

112TH CONGRESS
1ST SESSION

S. 618

To promote the strengthening of the private sector in Egypt and Tunisia.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2011

Mr. KERRY (for himself, Mr. MCCAIN, and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To promote the strengthening of the private sector in Egypt and Tunisia.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. APPROPRIATE CONGRESSIONAL COMMITTEES**

4 **DEFINED.**

5 In this Act, the term “appropriate congressional com-
6 mittees” means—

7 (1) the Committee on Foreign Relations of the
8 Senate;

9 (2) the Committee on Appropriations of the
10 Senate;

1 (3) the Committee on Foreign Affairs of the
2 House of Representatives; and

3 (4) the Committee on Appropriations of the
4 House of Representatives.

5 **TITLE I—EGYPT-AMERICAN**
6 **ENTERPRISE FUND**

7 **SEC. 101. SHORT TITLE.**

8 This title may be cited as the “Egyptian-American
9 Enterprise Fund Act”.

10 **SEC. 102. PURPOSE AND FINDINGS.**

11 (a) **PURPOSE.**—The purpose of this title is to support
12 a transition to democracy in Egypt that is successful, last-
13 ing, and reflective of the aspirations of the Egyptian peo-
14 ple for greater economic opportunity and political freedom
15 through the creation of an Egyptian-American Enterprise
16 Fund that will support economic prosperity through finan-
17 cial investment and technical assistance to small- and me-
18 dium-sized enterprises.

19 (b) **FINDINGS.**—Congress makes the following find-
20 ings:

21 (1) The United States and Egypt have a
22 strong, long-standing bilateral relationship.

23 (2) Egypt—

24 (A) plays an important role in—

25 (i) global and regional politics; and

1 (ii) the broader Middle East and
2 North Africa; and

3 (B) has been an intellectual, economic, and
4 cultural center of the Arab world for many
5 years.

6 (3) On January 25, 2011, demonstrations
7 began throughout Egypt in which thousands of pro-
8 testers peacefully called for—

9 (A) a new government;

10 (B) free and fair elections;

11 (C) significant constitutional and political
12 reforms;

13 (D) greater economic opportunity; and

14 (E) an end to government corruption.

15 (4) The demonstrators' perseverance in the face
16 of violence and intimidation—

17 (A) culminated in the February 11, 2011
18 resignation of President Hosni Mubarak; and

19 (B) inspired democracy activists through-
20 out the region and around the world.

21 (5) The United States has a strong interest
22 in—

23 (A) an orderly and peaceful transition to
24 democracy in Egypt; and

1 (B) assisting the people of Egypt to form
2 a representative and democratic political and
3 economic system that respects universal values.

4 (6) Egypt—

5 (A) has a well-developed civil society and
6 governing institutions; and

7 (B) was well-served by—

8 (i) the extraordinary determination
9 shown by the people of Egypt in forcing
10 President Mubarak to abdicate; and

11 (ii) the restraint demonstrated by the
12 Egyptian military.

13 (7) In 2010—

14 (A) the inflation rate in Egypt was ap-
15 proximately 11 percent; and

16 (B) Egypt's foreign debt was equal to 16
17 percent of its \$216,000,000,000 gross domestic
18 product (GDP).

19 (8) As a result of the dramatic events in Egypt
20 in February 2011—

21 (A) Egypt's economy was brought to a
22 near standstill and continues to experience lin-
23 gering effects;

1 (B) widespread strikes slowed down
2 Egypt's manufacturing output and banks closed
3 down for intermittent periods; and

4 (C) the value of the Egyptian stock market
5 fell by 16 percent in the 2 days before it was
6 closed on January 30, 2011.

7 (9) According to analyst estimates, as a result
8 of recent events in Egypt—

9 (A) forecasted growth for Egypt's GDP
10 has dropped from 6 percent to between 3.1 and
11 3.5 percent;

12 (B) the amount of workers' remittances
13 coming into Egypt will likely decline;

14 (C) the amount of regional securities pur-
15 chased by foreign investors will likely decrease,
16 which will require fiscal deficits to be financed
17 by domestic banks and reduce the availability of
18 credit for private sector borrowers;

19 (D) heightened political uncertainty will
20 likely lead to a downturn in tourism, which ac-
21 counts for 8.2 percent of Egypt's GDP and 7
22 percent of Egypt's direct employment; and

23 (E) foreign direct investment (FDI) in
24 Egypt is predicted to decrease.

