

Tunisia

Foreign Assistance Program Overview

The United States is strongly committed to supporting democracy in Tunisia, following the 2015 formation of a democratically elected government. In FY 2017, assistance will focus on promoting accountable governance, democratic processes, and civil society, enhancing security capabilities; and expanding economic growth. The FY 2017 request builds upon critical programs initiated after the 2014 and 2015 U.S.-Tunisia Strategic Dialogues. U.S. assistance seeks to: institutionalize democratic processes, good governance, transparency, and inclusive participation; support the ability of the Tunisian police, gendarmerie, and military to provide security for the Tunisian people and contribute to regional security while respecting human rights; and enhance sustainable economic growth on the basis of increased competitiveness, inclusive opportunities, and improved economic governance. Across these efforts U.S. assistance will enhance the constructive engagement of youth and women and seek to mitigate vulnerability to violent extremism and conflict.

Request by Account and Fiscal Year

(\$ in thousands)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request	Increase / Decrease
TOTAL	61,416	*	140,400	78,984
Overseas Contingency Operations	5,000	*	138,100	133,100
Economic Support Fund	-	*	74,000	74,000
Foreign Military Financing	5,000	*	45,000	40,000
International Narcotics Control and Law Enforcement	-	*	13,000	13,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	*	6,100	6,100
Enduring/Core Programs	56,416	*	2,300	-54,116
Economic Support Fund	20,000	*	-	-20,000
Foreign Military Financing	25,000	*	-	-25,000
International Military Education and Training	2,186	*	2,300	114
International Narcotics Control and Law Enforcement	7,000	*	-	-7,000
Nonproliferation, Antiterrorism, Demining and Related Programs	2,230	*	-	-2,230

Request by Program by Account and Fiscal Year

(\$ in thousands)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request	Increase / Decrease
TOTAL	61,416	*	140,400	78,984
Security Governance Initiative (SGI)	-	*	14,000	14,000
Overseas Contingency Operations	-	*	14,000	14,000
Economic Support Fund	-	*	8,000	8,000

(\$ in thousands)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request	Increase / Decrease
International Narcotics Control and Law Enforcement	-	*	6,000	6,000
Tunisia Enterprise Fund	-	*	20,000	20,000
Overseas Contingency Operations	-	*	20,000	20,000
Economic Support Fund	-	*	20,000	20,000
Other	61,416	*	106,400	44,984
Overseas Contingency Operations	5,000	*	104,100	99,100
Economic Support Fund	-	*	46,000	46,000
Foreign Military Financing	5,000	*	45,000	40,000
International Narcotics Control and Law Enforcement	-	*	7,000	7,000
Nonproliferation, Antiterrorism, Demining and Related Programs	-	*	6,100	6,100
Enduring/Core Programs	56,416	*	2,300	-54,116
Economic Support Fund	20,000	*	-	-20,000
Foreign Military Financing	25,000	*	-	-25,000
International Military Education and Training	2,186	*	2,300	114
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Nonproliferation, Antiterrorism, Demining and Related Programs	2,230	*	-	-2,230

Economic Support Fund (ESF) - OCO

Undertaking political and economic reform amid high unemployment and public frustration is a key challenge for the democratically-elected Tunisian government. The \$74.0 million ESF-OCO request will facilitate market-oriented reforms that address Tunisia's three primary constraints for economic growth: 1) a regulatory environment that stifles investment; 2) labor market practices hindering job creation and hiring; and 3) lack of access to capital by small and medium enterprises. The United States will continue to support bottom-up economic growth, including generating professional growth and training opportunities for women and youth in historically marginalized areas. In addition to increasing support for economic reform and private sector competitiveness, U.S. assistance will allow for increased support for Tunisia's democratic institutions and processes, civil society, as well as support for increased governmental transparency, which aligns with the Tunisian government's own reform efforts. Under the auspices of the Security Governance Initiative (SGI), assistance will support appropriate Tunisian institutions and processes responsible for preventing and responding to urgent and emerging challenges.

The Tunisian Government Builds Capacity through Training, Legal Reforms, Changes in Procedures/Practices to Become Transparent, Accountable, and Responsive to All Citizens and Improve Civic Participation and Protections

Key Interventions:

- U.S. funded programs will support Tunisian efforts to strengthen its democratic institutions at national and local levels by facilitating their ability to serve their mandates, including creating mechanisms for greater transparency, accountability, social inclusion, and citizen participation as the government of Tunisia implements decentralization.

