

U.S. DEPARTMENT OF STATE
Office of the Special Coordinator for Middle East Transitions
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FACT SHEET

U.S. Government Assistance to Tunisia

The United States remains a committed partner for Tunisia in this critical phase of its transition to democracy, working with the Tunisian government, private sector, and civil society as they lay the foundations for Tunisia's future. Since the January 2011 revolution, the U.S. has committed more than **\$350 million** to support Tunisia's transition, focusing heavily on technical and financial assistance to Tunisia's economy and private sector, support for peace and stability in the country and support for its civil society and democratic practices.

SUPPORTING ECONOMIC GROWTH AND OPPORTUNITY

The United States is providing technical and financial assistance to support the growth of Tunisia's economy and private sector. U.S. programming includes elements that specifically target the interior parts of the country. U.S. assistance responds to Tunisian requests to create economic and employment opportunities throughout the country and encourage market-oriented institutional reforms.

Expanding Economic and Employment Opportunities

Critical Budget Support – The United States provided **\$100 million** to pay directly debt that Tunisia owed the World Bank and African Development Bank, allowing the Government of Tunisia to instead use an equal amount for its priority programs, and to accelerate economic growth and job creation.

Sovereign Loan Guarantee – The United States provided a guarantee to sovereign bonds that the Tunisian government issued to raise funds to support its stabilization and economic reform plans. The United States committed **\$30 million** for this guarantee, supporting **\$485 million** in new financing for the Tunisian government.

Tunisia Workforce Development Scholarship Fund – In 2013, the United States will launch a new scholarship fund for **hundreds of Tunisian students** to study at American universities and community colleges. The curriculum will include a broad survey of technical fields and vocational studies and will offer community service and hands-on internship experiences to build skills and professional abilities in future growth sectors.

Information Communications Technology (ICT) Sector Development Project – This project will position Tunisia's ICT sector as a catalyst for private-sector growth and job creation. The program provides training and support thousands of Tunisians across several skill sets using job-placement initiatives while improving the overall business environment for ICT firms, and helping expand the ICT sector.

Return of the Peace Corps – Peace Corps volunteers are expected to arrive in Tunisia in mid to late 2013 to offer English language training and skills development programs to prepare students and professionals for future employment, build local capacity, and foster citizenship awareness.

Youth and Women-Focused Entrepreneurship Programs – The United States provides assistance to more than **5,000 Tunisian youth** and **1,500 women entrepreneurs** in market-relevant skills training, job placement, and access to start-up business resources, while providing resources to enable them to contribute to Tunisia's economic development. The U.S. is further partnering with leading technology companies and dozens of local Tunisian women's organizations to provide technological, social media, entrepreneurship and leadership training, and mentorship and exchange opportunities at leading companies in the United States.

Encouraging Market-oriented and Institutional Reforms

Millennium Challenge Corporation (MCC) Threshold Program – Tunisia was selected for an MCC Threshold Program in September 2011. As a first step, the United States, the Government of Tunisia, and the African Development Bank recently completed a joint analysis identifying two primary constraints to growth in Tunisia: (i) the lack of effective institutions to ensure public sector accountability and rule of law; and (ii) the high fiscal and regulatory costs of employing workers. Through a

program initially funded at \$20 million, MCC will support Tunisia's efforts to address these constraints through policy and institutional reforms.

Tunisian-American Enterprise Fund – A Tunisian-American Enterprise Fund will soon be established with an initial capitalization of \$20 million. The fund will foster stronger investment ties between Tunisia and America, leverage other investors, and help Tunisians launch the small and medium enterprises that will be engines of long-term growth.

Overseas Private Investment Corporation (OPIC) Franchise and SME Loan Guaranty Facility – Tunisia's franchising sector has been underserved, partly due to the shortage of available credit for small and medium enterprises (SMEs). This **\$50 million** OPIC loan guaranty facility will guarantee a portion of local currency denominated loans made by Tunisian financial institutions to SMEs, franchisees and their suppliers, and other approved borrowers. The project will stimulate growth in Tunisia's private sector resulting in job creation and improved supply chains.

Regulatory Reform to Improve the Business Enabling Environment – The Departments of Commerce and State are supporting regulatory reform, as well as reforms to the country's commercial legal infrastructure. The U.S. Treasury will provide technical assistance to the Central Bank on financial stability issues.

Public-Private Partnerships – The U.S. is partnering with leading private sector institutions to leverage resources and expertise and promote economic growth. For example, the U.S. in partnership with the Microsoft Corporation is providing business and software skills training to 20 new Tunisian startup companies in 2012 and 2013 and will match these startups with local and international venture capitalists. The U.S. also partnered with the Coca-Cola Corporation in 2012 to send 100 university students from the throughout the region, including ten Tunisian students, to a summer entrepreneurship program at Indiana University's Kelley School of Business. Additionally, the United States rolled out a large public-private partnership with Hewlett Packard and UNIDO to provide entrepreneurship training and SME capacity building assistance in four interior governorates.

