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Existing and Future Challenges: Egypt's Role in Thwarting Israeli Plans Since October 7

Analysis of the Egyptian State's Policies in Managing the Prolonged Crisis



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Abstract

From October 7, 2023, to the present, Egypt has dealt with the Palestinian-Israeli crisis as a central test of its regional role and international standing. Cairo has employed balanced tools that combine active political mediation with national security control. It has cautiously managed the Rafah crossing and humanitarian relief, reflecting its commitment to protecting Palestinians without threatening the stability of Sinai. It has also led influential efforts in hostage exchange deals and managing the ceasefire, and has confronted challenges with smuggling networks and tunnels through extensive security interventions. Regionally, Egypt has strengthened its partnerships with Arab actors, while maintaining open channels with the United States and Israel within the framework of a delicate balance that protects its strategic interests. Internationally, it has employed its tools at the United Nations to affirm the two-state solution and reject attempts to impose unilateral settlements. Cairo is moving towards an approach driven by its historical role, making it an indispensable player in any future settlement, despite growing challenges that require a restructuring of its diplomatic and security tools.

Introduction

The October 7, 2023 war marked a turning point in a series of political, military, and regional interactions. From this point, Cairo began repositioning its foreign and regional policies in response to a combination of internal pressures and real security threats on its borders. During the first months, Egypt immediately shifted to playing the traditional mediator role, doubling its contacts with Doha, Washington, and regional actors, while working to strengthen its security capabilities in Sinai. A series of events then placed Cairo in a position of overlapping reaction and preemption:

(a) intensive Israeli operations in areas near Rafah, leading to tensions at the crossing and the successive suspension of aid; (b) regional and international discussions and rumors regarding the restructuring of Gaza and alternatives for its post-war administration (including proposals for temporary transfer or resettlement); (c) Arab and international pressures prompted an emergency Arab summit in Cairo in March 2025, which adopted an Egyptian reconstruction plan as an alternative to proposals for "displacement" or unilateral administration.

Over the extended period, Cairo pursued a multi-faceted policy: continuing mediation to resolve hostage exchanges and a temporary ceasefire; managing and monitoring the crossings (the Rafah crossing being at the forefront); enhancing security in Sinai to prevent operational spillovers; and forming an Arab diplomatic front supporting the reconstruction proposal and preserving the survival of the population in the Gaza Strip. These tools were evident in practice, but their results varied depending on the changing field, regional, and international pressures.

First: The Strategic Determinants of Cairo's Policy:

The Egyptian strategy for dealing with the Palestinian-Israeli issue is based on three main objectives that are intertwined in their content and are reflected in Cairo's overall regional approaches. The first objective is to protect immediate national security and prevent any potential mass displacement into Sinai. The Egyptian leadership recognizes that large-scale refugee waves could create a demographic and security imbalance in an already sensitive region, due to historical challenges posed by armed groups. The second objective is to preserve Egypt's position as a central regional mediator, a position Cairo views as part of its political legacy and a source of Arab legitimacy. Cairo therefore seeks to reaffirm its leadership role within the Arab agenda, ensuring continued reliance on its mediation in any regional arrangements related to the conflict. The third objective is to prevent any attempt to formulate an alternative, regional, or international legitimacy that bypasses the Palestinian Authority or diminishes its role in governing Gaza. Cairo believes that bypassing this dimension would empty the issue of its political dimension and transform it into a humanitarian or security issue that can be easily dismantled.

Military Constraints and the Balance of Power

Despite its clear objectives, Cairo is constrained by several structural factors. It is not a power willing to engage in a direct military confrontation with Israel, nor does it possess the tools to deter Israeli strategic choices that enjoy broad support from key Western allies, most notably the United States. Therefore, Egyptian policy focuses on non-military alternatives that are less costly and more in line with its capabilities. These include strengthening its multilateral diplomatic presence, leveraging Arab legitimacy as a lever for its positions, and managing the public narrative through the media and official

discourse to undermine Israel's attempts to impose its vision as the sole option. This approach reflects an Egyptian awareness that the balance of power does not permit direct confrontational policies, and that the optimal alternative lies in transforming soft power tools into counter-pressure tools.

