entitled ‘EU’s response to the “Arab Spring”: the state-of-play after two years’,

— having regard to the joint communication of 15 May 2012 from the Commission and the HR/VP to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Delivering on a new European Neighbourhood Policy,

— having regard to the EU-Egypt Association Agreement of 2001 (which entered into force on 1 June 2004), as strengthened by the Action Plan and the European Neighbourhood Policy agreed in 2007,

— having regard to the statements by the UN High Commissioner for Human Rights, Navin Pillay, of 7 December 2012 on violence in Egypt and major problems with the draft constitution, and of 29 January 2013 on the need for a serious dialogue and an end to the use of excessive force,

— having regard to the statement of 31 January 2013 by the Executive Director of UN Women, Michelle Bachelet, expressing deep concern over escalating violence against women in public places in Egypt,

— having regard to the International Covenant on Civil and Political Rights (ICCPR) of 1966, to which Egypt is a party, and to the International Convention on the Rights of the Child of 1989, to which Egypt has agreed to be a party,

— having regard to the Universal Declaration of Human Rights,

— having regard to Rule 110(2) and (4) of its Rules of Procedure,

A. whereas Egypt is a key partner of the European Union in the Southern Mediterranean; whereas political, economic and social developments in Egypt have significant implications in the whole region and beyond;

B. whereas in the presidential elections held in May and June 2012, Mohammed Morsi won with 51.7 % of the vote, becoming the first Islamist candidate to be elected head of state in the Arab world; whereas those free and fair presidential elections were an important step in the process of democratic transition;

C. whereas on 14 June 2012 the Supreme Constitutional Court of Egypt rendered the 2012 parliamentary elections unconstitutional and one third of the winners unlawful, as well as annulling the Political Exclusion Law;

D. whereas on 22 November 2012, eight days after the conclusion of the EU-Egypt Task Force meeting and one day after the Egypt-brokered ceasefire agreement between Israel and Hamas, President Morsi issued a Constitutional Declaration whereby, inter alia, he placed the Presidency beyond judicial control; whereas days later the President nullified that declaration, but escalating demonstrations were already taking place;

E. whereas judicial institutions and judges continue to face pressure, attacks, intimidation and interference from various political actors and forces in Egypt; whereas in November 2012 the Constitutional Court suspended its work because of the siege laid to its premises by supporters of the President and their allies; whereas the sacking of the general prosecutor in October 2012 and the appointment of his successor have provoked strong criticism and protests from judges, judicial officials and others; whereas this interference in the judiciary undermines the Egyptian population’s trust in the fairness and impartiality of the legal system;
F. whereas on 30 November 2012 the Constituent Assembly adopted the draft Constitution; whereas it was approved on 15 and 22 December 2012 by referendum, with 63,8 % voting in favour but with a turnout of 32,9 %; whereas the constitutional process and the anticipated adoption of the new constitution, instead of creating consensus, have further deepened internal divisions in Egyptian society; whereas many in Egypt and beyond have expressed concerns about various articles of the new constitution, including the status of Sharia in domestic legislation, the independence of the judiciary and the role of military courts, fundamental freedoms, and women’s rights;

G. whereas fresh Egyptian parliamentary elections have been called for the end of April 2013; whereas the Supreme Committee for Elections in Egypt has accepted four non-governmental organisations to ‘witness’ the elections, as well as the European Union, the League of Arab States and the African Union; whereas on 18 February 2013 the Supreme Constitutional Court declared several articles of this law unconstitutional and asked the Shura Council to amend them; whereas the opposition forces led by the National Salvation Front, protesting against the lack of legal guarantees for free and fair elections, have announced a boycott of the upcoming parliamentary elections; whereas on 7 March 2013 the Egyptian Electoral Commission suspended the upcoming parliamentary elections after a decision by the Cairo Administrative Court to halt them, because the Shura Council had not returned the electoral law to the Supreme Constitutional Court for final review after amending it;