PEACE AND SECURITY

The United States stands ready to partner with the Tunisian government to address the high-priority security concerns, which can directly affect the development, stability, and sustainability of the Tunisian economy. The U.S. will continue to assist with promoting institutional reform, countering terrorism, and enhancing border security efforts and regional stability. In addition, active Tunisian participation in U.S. professional military education courses strengthens our countries' military-to-military relationship.

Supporting Institutional Reform

Criminal Justice Reform Assistance – On September 17, the United States and Tunisia signed a Letter of Agreement marking a new partnership on criminal justice sector reform. The agreement lays the framework for U.S. assistance on police, justice, and corrections reform, dedicating **\$24 million** for projects in these sectors, including **\$1.5 million** in vehicles procured in December 2012 for the Tunisian security services.

Military Assistance – Due to a nearly fivefold increase in operational tempo since the January 11 revolution, Tunisia's need for assistance to maintain its military equipment and to train its personnel has never been greater. U.S. assistance, in the form of Foreign Military Financing, International Military Education and Training and funding from the Counter Terrorism Program 1206, have helped to address its needs, providing wheeled vehicles, patrol boats, and educational opportunities to military personnel.

Bolstering Counterterrorism Efforts

Anti-Terrorism Assistance (ATA) Program – ATA training resumed in 2011 after a seven-year hiatus. ATA strategic objectives for Tunisia are to enhance counterterrorism law enforcement capacity to investigate terrorist pre- and post-incident activity and bolster critical incident management capacity. The Regional Strategic Initiative (RSI), via ATA, also provides equipment and facilitating the purchase a mobile command post and mobile crime lab for Tunisia's National Guard.

Enhancing Border Security

Enhancing Border Security Efforts – The United States will provide technical assistance, equipment, and related training for front-line Tunisian enforcement personnel at airports, sea ports, and land borders. The U.S. will also provide support in the development and strengthening of comprehensive strategic trade control systems that meets international standards.

DEMOCRACY, GOVERNANCE, AND CIVIL SOCIETY

The success of Tunisia's transition to a healthy democracy depends on its ability to develop mechanisms for government transparency, accountability, and the existence of thriving civil society and media sectors. In support of the Tunisian people's aspirations for democracy, prosperity, and long-term political stability, U.S. assistance bolsters efforts to strengthen civil society and civic participation in the political process; support a free and fair electoral process; and promote an inclusive transitional justice process.

Strengthening Citizen Engagement

Enhancing the Capacities of Civil Society – The U.S. is partnering directly with local civil society and community organizations to enhance their capacity to actively participate in the political transition. Responding to requests from Tunisian civil society organizations, the U.S. is providing assistance in the form of training, information-sharing and physical space for organizations to conduct business in their efforts to advance women's empowerment, freedom of expression and an independent media; promote civic awareness and peaceful expression of differences; and hold their new democratic leaders and institutions accountable.

Linkage Programs – Building on the success of ongoing university linkages facilitated by grants from the U.S. Embassy in Tunis, the U.S. established **five new linkages between U.S. and Tunisian higher education institutions throughout Tunisia**. Two of these linkages focus on business and entrepreneurship skills and will include new joint dual-degree programs, while another will introduce an investigative journalism master's degree program at the Tunisian Press Institute. When access to Tunisian higher education institutions opened up after the revolution, the Fulbright Program sent 11 Fulbright Specialists to build new relationships with universities for curriculum development and other activities. The United States has also substantially increased its investment in English-language classes for youth from disadvantaged sectors by expanding its English Access Microscholarship Program to include approximately 1,000 students in eight cities across Tunisia since the program's inception in 2004.

Strengthening Electoral Processes

Promoting Free and Fair Elections – In the fall of 2011, the U.S. provided assistance to organizations in Tunisia that were organizing and administering what were widely hailed as free and fair multiparty elections for a Constituent Assembly charged with drafting a new constitution. Since the elections, the U.S. continues its support by linking newly elected representatives and their constituents to help encourage engagement in the transition and to help build a positive, communicative relationship between government and citizens. Additionally, the United States sponsored a constitutional program that brought U.S. Supreme Court Justices Stephen Breyer and Ruth Bader Ginsburg into contact with members of the Constituent Assembly, political party representatives, and legal scholars as they prepared to draft and debate the new Tunisian constitution. The U.S. intends to provide similar support for the election process in 2013.