1 (10) The most recent official estimates of the
2 unemployment rate in Egypt is 9.2 percent. Unoffi-
3 cial estimates of the current unemployment rate in
4 Egypt range between 15 and 20 percent. The unem-
5 ployment rate for Egyptian youth is estimated at
6 24.8 percent. Egyptian women, who are more af-
7 fected by spikes in unemployment, face an unem-
8 ployment rate of nearly 25 percent compared to the
9 6.7 percent unemployment rate for Egyptian men.

10 (11) An estimated 61 percent of the population
11 of Egypt is younger than 30 years of age.

12 (12) Private sector employment in Egypt in-
13 creased from 11,000,000 to 15,100,000 between
14 1999 and 2007.

15 (13) According to the International Finance
16 Corporation’s 2009 “SME Banking Knowledge
17 Guide”—

18 (A) the small and medium enterprise
19 (SME) market in Egypt was estimated at
20 160,000;

21 (B) of these firms, about 98 percent em-
22 ployed fewer than 50 people;

23 (C) Egypt had an estimated 2,400,000
24 microenterprises; and

1 (D) 68 percent of the SMEs in Egypt have
2 bank accounts, but only 12 percent of those
3 with bank accounts had taken out loans.

4 (14) A challenge for SMEs is that they are not
5 always considered a significant customer base for
6 banks and services don't meet the unique needs of
7 this market segment.

8 (15) According to the Government of Egypt's
9 Small and Medium Enterprise Development Unit,
10 SMEs constitute nearly 75 percent of private sector
11 employment.

12 (16) According to the World Bank report enti-
13 tled "Access to Finance and Economic Growth in
14 Egypt"—

15 (A) even before the recent political events
16 in Egypt, private-sector credit to GDP in Egypt
17 was modest compared to other developing
18 economies;

19 (B) private credit as a share of total credit
20 has been declining;

21 (C) the distribution of bank financing is
22 uneven, with most loans going to large and
23 well-established enterprises; and

24 (D) as a consequence, family-owned firms
25 and SMEs, which represent the majority of

1 firms in Egypt, rely heavily on the informal
2 market.

3 (17) To help foster and support the fledgling
4 private sector after the fall of the Berlin Wall, Con-
5 gress, through enactment of the Support for East
6 European Democracy (SEED) Act of 1989 (22
7 U.S.C. 5401 et seq.) and the FREEDOM Support
8 Act (22 U.S.C. 5801 et seq.), authorized nearly
9 \$1,200,000,000 for the United States Agency for
10 International Development (USAID) to establish
11 new investment funds (collectively known as the
12 “Enterprise Funds”) throughout Central and East-
13 ern Europe and the former Soviet Union.

14 (18) The Enterprise Funds—

15 (A) channeled funding into more than 500
16 enterprises in 19 countries;

17 (B) leveraged an additional
18 \$5,000,000,000 in private investment capital
19 from outside the United States Government;

20 (C) provided substantial development cap-
21 ital where supply was limited;

22 (D) created or sustained more than
23 260,000 jobs through investment and develop-
24 ment activities;

1 (E) funded \$74,000,000 in technical as-
2 sistance to strengthen the private sector; and

3 (F) are expected to recoup 137 percent of
4 the original USAID funding.

5 (19) Enterprise funds established in partner-
6 ship with United States partners, such as Poland,
7 Hungary, Albania, Russia, and other European
8 countries, have proven beneficial to the economies of
9 such countries.

10 (20) Creating a similar fund in close partner-
11 ship with the people of Egypt would help sustain
12 and expand reform efforts in Egypt and empower
13 Egyptian entrepreneurs with the resources required
14 to create urgently needed employment opportunities.

15 (21) Establishing an enterprise fund for Egypt
16 would—

17 (A) help reinforce financial institutions
18 within the country;

19 (B) provide debt and equity investment for
20 commercially viable SMEs; and

21 (C) make the investment environment
22 more attractive to domestic and international
23 investors.

1 **SEC. 103. PURPOSES OF EGYPTIAN-AMERICAN ENTERPRISE**
2 **FUND.**

3 The purposes of the Egyptian-American Enterprise
4 Fund are—

5 (1) to promote the private sector in Egypt,
6 while considering the development impact of invest-
7 ments and profitability of those investments, par-
8 ticularly in small- and medium-sized enterprises, and
9 joint ventures with participants from the United
10 States and Egypt;

11 (2) to promote policies and practices conducive
12 to strengthening the private sector in Egypt through
13 measures including loans, microloans, equity invest-
14 ments, insurance, guarantees, grants, feasibility
15 studies, technical assistance, training for businesses
16 receiving investment capital, and other measures;

17 (3) to promote good corporate governance and
18 transparency in Egypt, foster competition, catalyze
19 productivity improvements in existing businesses,
20 and strengthen local capital markets; and

21 (4) to promote security through job creation in
22 the private sector in Egypt and to further the cre-
23 ation of a middle class in Egypt.