Domestic and Regional Political Constraints

The domestic and regional political environment also imposes a delicate equation on Cairo. Internally, the state's supreme security interest is a red line that prevents it from bearing the burden of a mass exodus that could lead to domestic unrest or drain the country's economic resources. Externally, strategic relations with the United States, along with the existence of intelligence channels with Israel, restrict any radical Egyptian moves that might be interpreted as a departure from the international consensus or a direct threat to existing security equations. As a result, Egypt's scope for maneuver remains governed by a delicate balance between preserving its regional decision-making independence, on the one hand, and avoiding the risk of losing international support on other economic and security issues, on the other.

Economic Restrictions and Reconstruction Funding

The economic dimension adds another layer of complexity, as Cairo realizes that the success of any plan to rebuild Gaza requires massive international funding, which can only be provided through a partnership with the European Union or the United Nations. However, this funding is subject to political conditions and governance standards that may not align with Egyptian orientations or the positions of the Palestinian factions. Consequently, Egypt's ability to transform its initiative into a practical reality appears to be contingent on a complex arrangement combining external funding and international guarantees. This makes any reconstruction project not merely a technical issue, but a political and negotiating matter that requires the ability to maneuver between donor demands and the orientations of local parties.

The security situation in Sinai

The security situation in Sinai is a fundamental determinant of any Egyptian policy toward Gaza, as any potential displacement of Palestinians into Egyptian territory is considered a direct threat to national security. In recent years, Cairo has strengthened its military and security presence along the border strip, reorganized its checkpoints, and tightened its procedures at the crossings. However, complete control remains difficult due to the length of the border and the complex terrain, as well as the activity of smuggling and infiltration networks that could exploit any state of chaos. Therefore, fully controlling the border requires significant financial and human resources, in addition to international and regional intelligence cooperation. This requires Cairo to maintain security as an integral part of its overall policy toward the Gaza Strip.

Palestinian Legitimacy and Internal Rivalry

With regard to Palestinian legitimacy, Cairo has always faced the dilemma of preserving the role of the Palestinian Authority and preventing its marginalization. Any Egyptian initiative perceived as bypassing the official Palestinian partner could undermine Cairo's own legitimacy and weaken its ability to maneuver. Therefore, the Egyptian strategy has been linked to attempts to engage the Palestinian Authority in alternative arrangements,

such as pushing for an interim administrative government or forming trained Palestinian security forces, while taking into account the sensitivity of the popular stance, which rejects any arrangements that appear to circumvent Palestinian rights. This dimension reflects Cairo's awareness of the need to strike a balance between preserving official Palestinian legitimacy on the one hand, and preventing other factions or external parties from filling the void on the other.

A Tactical Approach Under Structural Constraints

Based on these limitations, it is clear that Egyptian policy was not designed to be a tool for direct military confrontation with Israel, but rather took the form of an intertwined tactical approach based on a combination of security control and pragmatic diplomacy. By tightening control over Sinai, Cairo sent an implicit message that it would not allow a mass displacement. At the same time, it intensified its diplomatic efforts to garner Arab and international acceptance of alternative models that would preserve the survival of the population in Gaza. It also sought to manage a conditional humanitarian operation that would ensure the Strip would not be emptied of its political content. However, the impact of this policy remains limited whenever Israeli military pressure escalates or Western support increases, forcing Cairo to strike a delicate balance between political pressure and security containment on the one hand, and diplomatic pragmatism on the other. This balance not only reflects the limits of Egyptian power, but also reflects a measured approach aimed at minimizing losses and preventing the imposition of arrangements that would harm its long-term strategic interests.

