

EDWARD R. ROYCE, CALIFORNIA
CHAIRMAN

AMY PORTER
CHIEF OF STAFF

THOMAS SHEEHY
STAFF DIRECTOR



ELIOT L. ENGEL, NEW YORK
RANKING DEMOCRATIC MEMBER

JASON STEINBAUM
DEMOCRATIC STAFF DIRECTOR

One Hundred Fourteenth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515
www.foreignaffairs.house.gov

May 26, 2016

The Honorable John F. Kerry
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

Dear Mr. Secretary:

Tunisia recently established a democratically elected parliament and accomplished the region's first peaceful transfer of executive power. At such a critical moment, the United States should make a serious effort to support this nascent democracy. In order to do so, we urge you to reprogram up to \$20 million in unobligated Economic Support Funds (ESF) from fiscal year 2015, originally appropriated for Egypt, to assist the government in Tunis as it makes political reforms and confronts significant economic challenges.

Years of mismanagement under the Ben Ali regime have left Tunisia's institutions weak and inefficient, as its Parliament long served as a rubber stamp. The recent terrorist attacks had a devastating impact on the local tourism sector and its wider economy. While positive GDP growth was maintained thanks to a bumper olive harvest, a dire economic situation remains. Proposed U.S. loan guarantees will provide immediate assistance but Tunisia needs to make structural economic reforms to sustain the country in the long-term.

Fortunately, the Tunisian government is aware of these challenges. The many Tunisian delegations that have visited Washington have expressed a desire for U.S. technical support to make much needed reforms. After listening to these requests and speaking with potential program implementers, we believe that a \$20 million increase in U.S. assistance can help this new government advance transparency and professionalism in parliament and other institutions while reforming banking laws, tax code, and other rules and regulations that deter entrepreneurs and investors.

The United States continues to provide Egypt with robust military, counterterrorism, and security assistance. This supports Egypt's fight against ISIS and its affiliates. These brutal terrorists, who have a significant presence in the Sinai Peninsula and stronghold in neighboring Libya, continue to pose a threat to the entire region.

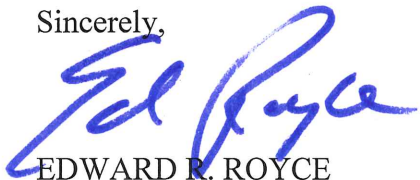
The Honorable John F. Kerry
May 26, 2016
Page 2

However, since 2013, the United States has faced significant difficulty in expending Economic Support Funds appropriated for Egypt. Last year, the Government Accountability Office identified \$460 million in unobligated ESF appropriated for Egypt. Even at current rates of expenditure, the total unobligated balance will approach \$450 million once FY2017 appropriations are enacted. In an effort to put these funds to use, the Department announced two major initiatives – promoting higher education and targeting Hepatitis-C. Since then, both programs have since been significantly reduced in size and scope due to implementation problems. Even long-standing programs have stalled and are unable to move forward.

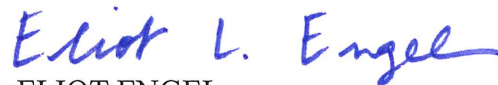
As you know, ESF are appropriated to improve health, education, democracy, and economic reform. They are not military, counterterrorism, or security assistance. While we expect the overwhelming majority of ESF appropriated for Egypt will remain ready for rapid deployment in the country when conditions allow, we urge you to reprogram a relatively small portion—\$20 million from fiscal year 2015—to address the immediate need in Tunisia.

Mr. Secretary, in 2015 Freedom House designated Tunisia as “free” for the second year in a row, the first country in the region to hold that distinction. The importance of promoting democratic development in this North African country cannot be overstated. The Department should not allow appropriated funds to remain on the sidelines when they can have an immediate impact in Tunisia.

Sincerely,



EDWARD R. ROYCE
Chairman
Committee on Foreign Affairs



ELIOT ENGEL
Ranking Member
Committee on Foreign Affairs



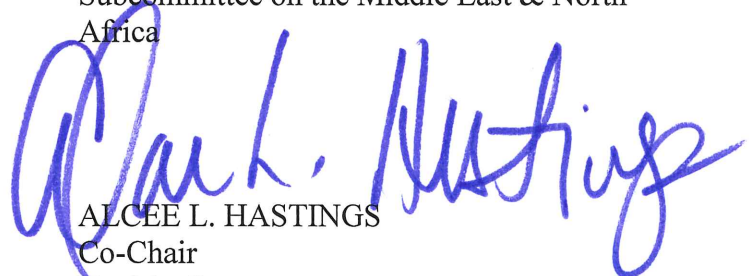
ILEANA ROS-LEHTINEN
Chairman
Subcommittee on the Middle East & North
Africa



TED DEUTCH
Ranking Member
Subcommittee on the Middle East & North
Africa

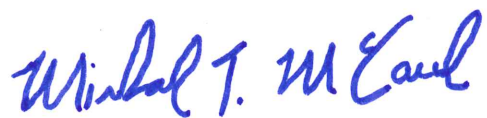


DAVID SCHWEIKERT
Co-Chair
Tunisia Caucus



ALCEE L. HASTINGS
Co-Chair
Tunisia Caucus

The Honorable John F. Kerry
May 26, 2016
Page 3



MICHAEL McCAUL
Chairman
Committee on Homeland Security



BILL KEATING
Ranking Member
Subcommittee on Terrorism,
Nonproliferation, and Trade