24 **SEC. 104. EGYPTIAN-AMERICAN ENTERPRISE FUND.**

25 (a) **ESTABLISHMENT.**—The President is authorized
26 to establish or designate a private, nonprofit organization

1 (to be known as the “Egyptian-American Enterprise
2 Fund”) to receive funds and support made available under
3 this title after determining that such organization has
4 been established for the purposes specified in section 103.
5 The President should make such designation only after
6 consultation with the leadership of each House of Con-
7 gress.

8 (b) BOARD OF DIRECTORS.—

9 (1) APPOINTMENT.—The Egyptian-American
10 Enterprise Fund shall be governed by a Board of
11 Directors, which shall be comprised of 4 private citi-
12 zens of the United States and 3 private citizens of
13 Egypt, appointed by the President of the United
14 States in consultation with the Government of
15 Egypt.

16 (2) QUALIFICATIONS.—Members of the Board
17 of Directors shall be selected from among people
18 who have had successful business careers and dem-
19 onstrated experience and expertise in international
20 and particularly emerging markets investment activi-
21 ties, such as private equity or venture capital invest-
22 ment, banking, finance, strategic business con-
23 sulting, or entrepreneurial business creation, and
24 backgrounds in priority business sectors of the
25 Fund.

1 (3) ADDITIONAL USAID NON-VOTING BOARD
2 MEMBER.—The President shall appoint 1 official or
3 employee of the United States Agency for Inter-
4 national Development as an additional non-voting
5 member of the Board.

6 (4) ADDITIONAL NON-GOVERNMENT NON-VOT-
7 ING BOARD MEMBERS.—

8 (A) AUTHORITY TO APPOINT.—Upon the
9 recommendation of the Board of Directors, the
10 President may appoint up to 2 additional non-
11 voting members to the Board of Directors in
12 addition to the members specified in paragraphs
13 (1) and (3), of which not more than 1 may be
14 a non-citizen of the United States.

15 (B) NGO COMMUNITY.—One of the addi-
16 tional nonvoting Board members shall be from
17 the nongovernmental organization community,
18 with significant prior experience in development
19 and an understanding of development policy
20 priorities for Egypt.

21 (C) TECHNICAL EXPERTISE.—One of the
22 additional non-voting Board members shall have
23 extensive demonstrated industry, sector, or
24 technical experience and expertise in a priority
25 investment sector for the Fund.

1 (c) GRANTS.—

2 (1) IN GENERAL.—The President may use
3 funds appropriated by any Act, in this fiscal year or
4 prior fiscal years, making appropriations for the De-
5 partment of State, foreign operations, and related
6 programs, including funds previously obligated, that
7 are otherwise available for such purposes, notwith-
8 standing any other provision of law—

9 (A) to carry out the purposes set forth in
10 section 103 through the Egyptian-American
11 Enterprise Fund; and

12 (B) to pay for the administrative expenses
13 of the Egyptian-American Enterprise Fund,
14 which shall not exceed 5 percent of the amounts
15 made available for the Fund.

16 (2) ELIGIBLE PROGRAMS AND PROJECTS.—

17 Grants awarded under this section may only be used
18 for programs and projects that support the purposes
19 set forth in section 103.

20 (3) COMPLIANCE REQUIREMENTS.—

21 (A) IN GENERAL.—Grants may not be
22 awarded to the Egyptian-American Enterprise
23 Fund under this section unless the Fund agrees
24 to comply with the requirements under this sec-
25 tion.

1 (B) GRANT AGREEMENT.—The grant
2 agreement between the United States Agency
3 for International Development and the Egyp-
4 tian-American Enterprise Fund shall state that
5 the Fund shall liquidate its assets and dissolve
6 not later than December 31, 2021, unless the
7 Secretary of State, in consultation with the Ad-
8 ministrator of the United States Agency for
9 International Development, and after consulta-
10 tion with the appropriate congressional commit-
11 tees, determines that the Fund should be ex-
12 tended.