Second: Mechanisms for Thwarting Israeli Plans and Defensive Strategies

Strategy for Thwarting the Forced Displacement Plan

The Egyptian position on the issue of the forced displacement of Palestinians represents one of the most notable successes of Egyptian policy in thwarting Israeli strategic plans since October 7, 2023. From the first hours of the war on Gaza, the Israeli government, led by Benjamin Netanyahu, sought to implement a multi-stage strategy aimed at radically changing the demographics of the Gaza Strip by forcing the Palestinian population to flee to Egypt. This strategy, revealed through statements by Israeli officials and official documents, included creating impossible living conditions in Gaza, forcing residents to seek safe haven outside the Strip, with Egypt as the primary destination for displacement.

To confront this plan, Egypt adopted a comprehensive defensive strategy that includes several levels of preventive and preemptive measures. On the military level, Egypt mobilized approximately 40,000 troops in the Sinai Peninsula, an unprecedented measure that reflects the Egyptian government's seriousness in confronting any attempt to impose forced displacement. This military buildup not only aims to prevent illegal border infiltration, but also sends a clear message to regional and international parties that Egypt is serious about defending its position and is prepared to use all available means to protect its national security.

On the diplomatic level, Egypt has succeeded in building a broad international coalition supporting its position against forced displacement. This was a result of Cairo's efforts to highlight the regional and international risks that could result from accepting the "soft transfer" policies sought by Tel Aviv and Washington, including their repercussions for regional stability and international humanitarian law. President Sisi played a pivotal personal role in these efforts, conducting extensive contacts with international leaders to garner support for the Egyptian position.

Diplomatic Mediation Strategy

Egypt's role in mediating ceasefire negotiations between Israel and Hamas has evolved into one of its most important foreign policy tools for thwarting long-term Israeli plans. Through its position as a trusted mediator for all parties, Egypt has been able to play a crucial role in formulating ceasefire proposals that limit Israel's ability to fully achieve its strategic objectives in Gaza. This mediating role is not limited to facilitating negotiations; it also includes influencing the content of potential agreements to ensure the protection of basic Palestinian rights and prevent Israel from exploiting the war to achieve lasting strategic gains.

The proposal drafted by the United States, Egypt, and Qatar, which Hamas accepted on May 5, 2024, and presented by US President Joe Biden on May 31, reflects the success of Egyptian diplomacy in formulating a balanced negotiating framework that includes gradual stages for a ceasefire. This proposal, which includes an initial six-week truce with the release of hostages in exchange for the release of Palestinian prisoners, an end to the war, an Israeli withdrawal from the Gaza Strip, and a reconstruction process lasting three to five years, represents a significant diplomatic achievement for the Egyptian position, which refuses to allow Israel to achieve a complete strategic victory at the expense of Palestinian rights.

Egyptian efforts in this area did not stop at formulating proposals; they extended to ongoing attempts to maintain the momentum of the negotiations and persuade the parties to agree to the proposed solutions. In August 2025, Qatari Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman Al Thani affirmed Qatar and Egypt's commitment to reaching a solution that would end the Israeli war on Gaza, despite all attempts to distort, obstruct, and undermine these efforts. This statement reflects Egypt's steadfastness in the face of various pressures and its commitment to its mediation role, even in the most difficult circumstances.

The Egyptian Reconstruction Plan

In March 2025, Egypt unveiled an ambitious plan to rebuild the Gaza Strip, estimated at a total cost of \$53 billion over five years. This plan represents Egypt's strategic response to Israeli and American attempts to impose unilateral solutions on Gaza's future. This plan, endorsed by the Arab League, includes a comprehensive vision to transform Gaza into a modern and sustainable area with housing units for 1.6 million people, industrial and technology zones, a commercial port, an airport, and renewable energy and tourism projects.