H. whereas, following violent clashes between protesters and security forces, leading to dozens of deaths, on the eve of and in the weeks after the second anniversary of the 25 January Revolution and sparked variously by the increased lawlessness in Egypt, the vast decline of the Egyptian economy and the dozens of death sentences handed down against civilians involved in the deadly 2012 football riots in Port Said, President Morsi announced a state of emergency in several Egyptian cities, prompting warnings by the military of ‘the collapse of the state’; whereas on 30 January 2013 opposition leaders jointly called on President Morsi to stop the violence against protesters, to form a national unity government and to start a genuine national dialogue, as the only way to overcome the current political and social divisions and tensions; whereas President Morsi dismissed the calls for a unity government; whereas on 26 February 2013 President Morsi launched a national dialogue boycotted by leading opposition forces;

I. whereas 42 people, including two police officers, died in clashes after a court recommended on 26 January 2013 that 21 Port Said residents be sentenced to death for killings after a football match a year earlier; whereas on 9 March 2013 this sentence was confirmed and a verdict was issued against the remaining 52 defendants; whereas in its resolution of 16 February 2012 the European Parliament called for an independent inquiry into the events leading to the tragedy and for those responsible to be brought to justice; whereas the European Union is opposed to the use of capital punishment in all cases and under all circumstances and has consistently called for its universal abolition in order to protect human dignity;

J. whereas the mounting political tensions have further deepened the internal polarisation within Egyptian society and are leading to continued street protests and violent clashes, involving arbitrary arrests, intimidation, kidnappings and torture; whereas instances of excessive use of force and lethal violence against peaceful demonstrators by the police, security forces and unidentified groups often remain unpunished; whereas security and public order should be maintained with restraint and full respect for human rights and fundamental freedoms;

K. whereas public opinion in Egypt is very critical of restrictions on freedom of expression; whereas the penal code and the newly adopted constitution could seriously curb freedom of expression, both online and offline; whereas civil liberties and digital freedoms are enablers of universal human rights and should be upheld at all times; whereas physical violence and harassment against journalists have increased significantly; whereas a number of legal proceedings have been initiated against opposition media for insulting the President; whereas criminal prosecutions of journalists, notably from opposition media, and of comedians such as Gamal Fahmy, Bassem Youssef and Okasha Tawfiq are continuing; whereas 24 reported cases have been brought for insulting the President; whereas the number of blasphemy cases has increased since President Morsi took office;

L. whereas the draft Law on the Protection of the Right to Peacefully Demonstrate in Public Places would put serious limitations on the right to peaceful public assembly;
M. whereas Egyptian women are in a particularly vulnerable situation in the current period of transition; whereas, according to reports by Egyptian and international human rights organisations, female protesters are often subjected to violence, sexual assault, virginity tests and other forms of degrading treatment by the security forces, while women's rights activists face threats and harassment; whereas women have witnessed major setbacks in the field of political participation; whereas criticism has come from the National Council for Women (NCW) and civil society regarding the silence of the authorities, which have not condemned the violence suffered by women, giving a wrong signal as to Egypt's respect for women's rights;

N. whereas Egyptian civil society and international NGOs face mounting pressure and major difficulties in operating in Egypt; whereas several drafts of the new Law on Civil Associations and Foundations have raised concern among civil society activists and organisations as they would impose tight restrictions on NGO funding, notably from foreign sources, leave room for intrusive monitoring by the authorities and limit all forms of social activity and organisation; whereas they would also limit fact-finding visits and other essential activities throughout Egypt, practically preventing civil society organisations from doing their work;

O. whereas the EU is Egypt's first economic partner and its main source of foreign investment and development cooperation; whereas on 13—14 November 2012 the EU-Egypt Task Force, co-chaired by the HR/VP and Egyptian Foreign Minister Kamel Amr, met in Cairo and agreed a major package of economic and political assistance to help Egypt with its ongoing transition, with a total of nearly EUR 5 billion in the form of loans and grants for 2012-2013; whereas the financial assistance is partly conditional on Egypt's success in finalising a deal with the International Monetary Fund (IMF), as well as upon human rights, democracy and economic governance; whereas the honouring of these commitments and the speeding-up of EU support delivery are of crucial importance for Egypt;

P. whereas the Task Force underlined its commitment to promotion of and respect for human rights, including women's rights and gender equality with a view to empowering women in all fields, freedom of expression and association, and freedom of religion or belief, and condemned all forms of incitement to religious hatred, intolerance, hostility or violence;