13 (C) PREVENTION OF MONEY LAUNDERING
14 AND TERRORIST FINANCING.—The grant agree-
15 ment between the United States Agency for
16 International Development and the Egyptian-
17 American Enterprise Fund shall state that the
18 Fund shall comply with procedures specified by
19 the Secretary of State to ensure that grant
20 funds are not provided by the Fund to or
21 through any individual, private or government
22 entity, or educational institution that advocates,
23 plans, sponsors, engages in, or has engaged in,
24 money laundering or terrorist activity or, with
25 respect to a private entity or educational insti-

1 tution, that has as a principal officer of the en-
2 tity's governing board or governing board of
3 trustees any individual that has been deter-
4 mined to be involved in or advocating money
5 laundering or terrorist activity or determined to
6 be a member of a designated foreign terrorist
7 organization.

8 (D) DISPOSITION OF ASSETS.—The assets
9 of the Egyptian-American Enterprise Fund at
10 the time the Fund is dissolved shall be returned
11 to the General Fund of the United States
12 Treasury and used to reduce the debt of the
13 United States.

14 (d) NOTIFICATION.—

15 (1) IN GENERAL.—Not later than 15 days be-
16 fore designating an organization to operate as the
17 Egyptian-American Enterprise Fund pursuant to
18 subsection (a), the President shall provide the infor-
19 mation described in paragraph (2) to the Chairman
20 and Ranking Member of the appropriate congres-
21 sional committees.

22 (2) INFORMATION.—The information described
23 in this paragraph is—

1 (A) the identity of the organization to be
2 designated to operate as the Egyptian-American
3 Enterprise Fund pursuant to subsection (a);

4 (B) the names and qualifications of the in-
5 dividuals who will comprise the initial Board of
6 Directors; and

7 (C) the procedures referred to in sub-
8 section (c)(3)(C) that will apply to the Egyp-
9 tian-American Enterprise Fund for purposes of
10 curtailing money-laundering and terrorist fi-
11 nancing activities.

12 (e) PUBLIC DISCLOSURE.—Not later than 1 year
13 after the entry into force of the initial grant agreement
14 under this section, and annually thereafter, the Fund shall
15 prepare and make available to the public on an Internet
16 Web site administered by the Fund a report on the Fund's
17 activities during the previous year, including—

18 (1) a description of each investment or project
19 supported by the Fund, including each type of as-
20 sistance provided in accordance with section 103(2);

21 (2) the amounts invested by the Fund in each
22 company or project;

23 (3) the amounts of additional private invest-
24 ments made in each company or project; and

1 (4) the amounts of any profits or losses realized
2 by the Fund in connection with each such company
3 or project.

4 **SEC. 105. REPORTS.**

5 (a) ADMINISTRATIVE EXPENSES.—Not later than 1
6 year after the date of the enactment of this Act, and annu-
7 ally thereafter until the Fund is dissolved, the Fund shall
8 submit to the appropriate congressional committees a re-
9 port detailing the administrative expenses of the Fund.

10 (b) GAO REPORT.—Not later than 3 years after the
11 date of the enactment of this Act, and every 3 years there-
12 after until the Fund is dissolved, the Comptroller General
13 of the United States shall submit to the appropriate con-
14 gressional committees a report assessing the activities of
15 the Fund in achieving the stated goals of promoting pri-
16 vate sector investment and employment in Egypt and iden-
17 tifying those institutional or regulatory constraints that
18 inhibit a more effective application of Fund resources.

19 **SEC. 106. OPERATION PROVISIONS.**

20 (a) APPLICABLE PROVISIONS.—Subsections (d)(5),
21 (g), (h), (i), (k), (l), (m), (n), (o), and (p) of section 201
22 of the Support for East European Democracy (SEED)
23 Act of 1989 (22 U.S.C. 5421) shall apply with respect
24 to the Egyptian-American Enterprise Fund in the same

1 manner as such provisions apply to Enterprise Funds des-
2 ignated pursuant to subsection (d) of such section.

3 (b) REINVESTMENT.—Returns on investments of the
4 Egyptian-American Enterprise Fund and other payments
5 to the Fund may be reinvested in projects carried out by
6 the Fund without further appropriation by Congress.

7 **SEC. 107. BEST PRACTICES AND PROCEDURES.**

8 To the maximum extent practicable, the Board of Di-
9 rectors of the Egyptian-American Enterprise Fund should
10 adopt the best practices and procedures used by Enter-
11 prise Funds, including those for which funding has been
12 made available pursuant to section 201 of the Support for
13 East European Democracy (SEED) Act of 1989 (22
14 U.S.C. 5421).