The Egyptian plan is divided into three phases. The first phase focuses on immediate stabilization through mine clearance and the provision of temporary housing. The second phase focuses on basic infrastructure reconstruction. The third phase aims to develop Gaza as a sustainable, self-sufficient economy. This plan is not only an economic vision; it also carries profound political and strategic dimensions aimed at preventing Israel from imposing its unilateral solutions on Gaza's future and ensuring that Palestinians remain on their land. The funding required for the plan is distributed across several sectors, with \$20 billion allocated to infrastructure, service buildings, permanent housing units, and the rehabilitation of agricultural land, while the remaining funds are allocated to other vital sectors. This financial distribution reflects a deep understanding of development priorities in Gaza and lays the foundations for an independent and sustainable Palestinian economy. The plan also includes international partnerships. The Egyptian Organi Group announced a strategic partnership with the Chinese state-owned construction company, with investments reaching \$5 billion over the first three years.

Implementation Challenges and Political Obstacles

Despite the Egyptian plan's ambition, it faces significant challenges at various levels, requiring careful and flexible handling by Egyptian decision-makers. The first of these challenges is the Israeli position, which rejects any plan that does not guarantee the complete elimination of Hamas and the dismantling of its military and political structures. This position conflicts with the Egyptian vision, which seeks a comprehensive solution that includes all Palestinian factions. The White House and Israel have criticized the plan for omitting clear answers to key issues such as governance, the future of Hamas, and funding, reflecting the political complexities facing the implementation of this ambitious plan.

Third: Intertwined Dimensions in Cairo's Crisis Management

The Rafah Crossing: Between Humanitarian Legitimacy and Political Bargaining

Since the outbreak of the Gaza War on October 7, 2023, the Rafah Crossing has become a central focus of crisis management, as Egypt sought to consolidate its role as a humanitarian outlet, independent of Israeli dictates or American pressure related to relief efforts. The crossing served as a "lifeline" for Palestinian civilians, while Israel attempted to exploit it as an arena for political blackmail by demanding that it be linked to joint security oversight or placed under international supervision. However, Cairo adhered from the outset to the principle of full sovereignty over the crossing, rejecting any formula that would impinge on its direct management. This strategic position reflected an Egyptian awareness of the risks of any undermining of national sovereignty in Sinai or any potential security breach. This role has been highlighted on several occasions: In December 2023, when Israel and the United States proposed a temporary international force to manage the crossing, Egypt categorically rejected the proposal, asserting that the crossing was a sovereign matter and that the involvement of the United Nations or any third party would evoke the Camp David scenario and the internationalization of parts of Sinai. In early 2024, Cairo strengthened its logistical measures at the crossing to facilitate the entry of relief convoys, but at the same time, it closed the door to any Israeli attempts to transform it into a conduit for the forced displacement of Palestinians toward Sinai. Thus, Egypt employed the crossing's management not only to provide humanitarian aid, but also to thwart Israeli scenarios related to demographic engineering in the region.

Hostage Exchange Deals as a Tool for Diplomatic Repositioning

The issue of Israeli hostages held by the resistance in Gaza was another arena in which Cairo demonstrated its ability to maneuver between the conflicting parties. From November 2023 to July 2025, Egypt, sometimes in coordination with Qatar, succeeded in passing more than one partial deal to exchange hostages for the entry of aid or the release of Palestinian prisoners.

This mediation was not merely a humanitarian role; it also served to consolidate Cairo's role as an unavoidable mediator, at a time when Israel attempted to promote alternative initiatives through European (Germany, France) or regional (UAE) parties. Egypt refused to marginalize its role and positioned itself as the "central node" of any negotiations related to the hostages, which restored its influence as a guarantor of agreements in the region. What stands out most in this context is Cairo's success in managing a complex equation. On the one hand, it affirms its commitment to humanitarian considerations, while on the other, it exploits these issues to reassert its regional influence, taking advantage of Israel and the United States' need for it on sensitive issues. Indeed, some Israeli media reports in February 2025 spoke of "deliberate Egyptian complicating" some rounds of negotiations, with the aim of extracting political concessions related to a ceasefire or easing security measures in Gaza. Here, it can be said that Egypt used the hostage issue not as a temporary tool, but rather as a strategic lever to thwart Israeli attempts to impose post-war arrangements independently.