- U.S. assistance will support collaboration and partnerships between civil society and local, regional, and national government bodies.
- FY 2017 assistance will support parliamentary passage and the Tunisian Government's implementation of critical procedural, institutional, and legal reforms tied to enhanced transparency, good governance, business environments, and decentralization.
- Programs will increase transparency and efficiency at the Ministry of Justice, assisting in the development of a strategy for improving external communications from the ministry and facilitating dialogues between government officials and Tunisian citizens.

Tunisian Citizens Have an Increased Understanding of their Democratic Rights and Responsibilities to Foster Greater Respect for Human Rights

Key Interventions:

- U.S. assistance will support Tunisian Government initiatives to strengthen institutional responsiveness to human rights concerns and grievances from the pre-revolutionary era.
- Funding will integrate and increase civil society's ability to advocate effectively on behalf of citizen priorities. Programming will strengthen the capacity of key stakeholders such as civil society to serve as a watchdog over Tunisia's government and to hold it accountable to reform timetables. Programming will also support civil society's ability to directly understand and address needs in their communities.
- Programs will bolster citizen engagement in local governance.

Tunisia Facilitates Robust Economic Growth through Increased Access to Financing and Credit for All Tunisians and the Implementation of an Economic Reform Program by the Government of Tunisia (GOT)

Key Interventions:

- U.S. assistance will provide dedicated technical assistance for policy reforms, including tax and customs reforms; encourage improvements to the investment climate; and create trade and investment opportunities for U.S. businesses. This will include the liberalization of sectors in which foreign investment barriers remain and the reform of services critical to growth, such as banking, training, and technical education.
- \$20.0 million will support the Tunisian-American Enterprise Fund to invest directly in the Tunisian private sector in order to increase capital available to Tunisian firms, leverage other investment, and aid Tunisians to launch and expand small and medium enterprises to bolster long-term growth and job creation.
- Funding will support Tunisia's efforts in science and technology, strengthening connections with regional and international counterparts, and positioning Tunisia to appropriately match job opportunities with its future university graduates.
- Activities will build the capacity of Chambers of Commerce and business development organizations throughout the country to promote trade and private sector investment.
- Programming will support continued assistance to the Tunisian Government's efforts to implement banking sector reform and overhaul tax and customs codes.
- Assistance will facilitate the implementation of the Tunisian Government's economic reforms and will enhance inter-ministerial collaboration and communication with the private sector and public on reform implementation.

Tunisia Increases Access to Economic Opportunities for All Tunisians, to Include Marginalized and Economically Disadvantaged Populations via Workforce Development Initiatives Linked to education to Improve the Diversity and Skills of its Workforce and to Support Economic Growth

Key Interventions:

- U.S. assistance will continue successful job training and workforce development programs, as well as work with the Tunisian Government to strengthen job skills curricula and systems.
- Programming will provide opportunities for young Tunisians to receive education and job training in high growth sectors, such as science and technology, which are in high demand in the Tunisian economy.
- FY 2017 assistance will provide hands-on technical assistance to firms, create mechanisms to match employers with applicants, and support businesses in targeted sectors of the Tunisian economy to grow and create jobs.
- Programs will address longstanding disparities in economic opportunity, targeting historically marginalized geographic areas and groups, including women and youth, with training, technical assistance, and outreach.

Increased U.S. Private Investment and Bilateral Trade Leads to Greater Economic Growth in Tunisia and the United States

Key Intervention:

- FY 2017 funds will support technical and advisory assistance on policy reforms that will increase trade, competitiveness, and economic growth.

Foreign Military Financing (FMF) - OCO

Tunisia faces internal as well as external terrorist threats, including those emanating from Libya and Algeria. Furthermore, terrorist cells affiliated with al-Qaida in the Islamic Maghreb (AQIM), Ansar Al-Sharia-Tunisia (AAS-T), and Islamic State of Iraq and the Levant (ISIL) have a foothold in Tunisia. An estimated 3,000-5,000 Tunisians have also joined the ranks of terrorist organizations in Syria, Iraq, and Libya. Returning fighters represent a threat of conducting terrorist operations at home. FMF-OCO will support Tunisian efforts to counter these threats and support regional security by bolstering the Tunisian military's capacity to detect and disrupt indigenous and transnational terrorist networks and by improving its border security. FMF-OCO will also help to maintain U.S.-origin equipment with spare parts and maintenance services to ensure the Tunisian Armed Forces are combat-capable.