15 **SEC. 108. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

16 In implementing this title, the President shall ensure
17 that the Articles of Incorporation of the Egyptian-Amer-
18 ican Enterprise Fund (including provisions specifying the
19 responsibilities of the Board of Directors of the Fund),
20 the terms of United States Government grant agreements
21 with the Fund, and United States Government oversight
22 of the Fund are, to the maximum extent practicable, con-
23 sistent with the Articles of Incorporation of, the terms of
24 grant agreements with, and the oversight of the Enter-
25 prise Funds established pursuant to section 201 of the

1 Support for East European Democracy (SEED) Act of
2 1989 (22 U.S.C. 5421) and comparable provisions of law.

3 **TITLE II—TUNISIAN-AMERICAN**
4 **ENTERPRISE FUND**

5 **SEC. 201. SHORT TITLE.**

6 This title may be cited as the “Tunisian-American
7 Enterprise Fund Act”.

8 **SEC. 202. PURPOSE AND FINDINGS.**

9 (a) **PURPOSE.**—The purpose of this title is to support
10 a transition to democracy in Tunisia that is successful,
11 lasting, and reflective of the aspirations of the Tunisian
12 people for greater economic opportunity and political free-
13 dom through the creation of a Tunisian-American Enter-
14 prise Fund that will support economic prosperity through
15 financial investment and technical assistance to small- and
16 medium-sized enterprises.

17 (b) **FINDINGS.**—Congress makes the following find-
18 ings:

19 (1) The United States and Tunisia have a
20 strong, long-standing bilateral relationship.

21 (2) Tunisia—

22 (A) plays an important strategic role in
23 promoting peace and security in North Africa,
24 the broader Middle East, and elsewhere; and

1 (B) has been, and continues to be, a re-
2 gional center for foreign investment and tour-
3 ism.

4 (3) On December 18, 2010, after the self-immo-
5 lation of a young street vendor, Mohamed Bouazizi,
6 protests broke out in Sidi Bouzid, Tunisia.

7 (4) The protests, which quickly spread across
8 Tunisia, involved peaceful demonstrators calling
9 for—

- 10 (A) a new government;
- 11 (B) free and fair elections;
- 12 (C) significant political reforms;
- 13 (D) greater economic opportunity; and
- 14 (E) an end to government corruption.

15 (5) The protests culminated in the ouster of
16 President Zine el-Abidine Ben Ali on January 14,
17 2011, inspiring democracy activists throughout the
18 region and around the world.

19 (6) The United States has a strong interest
20 in—

21 (A) an orderly and peaceful transition to
22 democracy in Tunisia; and

23 (B) assisting the people of Tunisia to form
24 a representative and democratic political and
25 economic system that respects universal values.

1 (7) Tunisia—

2 (A) has a well-educated and secular popu-
3 lation that displayed extraordinary determina-
4 tion in forcing President Ben Ali to abdicate;
5 and

6 (B) is well-positioned to make a successful
7 democratic transition.

8 (8) In 2010—

9 (A) the inflation rate in Tunisia was ap-
10 proximately 4.4 percent;

11 (B) Tunisia's foreign debt was equal to 46
12 percent of its \$44,000,000,000 gross domestic
13 product (GDP); and

14 (C) according to The Peterson Institute of
15 Economics, Tunisia was the only country in the
16 region in which per capita incomes have gradu-
17 ally converged with the industrial democracies
18 of the Organization of Economic Cooperation
19 and Development (OECD).

20 (9) According to the World Economic Forum's
21 2010–2011 Global Competitiveness Report—

22 (A) Tunisia ranks first in competitiveness
23 among African nations; and

24 (B) Tunisia's most problematic factor for
25 doing business is lack of access to financing.

1 (10) According to the International Monetary
2 Fund (IMF), Tunisia had weathered the global eco-
3 nomic crisis well, having entered the crisis with
4 strong fundamentals.

5 (11) As a result of the dramatic events in Tuni-
6 sia during January 2011—

7 (A) Tunisia’s economy was brought to a
8 near standstill and continues to feel lingering
9 effects;

10 (B) Tunisia’s debt rating was downgraded;

11 (C) tourism revenues, which are respon-
12 sible for an estimated 8.6 percent of direct con-
13 tribution to Tunisia’s GDP, have dropped an
14 estimated 40 percent compared to the previous
15 year;

16 (D) industrial output and investment activ-
17 ity in Tunisia are experiencing significant
18 short-term reductions; and

19 (E) the value of the Tunisian stock market
20 fell by 14 percent.

21 (12) The Fitch Rating Agency concluded, “Al-
22 though the transition to democracy could well im-
23 prove confidence in the long-term, political upheaval
24 has worsened the short-term outlook for the econ-
25 omy, public finances and financial system”.