Crossing Management and Relief: Between International Pressure and Security Considerations

Managing the Rafah Crossing was not the only major challenge; --managing the other crossings and relief aid was also linked to international pressure on Cairo. Since the beginning of 2024, the United States has attempted to link the flow of aid through Rafah or El-Arish to American-Israeli oversight mechanisms, under the pretext of "preventing the leakage of dual-use materials to Hamas." Cairo rejected this proposal, insisting that oversight be exclusively Egyptian-Palestinian, while allowing international organizations to operate under Egyptian supervision. This position reflected the Egyptian state's concern not to become a "logistical agent" for Israel or Washington in the blockade of Gaza.

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In return, Egypt strengthened its infrastructure in Arish and Rafah to accommodate hundreds of aid trucks and established strategic warehouses for relief supplies. At the same time, however, it imposed strict controls to prevent any uncontrolled smuggling into Gaza, maintaining a delicate balance: presenting itself as the primary humanitarian buffer zone, while simultaneously ensuring the prevention of the infiltration of weapons or explosive materials that could provide Israel with a pretext to attack the Egyptian border.

Tunnel Networks and Smuggling: Egypt's Security Approach

One of the most prominent issues linked to the Egyptian role is the issue of tunnels and smuggling. Since the **2014** war, Cairo intensified its efforts to destroy the tunnels between Egyptian Rafah and the Gaza Strip, but since **October 7, 2023**, this issue has strongly returned to the forefront. Israel promoted the narrative that the continued operation of some tunnels facilitated the transfer of weapons to Palestinian factions, a claim it sought to exploit to embarrass Cairo internationally.

The Egyptian response was decisive. On the one hand, the Egyptian Armed Forces intensified their security operations in North Sinai since late **2023**, announcing in several statements the destruction of new tunnel networks and the interception of smuggling attempts. On the other hand, Cairo used this issue to emphasize that Sinai would not serve as a rear base for any party and that its national security was non-negotiable. In **April 2024**, it announced the establishment of an "enhanced security buffer zone" on the border, equipped with advanced thermal imaging systems and ground-based radars. This gave the international impression that Egypt was strictly controlling its borders, while simultaneously removing any pretext for direct intervention from Israel. Importantly, this Egyptian security approach was used not only to respond to Israel, but also to send internal messages, asserting that the state had full control over the border area after years of security unrest in Sinai. This has strengthened the image of the Egyptian political system as an actor that balances protecting national security with providing humanitarian support to Gaza.

Egyptian Security Interventions in Sinai to Regulate Regional Balances

The scenario of an Israeli displacement to Sinai was not the only threat; there was also the risk of re-activating terrorist cells in North Sinai, which attempted to exploit the border chaos. In early 2024, Egyptian security services detected increased activity by some small armed groups attempting to exploit smuggling routes. A series of qualitative military operations were carried out, some of which were announced, while many were concealed. This security decisiveness gave Cairo additional credibility in asserting that it would not allow any security vacuum through which terrorism could infiltrate or which Israel could use as a pretext to internationalize the issue.

From a broader perspective, Egyptian security interventions in Sinai were also linked to deeper regional balances. Preventing an Israeli displacement scenario to Sinai was not only to protect Egyptian land and populations, but also to prevent the imposition of new equations at Egypt's expense within the Palestinian-Israeli balance of power. In other words, security in Sinai is no longer merely an internal issue; it has become a key component of the broader Egyptian strategy to thwart Israeli plans and manage the protracted crisis. Thus, it becomes clear that the Rafah crossing, hostage deals, relief management, the tunnels issue, and security interventions in Sinai represent case studies that reveal how the humanitarian, political, and security dimensions intertwine in Cairo's management of the crisis. Not content with serving as a mediator or logistical corridor, Cairo has transformed these issues into strategic tools to thwart Israeli plans for displacement and to ensure that Egypt remains an unavoidable party in engineering the future of Gaza and the region.