Military and Internal Security Forces Have Sufficient Information, Equipment and Training and are Capable of Effectively Identifying Threats and Subverting Efforts of Violent Extremist Groups

Key Intervention:

- The FY 2017 request includes \$45.0 million FMF-OCO that will help Tunisia counter increasing threats to its security, including from U.S.-designated terrorist organizations, by augmenting the capabilities of Tunisia's security forces, particularly in the areas of intelligence, surveillance, border security, reconnaissance, and maintenance of aging U.S. equipment. Increased assistance will support the Tunisian military's operational transformation to a counterterrorism force trained and equipped to respond to new threats that have emerged in the wake of the Libyan revolution. Assistance will bolster Tunisia's counterterrorism capabilities, enhance its border security, and improve the mobility of its forces.

International Military Education and Training (IMET)

The IMET request is a reflection of the strong military-to-military relationship between the United States and Tunisia upon which Tunisia heavily relies to bolster its security. IMET-funded training courses expose defense establishment personnel to U.S. military training, doctrine, and values. Courses are intended to promote democratic values, build capacity in key areas, professionalize the military, and build lasting military-to-military relationships.

United States and Tunisian Security Institutions Work Together to Exchange Information and Increase Operational Cooperation to Promote Stability and Security within Tunisia and to Protect Tunisia's Borders in Accordance with International Human Rights Standards

Key Interventions:

- \$0.4 million in IMET funding will support an in-house English language training program to ensure participants in U.S.-funded programs have language skills to effectively engage in activities.
- The IMET request includes \$0.4 million to support focused technical training on border security, counterterrorism, and intelligence.

International Narcotics Control and Law Enforcement (INCLE) - OCO

Reform of criminal justice institutions, related laws, and methods of operation are critical to support a transition from a regime-focused to a citizen-focused orientation. The FY 2017 INCLE-OCO request will expand the ongoing police, corrections, and judicial reform programs through technical assistance, training, and the provision of limited equipment. In addition, the request will support activities related to Security Governance Initiative (SGI).

Tunisian Law Enforcement and Criminal Justice Institutions Gain Legitimacy through Enhanced technical Capacity, Transparency, and Accountability and through Increased Respect for Human Rights and the rule of Law

Key Interventions:

- Up to \$5.0 million will support training, the provision of equipment, and technical assistance to Tunisian Ministry of Interior (MOI) civilian police forces, Ministry of Justice (MOJ), and Directorate General of Prisons and Rehabilitation (DGPR) officials to help build their capacity to provide security throughout Tunisia in a manner that respects human rights and serves the citizenry.
- Up to \$6.0 million will provide technical assistance and mentoring in support of Security Governance Initiative (SGI) goals and objectives developed with the GOT through a joint planning process.
- Funds requested will support the professionalism, accountability and oversight of the MOI and its civilian police forces to improve respect for civil liberties and human rights.
- Funds will also assist the DGPR to improve the professionalism of its officers through improved training and streamlining centralized systems such as prisoner transport and emergency response.
- Projects will support access to justice through improved prosecutions and case management. In addition, funds will continue efforts to enhance the professionalism, independence, and accountability of the judiciary to build its capacity to prosecute and adjudicate crimes.
- INL will support appropriate SGI activities related to the development of national-level priorities such as: police policy, procedure, and community engagement; promoting integrity and addressing radicalization in the criminal justice sector; and border management.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) - OCO

Tunisia remains a key partner in counterterrorism efforts. There have been positive results from the civilian counterterrorism law enforcement training provided to MOI partners to help build capacity in regional border security, counterterrorism investigations, and crisis response and management. FY 2017 Antiterrorism Assistance (ATA)-OCO and Export Control and Related Border Security (EXBS)-OCO assistance will continue to advance these relationships. These efforts will complement those supported by the Trans-Sahara Counterterrorism Partnership initiative, of which Tunisia is a partner nation.

United States and Tunisian Security Institutions Work Together to Exchange Information and Increase Operational Cooperation to Promote Stability and Security within Tunisia and to Protect Tunisia's Borders in Accordance with International Human Rights Standards

Key Interventions:

- \$5.5 million ATA-OCO will support targeted training, equipment and support designed to improve the capability of Tunisian law enforcement organizations to combat terrorists and terrorist organizations that may operate in or transit through their countries. In addition, the funds will allow for assistance related to community engagement, integration of women and gender issues, and regional cooperation with Algeria, Libya, Morocco and others.
- \$0.6 million EXBS-OCO assistance will bolster border security by enhancing Tunisia's capabilities to detect, identify, and interdict illicit trafficking of weapons through intensive training and equipment donation.