1 (13) Analysts estimate that the recent events in
2 Tunisia—

3 (A) will increase government deficits in
4 Tunisia for the next 2 years, due in part to new
5 government spending; and

6 (B) has shaken the Tunisian economy, al-
7 though Tunisia’s medium-term growth outlook
8 remains relatively good.

9 (14) According to IMF’s Middle East and Cen-
10 tral Asia Department—

11 (A) Tunisia’s tourism and foreign direct
12 investment (FDI) inflows will continue to de-
13 cline, which will negatively impact the rest of
14 the Tunisian economy;

15 (B) recent events in Tunisia have illus-
16 trated the need for more inclusive growth and
17 better governance in Tunisia; and

18 (C) it is important to recognize that the
19 Tunisian society has enduring strengths.

20 (15) The World Bank estimates that Tunisian
21 banks may face stress as second round effects of the
22 slowdown in businesses and investment permeate.

23 (16) Foreign direct investment, which is a cru-
24 cial component of Tunisia’s economic health, created
25 24 percent of the new jobs in 2009, according to

1 Tunisia's Ministry of Planning and International
2 Cooperation.

3 (17) According to the African Development
4 Bank—

5 (A) Tunisia has pursued governance re-
6 forms in an effort to increase FDI and boost
7 local enterprises; and

8 (B) Small- and medium-sized enterprises
9 in Tunisia require support to access finance
10 outside of the traditional lines of credit because
11 sources of finance for enterprises in Tunisia are
12 weak.

13 (18) According to the most recent official esti-
14 mates—

15 (A) the unemployment rate in Tunisia is
16 13 percent;

17 (B) the youth unemployment rate is 30.7
18 percent; and

19 (C) 51 percent of the population of Tunisia
20 is younger than 30 years of age.

21 (19) To help foster and support the fledgling
22 private sector after the fall of the Berlin Wall, Con-
23 gress, through enactment of the Support for East
24 European Democracy (SEED) Act of 1989 (22
25 U.S.C. 5401 et seq.) and the FREEDOM Support

1 Act (22 U.S.C. 5801 et seq.), authorized nearly
2 \$1,200,000,000 for the United States Agency for
3 International Development (USAID) to establish 10
4 new investment funds (collectively known as the
5 “Enterprise Funds”) throughout Central and East-
6 ern Europe and the former Soviet Union.

7 (20) The Enterprise Funds—

8 (A) channeled funding into more than 500
9 enterprises in 19 countries;

10 (B) leveraged an additional
11 \$5,000,000,000 in private investment capital
12 from outside the United States Government;

13 (C) provided substantial development cap-
14 ital where supply was limited;

15 (D) created or sustained more than
16 260,000 jobs through investment and develop-
17 ment activities;

18 (E) funded \$74,000,000 in technical as-
19 sistance to strengthen the private sector; and

20 (F) are expected to recoup 137 percent of
21 the original USAID funding.

22 (21) Enterprise Funds established in partner-
23 ship with United States partners, such as Poland,
24 Hungary, Albania, Russia, and other European

1 countries, have proven beneficial to the economies of
2 such countries.

3 (22) Creating a similar fund in close partner-
4 ship with the people of Tunisia would—

5 (A) help sustain and expand reform efforts
6 in Tunisia;

7 (B) empower Tunisian entrepreneurs with
8 the resources required to create urgently needed
9 employment opportunities;

10 (C) help reinforce financial institutions
11 within the country;

12 (D) provide debt and equity investment for
13 commercially viable SMEs; and

14 (E) make the investment environment
15 more attractive to domestic and international
16 investors.

17 **SEC. 203. PURPOSES OF TUNISIAN-AMERICAN ENTERPRISE**
18 **FUND.**

19 The purposes of the Tunisian-American Enterprise
20 Fund are—

21 (1) to promote the private sector in Tunisia,
22 while considering the development impact of invest-
23 ments and profitability of those investments, par-
24 ticularly in small- and medium-sized enterprises, and

1 joint ventures with participants from the United
2 States and Tunisia;

3 (2) to promote policies and practices conducive
4 to strengthening the private sector in Tunisia
5 through measures including loans, microloans, equity
6 investments, insurance, guarantees, grants, feasi-
7 bility studies, technical assistance, training for busi-
8 nesses receiving investment capital, and other meas-
9 ures;

10 (3) to promote good corporate governance and
11 transparency in Tunisia, foster competition, catalyze
12 productivity improvements in existing businesses,
13 and strengthen local capital markets; and

14 (4) to promote security through job creation in
15 the private sector in Tunisia and to further the cre-
16 ation of a middle class in Tunisia.