Fourth: Regional and International Balances

The importance of Egypt's role in managing the crisis, which has been ongoing since October 7, is evident in its engagement with a complex network of regional and international axes surrounding the Palestinian issue.

Cairo's role is no longer limited to managing the crossings or facilitating relief operations, but has evolved into formulating delicate balances between international and regional powers with conflicting interests. Here, the US-Israeli axis stands out on the one hand, and Arab and regional actors on the other, in addition to international platforms such as the United Nations, which Egypt has sought to employ as a legitimate tool to support its actions and protect its strategic interests.

Balancing with the United States

The Egyptian-American relationship represents a pivotal element in Cairo's management of the protracted crisis. Since the outbreak of the war, Egypt has found itself facing a delicate equation: on the one hand, it relies on American military and economic aid as a tool to support its internal stability and military balance. On the other hand, its humanitarian and security policies in Gaza conflict with some of the priorities of the US administration, which clearly favors Israel. Despite repeated US pressure on Cairo to open the Rafah crossing more widely or to engage in joint security arrangements with Israel, Egypt has resisted attempts to turn it into a direct party to the war, preferring to remain an active mediator. This position reflects Cairo's ability to manage its relations with Washington with great flexibility. It responds to US demands on specific issues, such as counterterrorism and border control, but it sets clear red lines regarding Egyptian sovereignty over Sinai and rejects any form of settlement or transfer of the Palestinian crisis to Egypt. In the same vein, Egypt used its diplomatic tools to exert indirect pressure on Washington, whether through coordination with European parties such as France and Germany, or by highlighting the cost of continuing the war on regional stability, thus harming American interests in the Middle East.

Balancing with Israel

Balancing with Israel was no less complex, as Egypt found itself at the center of an equation combining limited security cooperation and open political tension. On the one hand, there are security commitments stipulated in the Camp David Accords and subsequent security protocols, which require Cairo to continue intelligence cooperation to control the border and prevent the infiltration of weapons through Sinai. On the other hand, disagreements between the two sides escalated since Israel attempted to impose new facts on the ground in Gaza following the war, whether by seeking to establish a buffer zone or pushing thousands of Palestinians into Sinai. Cairo categorically rejected these attempts, and even employed harsh political and media rhetoric unusual in its relations with Tel Aviv, considering the displacement of Palestinians a "red line" that threatens the stability of the entire region. This Egyptian position had a dual effect. On the one hand, it preserved Cairo's position as a key player that could not be bypassed in any arrangements regarding Gaza. On the other hand, it highlighted the deep differences between it and Israel, making the relationship more like "difference management" than a strategic partnership.

Balancing with Arab Actors

On the Arab level, Egypt has moved along two parallel paths: the first is building an Arab political front that rejects attempts to liquidate the Palestinian cause through security normalization or unilateral arrangements, and the second is securing economic and political support that enhances its maneuverability. Cairo has intensified its coordination with Jordan and Saudi Arabia, particularly in international forums that have witnessed deliberations on the future of Gaza. At the same time, Egypt has entered into direct communication with Qatar, which has played a pivotal role in prisoner exchange deals and humanitarian funding. This required careful coordination to avoid a clash between the Qatari and Egyptian agendas. Egypt's relations with Algeria and the UAE also carried additional

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Algeria

supported Cairo's rhetoric rejecting displacement, while the UAE provided financial and logistical support for reconstruction initiatives. This balance between Arab parties with divergent interests has strengthened Egypt's ability to maintain its role as the "Arab coordinator" in the absence of comprehensive consensus within the Arab League, while consistently emphasizing that any future arrangements must be made under a collective

Arab umbrella.