Q. whereas the success of the European Neighbourhood Policy, as well as that of the reforms in the area of human rights, and specifically women's rights, will depend on the involvement of civil society in the implementation of the relevant policies;

R. whereas the Egyptian economic situation is in a grave state, with foreign currency reserves at a low level and the Egyptian pound at its lowest rate since 2004; whereas the country's economic improvement will depend on its long-term political and social stability; whereas Egypt is going through a critical period of transition and faces considerable challenges and difficulties in the process towards democracy; whereas this transition should be based on the core values of social justice, respect for human rights and fundamental freedoms, the rule of law, and good governance;

S. whereas the return of assets stolen by the former regime, beyond its economic significance, can contribute to delivering justice and accountability to the Egyptian people and is therefore a major political issue of high symbolic importance in relations between the EU and Egypt; whereas since March 2011 19 persons responsible for the misappropriation of Egyptian state funds, including former President Mubarak, have had their assets in the EU frozen; whereas the Council adopted a new regulation on 26 November 2012 aimed at facilitating the return of these misappropriated funds; whereas the Task Force agreed to finalise, within three months, a roadmap which could include the establishment of an asset recovery group coordinated by the European External Action Service;

1. Expresses its solidarity with the Egyptian people in this crucial period of transition towards democracy in the country; calls on the Egyptian authorities to ensure full respect for human rights and fundamental freedoms, including freedom of expression, association and peaceful assembly, press and media freedom, women's rights, freedom of religion, conscience and thought, the protection of minorities and the fight against discrimination based on sexual orientation, and to ensure the rule of law, separation of powers, independence of the judiciary, the fight against impunity, and due process, as these are essential components of a free and democratic society;
2. Expresses its deep concern at the increasing internal polarisation within Egyptian society and the continued violent incidents; reminds the Egyptian state authorities and security forces of their duty to restore and ensure security and order in the country; urges all political actors to show restraint with the aim of avoiding further violence, in the best interests of the country; calls also for serious, impartial and transparent investigations into the killings, torture, degrading treatment and harassment of peaceful protesters, with special regard to women, and for those responsible to be brought to justice; urges the authorities to act in strict accordance with international standards; profoundly regrets the considerable loss of life and the large number of injuries resulting from the recent clashes, and extends its condolences to the families of the victims.

3. Reiterates the EU’s strong and principled position against the death penalty and calls for a full moratorium on the execution of any death sentences in Egypt; urges Egypt to ratify the Second Optional Protocol to the International Covenant on Civil and Political Rights of 1966 aiming at the abolition of the death penalty; calls for the death sentences handed down on 26 January 2013 to 21 supporters of the Al-Masry football club to be commuted;

4. Notes the decision reached by the Egyptian electoral commission to cancel the upcoming parliamentary elections, and calls on the Egyptian Government to use this period to establish an inclusive political process based on consensus and joint ownership through a genuine national dialogue with the meaningful participation of all democratic political forces; calls on all political forces in Egypt to work together in this direction; encourages the EU and its Member States to continue supporting and assisting Egypt’s authorities, political parties and civil society in their efforts to achieve this goal; welcomes the invitation issued by the Egyptian authorities to the EU to witness the upcoming parliamentary elections, notwithstanding the cancellation of the elections; reiterates its offer to facilitate a fully fledged electoral observation mission;

5. Expresses alarm over the rise in violence against women, in particular female protesters and women’s rights activists, and the failure of the authorities to prevent and condemn this violence or to hold the perpetrators to account; calls on President Morsi, as well as the leaders of the ruling and opposition parties, to exercise strong political leadership to tackle gender-based violence, and to ensure that all incidents of sexual assault and harassment of women are effectively investigated, bringing the perpetrators to justice and making sure that victims receive adequate reparations; urges President Morsi to address this chronic violence and discrimination against women by adopting the anti-harassment legislation proposed by women’s rights activists; calls on the Egyptian authorities to condemn all forms of violence and aggression against women; urges the government to promote and support the political participation of women by reversing the current negative trend in this field;