17 **SEC. 204. TUNISIAN-AMERICAN ENTERPRISE FUND.**

18 (a) ESTABLISHMENT.—The President is authorized
19 to establish or designate a private, nonprofit organization
20 (to be known as the “Tunisian-American Enterprise
21 Fund”) to receive funds and support made available under
22 this title after determining that such organization has
23 been established for the purposes specified in section 203.
24 The President should make such designation only after

1 consultation with the leadership of each House of Con-
2 gress.

3 (b) BOARD OF DIRECTORS.—

4 (1) APPOINTMENT.—The Tunisian-American
5 Enterprise Fund shall be governed by a Board of
6 Directors, which shall be comprised of 4 private citi-
7 zens of the United States and 3 private citizens of
8 Tunisia, appointed by the President of the United
9 States in consultation with the Government of Tuni-
10 sia.

11 (2) QUALIFICATIONS.—Members of the Board
12 of Directors shall be selected from among people
13 who have had successful business careers and dem-
14 onstrated experience and expertise in international
15 and particularly emerging markets investment activi-
16 ties, such as private equity or venture capital invest-
17 ment, banking, finance, strategic business con-
18 sulting, or entrepreneurial business creation, and
19 backgrounds in priority business sectors of the
20 Fund.

21 (3) ADDITIONAL USAID NON-VOTING BOARD
22 MEMBER.—The President shall appoint 1 official or
23 employee of the United States Agency for Inter-
24 national Development as an additional non-voting
25 member of the Board.

1 (4) ADDITIONAL NON-GOVERNMENT NON-VOT-
2 ING BOARD MEMBERS.—

3 (A) AUTHORITY TO APPOINT.—Upon the
4 recommendation of the Board of Directors, the
5 President may appoint up to 2 additional non-
6 voting members to the Board of Directors in
7 addition to the members specified in paragraphs
8 (1) and (3), of which not more than one may
9 be a non-citizen of the United States.

10 (B) NGO COMMUNITY.—One of the addi-
11 tional nonvoting Board members shall be from
12 the nongovernmental organization community,
13 with significant prior experience in development
14 and an understanding of development policy
15 priorities for Tunisia.

16 (C) TECHNICAL EXPERTISE.—One of the
17 additional non-voting Board members shall have
18 extensive demonstrated industry, sector, or
19 technical experience and expertise in a priority
20 investment sector for the Fund.

21 (c) GRANTS.—

22 (1) IN GENERAL.—The President may use
23 funds appropriated by any Act, in this fiscal year or
24 prior fiscal years, making appropriations for the De-
25 partment of State, foreign operations, and related

1 programs, including funds previously obligated, that
2 are otherwise available for such purposes, notwith-
3 standing any other provision of law—

4 (A) to carry out the purposes specified in
5 section 203 through the Tunisian-American En-
6 terprise Fund; and

7 (B) to pay for the administrative expenses
8 of the Tunisian-American Enterprise Fund,
9 which shall not exceed 5 percent of the funds
10 made available for the Fund.

11 (2) ELIGIBLE PROGRAMS AND PROJECTS.—

12 Grants awarded under this section may only be used
13 for programs and projects that support the purposes
14 set forth in section 203.

15 (3) COMPLIANCE REQUIREMENTS.—

16 (A) IN GENERAL.—Grants may not be
17 awarded to the Tunisian-American Enterprise
18 Fund under this section unless the Fund agrees
19 to comply with the requirements under this sec-
20 tion.

21 (B) GRANT AGREEMENT.—The grant
22 agreement between the United States Agency
23 for International Development and the Tun-
24 isian-American Enterprise Fund shall state that
25 the Fund shall liquidate its assets and dissolve

1 not later than December 31, 2021, unless the
2 Secretary of State, in consultation with the Ad-
3 ministrator of the United States Agency for
4 International Development, and after consulta-
5 tion with the appropriate congressional commit-
6 tees, determines that the Fund should be ex-
7 tended.

8 (C) PREVENTION OF MONEY LAUNDERING
9 AND TERRORIST FINANCING.—The grant agree-
10 ment between the United States Agency for
11 International Development and the Tunisian-
12 American Enterprise Fund shall state that the
13 Fund shall comply with procedures specified by
14 the Secretary of State to ensure that grant
15 funds are not provided by the Fund to or
16 through any individual, private or government
17 entity, or educational institution that advocates,
18 plans, sponsors, engages in, or has engaged in,
19 money laundering or terrorist activity or, with
20 respect to a private entity or educational insti-
21 tution, that has as a principal officer of the en-
22 tity's governing board or governing board of
23 trustees any individual that has been deter-
24 mined to be involved in or advocating money
25 laundering or terrorist activity or determined to

1 be a member of a designated foreign terrorist
2 organization.