Egypt's Role in the United Nations and International Platforms

Cairo sought to internationalize the crisis through the United Nations, the Security Council, and the General Assembly, presenting itself as a legitimate voice reflecting Arab and regional interests. On more than one occasion, Egypt was at the forefront of countries calling for an immediate ceasefire, and it coordinated with Jordan and the UAE to push for UN resolutions condemning the targeting of civilians and emphasizing the need

for continued humanitarian aid. This diplomatic activity granted Cairo significant morale before the international community and cemented its image as a responsible state striving to uphold international humanitarian law. However, Egypt's activism was not limited to the United Nations, but extended to other institutions such as the European Union and the African Union and the African.

Union, where Egypt leveraged its geographic and political position to present itself as a bridge between the North and the South. In doing so, it was able to use international platforms not only to consolidate its political position but also as an additional tool of pressure on the United States and Israel, especially when Egyptian positions converged with those of countries such as South Africa and Brazil, which opposed Israeli policies.

Overall, Egypt's regional and international balance of power represents a pillar of its policies during the protracted crisis. It has succeeded in establishing itself as an indispensable player in the equation of the war on Gaza, despite multiple pressures from the United States and Israel. Its flexibility in dealing with Arab parties and its ability to leverage international platforms have made it a key axis in any future vision for a settlement. This Egyptian success is not without challenges, most notably the continued attempts to bypass its role by other regional powers such as Turkey or Iran. However, Cairo has thus far proven its ability to maintain its central position at the heart of the crisis.

Fifth: Existing Challenges to Egyptian Crisis Management Policies

American and Israeli Pressure

Cairo is currently facing mounting pressure from both the United States and Israel. Tel Aviv is seeking to reshape the security arrangements in Rafah and its surrounding areas, relying on clear American support that makes the border issue with Gaza a tool for pressuring Egypt.

These pressures do not take a single form. Rather, they come in the form of direct diplomatic efforts, unannounced messages through intelligence channels, and threats to link US military and economic aid to the level of Egyptian cooperation on specific issues, most notably the management of border crossings and the control of tunnels. Cairo realizes that yielding to these pressures could weaken its credibility in the eyes of the Arab public and portray it as a partner in Israeli arrangements that violate Palestinian rights. This could undermine its role as a regional mediator and erode its strategic position. Conversely, ignoring these pressures or confronting them directly could open the door to severe tensions with Washington at a time when Egypt needs international support to overcome its economic and security crises. This dilemma presents Cairo with a delicate balance between preserving its decision-making independence and protecting its strategic interests, on the one hand, and avoiding losing the levers of international support, on the other.

The Situation in Sinai

The Sinai Peninsula represents a structural challenge to Egyptian policy. It is not merely a volatile geographic region, but rather an arena where considerations of security, development, and national sovereignty intersect. Despite the successes achieved by the Egyptian Armed Forces in tightening the noose on terrorist groups over the past years, the threats associated with smuggling networks and tunnels remain. These networks constitute a potential conduit for the re-introduction of weapons or extremist elements into Gaza, or vice versa. The challenge is growing with attempts by external parties to promote Sinai as an "alternative option" for the settlement of Palestinians or as a zone for conflict management away from Israel. Cairo considers this a red line that conflicts with its direct sovereignty over its territory. Therefore, any failure in managing the Sinai issue could open the door to scenarios that undermine Egypt's internal stability and threaten its security and economic equations.