Performance Information in the Budget and Planning Process

Key Program Monitoring and Evaluation Activities: The United States Agency for International Development (USAID) builds requirements into agreements with implementing partners for third-party evaluations that assess the performance of implementing partners in accomplishing the goals and objectives of their activities. In 2015, the Government Accountability Office (GAO) carried out an audit of the Tunisian-American Enterprise Fund. USAID uses third-party and U.S. government staff assessments of job-creation programming. These evaluations are supplemented by regular reviews of programmatic and financial performance by USAID staff.

With regard to security assistance, FMF financial performance is evaluated through the Financial Management Review (FMR) conducted annually by the United States and Tunisian governments. The FMR process provided information to inform budget and programmatic choices for FY2016.

Monitoring of NADR/ATA programming occurs primarily through a regularly scheduled assessment process. Subject matter experts in counterterrorism capacity building for law enforcement travel to the country to assess law enforcement technical capacities, training gaps, and the effects of previous courses and activities.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: The use of monitoring and evaluation in Tunisia informed the following actions and decisions regarding the FY 2017 budget:

- Monitoring and Evaluation results and end-use monitoring helped determine that INCLE-funded assistance will continue to support existing police, corrections, and judicial reform programming.
- The GAO audit of the Tunisian-American Enterprise Fund identified implementation gaps that will improve operations.
- Sector and project evaluations guided USAID programming toward the most cost-effective job-creation interventions.
- Assessment activities identified vulnerabilities in Tunisia's strategic trade control system, evaluated the effectiveness of prior bilateral EXBS programs, and pinpointed areas where limited assistance dollars can achieve the greatest impact. This information shapes future requests and EXBS program design.

Detailed Objective Descriptions

The Tunisian Government Builds Capacity through Training, Legal Reforms, Changes in Procedures/Practices to Become Transparent, Accountable, and Responsive to All Citizens and Improve Civic Participation and Protections: U.S. support for newly-established democratic institutions (e.g. parliament), and strengthening youth and women's political participation will continue to be a significant component of U.S. government engagement in Tunisia. U.S. efforts will continue supporting initiatives

that promote fiscal transparency and good governance, build the organizational management capacity of civil society organizations, and increase the civic participation and political leadership of youth and women. In addition, the United States will support inclusivity in Tunisia's continued democratic transition through programs such as women's political empowerment, political party training, providing technical assistance to the electoral commission, promoting inclusive political processes, and continuing successful university linkages programs.

Tunisia Facilitates Robust Economic Growth through Increased Access to Financing and Credit for All Tunisians and the Implementation of an Economic Reform Program by the Government of Tunisia (GOT): Economic reform is a key element in Tunisia's long-term economic prospects. Programs will work with high potential firms in Tunisia to strengthen and enhance entrepreneurship in critical areas, including strategic and business planning, improved cost control and financial management, enhanced human resource management, and market linkage support.

Tunisia Increases Access to Economic Opportunities for All Tunisians, to Include Marginalized and Economically Disadvantaged Populations via Workforce Development Initiatives Linked to Education to Improve the Diversity and Skills of its Workforce and to Support Economic Growth: U.S. assistance efforts will facilitate the creation of sustainable private sector jobs through engagement with Tunisian firms, and also promote improved job matching, job placement and training/outreach services by sponsoring major job fairs. Assistance will also support the development of a network of career development centers and will launch training and related curriculum development programs with key partner institutions in the public and private sector.

Tunisian Citizens Have an Increased Understanding of their Democratic Rights and Responsibilities to Foster Greater Respect for Human Rights: Enhanced awareness of international human rights norms is essential to curb potential constraints on newly wrought democratic gains in the face of Tunisia's continued security challenges. The creation of Tunisian mechanisms for greater transparency, accountability, transitional justice, social inclusion, and citizen participation in Tunisia's new democracy remains a vital component of Tunisia's continued democratic evolution.

Increased U.S. Private Investment and Bilateral Trade Leads to Greater Economic Growth in Tunisia and the United States: Concerns over security and stability in post-revolution Tunisia created a wait-and-see attitude among most U.S. investors. Peaceful elections in 2014 and a pledge by the new government to address economic issues, such as banking and tax reform, will create a range of opportunities for U.S. businesses. Tunisia's educated workforce and geographic location as an entry point into the Maghreb and Africa will also serve to make the country a more attractive place to do business in the region. The United States will expand export promotion efforts through the Embassy's economic team, in partnership with regional Foreign Commercial Service and Foreign Agricultural Service offices, and will focus on building economic partnerships through private sector engagement. The resulting economic growth will contribute to Tunisia's democratic, free-market, and Western-oriented transformation, and will promote greater bilateral cooperation.