6. Calls on the Egyptian authorities to reform the police and security forces and to abolish all laws that allow for the unrestricted use of violence by police and security forces against civilians; underlines the necessity of developing, in dialogue and consultation with civil society, a proper legal framework to guarantee the right to peaceful demonstrations and peaceful public assembly and to allow civil society organisations to operate without undue constraints and to benefit from assistance from foreign sources;

7. Expresses its full support for the commitment shown by civil society organisations and the important and high-quality work they carry out for the promotion of peace, democracy and human rights, and calls for an immediate end to any pressure, intimidation or harassment against trade unions, journalists or bloggers;

8. Is concerned about the situation of the Egyptian judiciary; calls on the Egyptian Government and the country’s political forces to fully respect, support and promote the independence and integrity of judicial institutions in Egypt; underlines the need to continue with reform of the criminal justice system in order to guarantee an adequate legal framework for tackling impunity and torture and protecting human rights; encourages the Egyptian authorities to initiate a genuine process of transitional justice with a view to ensuring accountability for human rights violations committed before, during and after the 2011 revolution;

9. Expresses its concern over the restrictions on freedom of belief, conscience and religion; welcomes, in this context, the creation on 18 February 2013 of an Egyptian Council of Churches, made up of the five largest Christian denominations in the country and with a mandate including the promotion of a Muslim-Christian dialogue; believes that efforts should be made to reverse the tide of Christian emigration from Egypt, which not only threatens the continued existence of one of Egypt’s oldest communities, but also damages the Egyptian economy, with trained professionals leaving the country;
10. Calls on the Egyptian authorities to sign and ratify the Rome Statute establishing the International Criminal Court (ICC) in the Hague and to refrain from inviting heads of state for whom the ICC has issued arrest warrants;

11. Expresses its strong support for reforms leading towards democracy, the rule of law and social justice in Egypt, as expressed by the Egyptian people; renews its call for an assessment of the possibility of lifting the state of emergency throughout the country; calls for an immediate end to prosecution of civilians in military courts;

12. Reiterates its continuing concern about human smuggling and trafficking and about the situation of irregular migrants in the country, notably in the Sinai region; calls on the Egyptian authorities to further intensify their efforts to address these issues, not least by implementing fully national legislation on refugees and by granting UN agencies and human rights organisations full access to the individuals concerned in Sinai;

13. Is deeply concerned at Egypt's rapidly deteriorating economic situation and the protracted negotiations on a loan agreement with the IMF; welcomes the government's renewed efforts to continue these negotiations; encourages the development of economic cooperation between the EU and Egypt, with enhanced bilateral dialogue on economic reform, as an important step towards building confidence among investors;

14. Urges the VP/HR and the Commission to develop the 'more for more' principle, with a particular focus on civil society, women's rights and minority rights, in a more coherent and practical way, including clear conditions and benchmarks should the Egyptian Government steer away from democratic reforms and respect for human rights and freedoms, and as a cornerstone of the reviewed European Neighbourhood Policy, in the EU's relations with the Egyptian Government, without creating a negative effect on the living conditions of the country's population;

15. Urges the VP/HR to hold the Egyptian authorities and President Morsi to their commitments to respect for human rights and fundamental freedoms; calls on the EU not to grant any budgetary support to the Egyptian authorities if no major progress is made regarding respect for human rights and freedoms, democratic governance and the rule of law;

16. Expresses its full support for increased EU-Egypt cooperation, whether in the context of the Association Agreement and its action plans, the successful continuation of the EU-Egypt Task Force, regular human rights dialogues, increased business cooperation, improved mobility for Egyptians, particularly students, to the EU, the negotiation of a Deep and Comprehensive Free Trade Agreement or future market integration;

17. Urges the EU and its Member States to make further significant efforts aimed at facilitating the return of misappropriated assets stolen by the former regime to the people of Egypt; calls, in this context, for the establishment by the EU of a group of investigators, lawyers and prosecutors from its Member States and other European countries to deliver legal support and assistance to the Egyptian authorities in this process;

18. Instructs its President to forward this resolution to the Council, the Commission, the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission, the parliaments and governments of the Member States, and the Egyptian authorities.