The Difficulty of Regulating the Regional Balance

At the regional level, Cairo faces a complex dilemma: managing the balance of power between disparate Arab and regional axes. On the one hand, some Gulf states are seeking a de-escalation on the ground that preserves regional economic stability and prevents an escalation that would harm energy and investment markets. On the other hand, regional actors such as Iran and Turkey are exploiting the conflict to bolster their political and military influence in the region. This requires Egypt to maintain its role as a mediator capable of engaging with all parties without being identified as part of a particular axis. This equation requires a high degree of flexibility and pragmatism from Cairo, as any clear bias could deprive it of its position as a pivotal mediator and turn it into a party within regional polarizations, rather than a balancing factor.

Sixth: The Coming Challenges for Egyptian Crisis Management Policies

Reconstruction Projects

With increasing talk of the "day after" phase of the war on Gaza, attention is turning to Egypt as the most prominent candidate to assume a leadership role in the reconstruction process. However, this role is fraught with numerous complications. The expected funding will largely come from Gulf states and international institutions such as the World Bank and the United Nations, but it will be conditional on oversight mechanisms and political standards that may include restructuring the Palestinian Authority or imposing security arrangements that allow Israel to indirectly monitor the reconstruction process. This situation will place Cairo in a double dilemma. On the one hand, Egypt wants to play a central role that guarantees its regional leadership and strengthens its position as a humanitarian guarantor. On the other hand, it refuses to become a partner in Israeli policies that empty the reconstruction of its content and turn it into a tool for political blackmail.

The Possibility of the War Expanding

The possibility of the war expanding remains, whether toward the northern front through Hezbollah's involvement in a broader confrontation with Israel, or toward the Red Sea through the Houthis' escalation of attacks on international shipping. In either case, Egypt will face direct repercussions affecting its strategic interests. If the confrontation erupts in the north, it will prolong the conflict and expand its regional scope, weakening any diplomatic path led by Cairo. If the escalation expands in the Red Sea, it will directly affect shipping traffic in the Suez Canal, Egypt's strategic source of revenue, and threaten the security of its maritime borders. These possibilities make it imperative for Cairo to remain constantly prepared to manage the repercussions of new fronts that may suddenly emerge.

Internal Economic Pressures

Regional challenges cannot be separated from internal economic pressures, as the protracted war in Gaza and its surroundings could become a direct pressure factor on the Egyptian economy, which is suffering from imbalances due to successive and accelerating international changes. Suez Canal revenues have witnessed a significant decline in recent months due to Houthi attacks, impacting the balance of payments and increasing pressure on foreign exchange reserves. If the crisis persists, Cairo may find itself forced to seek new financial arrangements with its Gulf partners or international institutions, potentially opening the door to additional economic and political conditionalities. Thus, the economic factor becomes not only a consequence of the regional crisis, but also a key determinant of Cairo's future options and its ability to adopt independent policies.

Conclusion

The experience spanning October 7, 2023, reveals that Egypt's policy in managing the Palestinian-Israeli crisis has represented a complex model combining strategic caution, diplomatic effectiveness, and the ability to adapt to conflicting pressures. On the one hand, Cairo has succeeded in obstructing Israeli projects whose direct goal was to export the crisis to Egypt or impose arrangements that would undermine sovereignty over Sinai or the Palestinian issue. This was achieved by combining diplomatic pressure tools with direct engagement in complex humanitarian and security arrangements. On the other hand, Egypt has been able to balance its vital relations with the United States with its regional and Arab commitments, enabling it to remain an essential and indispensable link in any settlement or truce process.

However, current and future challenges impose on Egyptian decision-makers the need to strengthen their tools on two levels: First, expand internal capabilities in Sinai through further border control and parallel development to prevent Sinai from being recycled as a regional pressure zone. Second, leverage Egypt's diplomatic standing to build more robust partnerships with regional and international actors, so that Egyptian efforts do not transform into temporary crisis management but rather into formulating a sustainable framework for regional security. Thus, it can be said that, despite its limitations, the Egyptian role remains the most stable pillar in the conflict equation. However, it requires continuous adaptation of its tools and vision to ensure that Cairo maintains the upper hand in determining the outcomes of this open-ended crisis.

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