3 (D) DISPOSITION OF ASSETS.—The assets
4 of the Tunisian-American Enterprise Fund at
5 the time the Fund is dissolved shall be returned
6 to the General Fund of the United States
7 Treasury and used to reduce the debt of the
8 United States.

9 (d) NOTIFICATION.—

10 (1) IN GENERAL.—Not later than 15 days be-
11 fore designating an organization to operate as the
12 Tunisian-American Enterprise Fund pursuant to
13 subsection (a), the President shall provide the infor-
14 mation described in paragraph (2) to the Chairman
15 and Ranking Member of the appropriate congress-
16 sional committees.

17 (2) INFORMATION.—The information described
18 in this paragraph is—

19 (A) the identity of the organization to be
20 designated to operate as the Tunisian-American
21 Enterprise Fund pursuant to subsection (a);

22 (B) the names and qualifications of the in-
23 dividuals who will comprise the initial Board of
24 Directors; and

1 (C) the procedures referred to in sub-
2 section (c)(3)(C) that will apply to the Tuni-
3 sian-American Enterprise Fund for purposes of
4 curtailing money-laundering and terrorist fi-
5 nancing activities.

6 (e) PUBLIC DISCLOSURE.—Not later than 1 year
7 after the entry into force of the initial grant agreement
8 under this section, and annually thereafter, the Fund shall
9 prepare and make available to the public on an Internet
10 Web site administered by the Fund a report on the Fund's
11 activities during the previous year, including—

12 (1) a description of each investment or project
13 supported by the Fund, including each type of as-
14 sistance provided in accordance with section 203(2);

15 (2) the amounts invested by the Fund in each
16 company or project;

17 (3) the amounts of additional private invest-
18 ments made in each company or project; and

19 (4) the amounts of any profits or losses realized
20 by the Fund in connection with each such company
21 or project.

22 **SEC. 205. REPORTS.**

23 (a) ADMINISTRATIVE EXPENSES.—Not later than 1
24 year after the date of the enactment of this Act, and annu-
25 ally thereafter until the Fund is dissolved, the Fund shall

1 submit to the appropriate congressional committees a re-
2 port detailing the administrative expenses of the Fund.

3 (b) GAO REPORT.—Not later than 3 years after the
4 date of the enactment of this Act, and every 3 years there-
5 after until the Fund is dissolved, the Comptroller General
6 of the United States shall submit to the appropriate con-
7 gressional committees a report assessing the activities of
8 the Fund in achieving the stated goals of promoting pri-
9 vate sector investment and employment in Tunisia and
10 identifying those institutional or regulatory constraints
11 that inhibit a more effective application of Fund resources.

12 **SEC. 206. OPERATION PROVISIONS.**

13 (a) APPLICABLE PROVISIONS.—Subsections (d)(5),
14 (g), (h), (i), (k), (l), (m), (n), (o), and (p) of section 201
15 of the Support for East European Democracy (SEED)
16 Act of 1989 (22 U.S.C. 5421) shall apply with respect
17 to the Tunisian-American Enterprise Fund in the same
18 manner as such provisions apply to Enterprise Funds des-
19 ignated pursuant to subsection (d) of such section.

20 (b) REINVESTMENT.—Returns on investments of the
21 Tunisian-American Enterprise Fund and other payments
22 to the Fund may be reinvested in projects carried out by
23 the Fund without further appropriation by Congress.

1 **SEC. 207. BEST PRACTICES AND PROCEDURES.**

2 To the maximum extent practicable, the Board of Di-
3 rectors of the Tunisian-American Enterprise Fund should
4 adopt the best practices and procedures used by Enter-
5 prise Funds, including those for which funding has been
6 made available pursuant to section 201 of the Support for
7 East European Democracy (SEED) Act of 1989 (22
8 U.S.C. 5421).

9 **SEC. 208. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

10 In implementing this title, the President shall ensure
11 that the Articles of Incorporation of the Tunisian-Amer-
12 ican Enterprise Fund (including provisions specifying the
13 responsibilities of the Board of Directors of the Fund),
14 the terms of United States Government grant agreements
15 with the Fund, and United States Government oversight
16 of the Fund are, to the maximum extent practicable, con-
17 sistent with the Articles of Incorporation of, the terms of
18 grant agreements with, and the oversight of the Enter-
19 prise Funds established pursuant to section 201 of the
20 Support for East European Democracy (SEED) Act of
21 1989 (22 U.S.C. 5421) and comparable provisions of law.

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