Military and Internal Security Forces Have Sufficient Information, Equipment, and Training and are Capable of Effectively Identifying Threats and Subverting Efforts of Violent Extremist Groups: Tunisia faces a daunting set of security challenges that require effective coordination across different agencies in the Tunisian Government and with the United States and other international partners. U.S. assistance will provide training and equipment to bolster Tunisian security forces in the areas of professionalism, interoperability, and overall capacity.

United States and Tunisian Security Institutions Work Together to Exchange Information and Increase Operational Cooperation to Promote Stability and Security within Tunisia and to Protect Tunisia's Borders in Accordance with International Human Rights Standards: Tunisian internal security forces are in the process of evolving and reforming themselves from a force designed to safeguard an autocratic regime to one that serves the public and defends a legitimate and democratic political order. U.S. engagement with Tunisian internal security forces, law enforcement, and criminal justice institutions will focus on improving the responsiveness, effectiveness, and professionalism of these entities, while at the same time providing technical support and expertise to support their longer-term institutional reform process.

Tunisian Law Enforcement and Criminal Justice Institutions Gain Legitimacy through Enhanced Technical Capacity, Transparency and Accountability and through Increased Respect for Human Rights and the Rule of Law: Tunisia's security sector has struggled to respond to a range of complex emerging threats, from domestic and transnational terrorist groups to regional instability in neighboring Libya and terrorist activity in the porous border with Algeria. U.S. assistance will aid the technical and operational capacities of Tunisia's security sector institutions while also advancing institutional reforms to enhance the overall professionalism, transparency, and accountability of the security sector so that it can become legitimate in the eyes of the Tunisian public.

Integrated Country Strategy (ICS) Mission Objectives by Account and Program Area

(\$ in thousands)	FY 2017 Request
TOTAL	140,400
The Tunisian Government builds capacity through training, legal reforms, changes in procedures/practices to become transparent, accountable, and responsive to all citizens and improve civic participation and protections.	19,800
Economic Support Fund - OCO	19,800
2.1 Rule of Law and Human Rights	1,000
2.2 Good Governance	14,800
2.3 Political Competition and Consensus-Building	1,500
2.4 Civil Society	2,500
Tunisian citizens have an increased understanding of their democratic rights and responsibilities to foster greater respect for human rights.	3,500
Economic Support Fund - OCO	3,500
2.1 Rule of Law and Human Rights	1,000
2.4 Civil Society	2,500
Military and internal security forces have sufficient information, equipment and training and are capable of effectively identifying threats and subverting efforts of violent extremist groups.	45,000
Foreign Military Financing - OCO	45,000
1.3 Stabilization Operations and Security Sector Reform	45,000
United States and Tunisian security institutions work together to exchange information and increase operational cooperation to promote stability and security within Tunisia and to protect Tunisia's borders in accordance with international human rights standards.	8,400
International Military Education and Training	2,300
1.3 Stabilization Operations and Security Sector Reform	2,300
Nonproliferation, Antiterrorism, Demining and Related Programs - OCO	6,100
1.1 Counterterrorism	5,500

(\$ in thousands)	FY 2017 Request
1.2 Combating Weapons of Mass Destruction (WMD)	600
Tunisian law enforcement and criminal justice institutions gain legitimacy through enhanced technical capacity, transparency and accountability and through increased respect for human rights and the rule of law.	13,000
International Narcotics Control and Law Enforcement - OCO	13,000
1.3 Stabilization Operations and Security Sector Reform	9,315
2.1 Rule of Law and Human Rights	1,685
2.2 Good Governance	2,000
Tunisia facilitates robust economic growth through increased access to financing and credit for all Tunisians and the implementation of an economic reform program by the Government of Tunisia (GOT).	42,000
Economic Support Fund - OCO	42,000
4.1 Macroeconomic Foundation for Growth	5,000
4.2 Trade and Investment	17,000
4.3 Financial Sector	20,000
Increased U.S. private investment and bilateral trade leads to greater economic growth in Tunisia and the United States.	1,500
Economic Support Fund - OCO	1,500
4.2 Trade and Investment	1,500
Tunisia increases access to economic opportunities for all Tunisians, to include marginalized and economically disadvantaged populations, via workforce development initiatives linked to education to improve the diversity and skills of its workforce and to support economic growth.	7,200
Economic Support Fund - OCO	7,200
4.7 Economic Opportunity	7,200