

AMENDMENT TO H.R. ___

OFFERED BY MR. BERMAN OF CALIFORNIA

(Foreign Relations Authorization Act, Fiscal Year 2012)

At the end of the bill, add the following new title:

1 **TITLE XI—PROMOTION OF THE**
2 **PRIVATE SECTOR IN EGYPT**
3 **AND TUNISIA**

4 **SEC. 1101. APPROPRIATE CONGRESSIONAL COMMITTEES**

5 **DEFINED.**

6 In this title, the term “appropriate congressional
7 committees” means—

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

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

12 (3) the Committee on Foreign Affairs of the
13 House of Representatives; and

14 (4) the Committee on Appropriations of the
15 House of Representatives.

1 **Subtitle A—Egypt-American**
2 **Enterprise Fund**

3 **SEC. 1111. SHORT TITLE.**

4 This subtitle may be cited as the “Egyptian-Amer-
5 ican Enterprise Fund Act”.

6 **SEC. 1112. PURPOSE AND FINDINGS.**

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

15 (b) **FINDINGS.**—Congress makes the following find-
16 ings:

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

19 (2) Egypt—

20 (A) plays an important role in—

21 (i) global and regional politics; and

22 (ii) the broader Middle East and
23 North Africa; and

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

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

7 (A) a new government;

8 (B) free and fair elections;

9 (C) significant constitutional and political
10 reforms;

11 (D) greater economic opportunity; and

12 (E) an end to government corruption.

13 (4) The demonstrators' perseverance in the face
14 of violence and intimidation—

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

17 (B) inspired democracy activists through-
18 out the region and around the world.

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

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

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

1 (6) Egypt—

2 (A) has a well-developed civil society and
3 governing institutions; and

4 (B) was well-served by—

5 (i) the extraordinary determination
6 shown by the people of Egypt in forcing
7 President Mubarak to abdicate; and

8 (ii) the restraint demonstrated by the
9 Egyptian military.

10 (7) In 2010—

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

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

16 (8) As a result of the dramatic events in Egypt
17 in February 2011—

18 (A) Egypt's economy was brought to a
19 near standstill and continues to experience lin-
20 gering effects;

21 (B) widespread strikes slowed down
22 Egypt's manufacturing output and banks closed
23 down for intermittent periods; and

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

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

6 (A) forecasted growth for Egypt's GDP
7 has dropped from 6 percent to between 3.1 and
8 3.5 percent;

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

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

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

20 (E) foreign direct investment (FDI) in
21 Egypt is predicted to decrease.

22 (10) The most recent official estimates of the
23 unemployment rate in Egypt is 9.2 percent. Unoffi-
24 cial estimates of the current unemployment rate in
25 Egypt range between 15 and 20 percent. The unem-

1 employment rate for Egyptian youth is estimated at
2 24.8 percent. Egyptian women, who are more af-
3 fected by spikes in unemployment, face an unem-
4 ployment rate of nearly 25 percent compared to the
5 6.7 percent unemployment rate for Egyptian men.

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

8 (12) Private sector employment in Egypt in-
9 creased from 11,000,000 to 15,100,000 between
10 1999 and 2007.

11 (13) According to the International Finance
12 Corporation's 2009 "SME Banking Knowledge
13 Guide"—

14 (A) the small and medium enterprise
15 (SME) market in Egypt was estimated at
16 160,000;

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

19 (C) Egypt had an estimated 2,400,000
20 microenterprises; and

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

24 (14) A challenge for SMEs is that they are not
25 always considered a significant customer base for

1 banks and services don't meet the unique needs of
2 this market segment.

3 (15) According to the Government of Egypt's
4 Small and Medium Enterprise Development Unit,
5 SMEs constitute nearly 75 percent of private sector
6 employment.

7 (16) According to the World Bank report enti-
8 tled "Access to Finance and Economic Growth in
9 Egypt"—

10 (A) even before the recent political events
11 in Egypt, private-sector credit to GDP in Egypt
12 was modest compared to other developing
13 economies;

14 (B) private credit as a share of total credit
15 has been declining;

16 (C) the distribution of bank financing is
17 uneven, with most loans going to large and
18 well-established enterprises; and

19 (D) as a consequence, family-owned firms
20 and SMEs, which represent the majority of
21 firms in Egypt, rely heavily on the informal
22 market.

23 (17) To help foster and support the fledgling
24 private sector after the fall of the Berlin Wall, Con-
25 gress, through enactment of the Support for East

1 European Democracy (SEED) Act of 1989 (22
2 U.S.C. 5401 et seq.) and the FREEDOM Support
3 Act (22 U.S.C. 5801 et seq.), authorized nearly
4 \$1,200,000,000 for the United States Agency for
5 International Development (USAID) to establish 10
6 new investment funds (collectively known as the
7 “Enterprise Funds”) throughout Central and East-
8 ern Europe and the former Soviet Union.

9 (18) The Enterprise Funds—

10 (A) channeled funding into more than 500
11 enterprises in 19 countries;

12 (B) leveraged an additional
13 \$5,000,000,000 in private investment capital
14 from outside the United States Government;

15 (C) provided substantial development cap-
16 ital where supply was limited;

17 (D) created or sustained more than
18 260,000 jobs through investment and develop-
19 ment activities;

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

22 (F) are expected to recoup 137 percent of
23 the original USAID funding.

24 (19) Enterprise funds established in partner-
25 ship with United States partners, such as Poland,

1 Hungary, Albania, Russia, and other European
2 countries, have proven beneficial to the economies of
3 such countries.

4 (20) Creating a similar fund in close partner-
5 ship with the people of Egypt would help sustain
6 and expand reform efforts in Egypt and empower
7 Egyptian entrepreneurs with the resources required
8 to create urgently needed employment opportunities.

9 (21) Establishing an enterprise fund for Egypt
10 would—

11 (A) help reinforce financial institutions
12 within the country;

13 (B) provide debt and equity investment for
14 commercially viable SMEs; and

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

18 **SEC. 1113. PURPOSES OF EGYPTIAN-AMERICAN ENTER-**
19 **PRISE FUND.**

20 The purposes of the Egyptian-American Enterprise
21 Fund are—

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

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

3 (2) to promote policies and practices conducive
4 to strengthening the private sector in Egypt through
5 measures including loans, microloans, equity invest-
6 ments, insurance, guarantees, grants, feasibility
7 studies, technical assistance, training for businesses
8 receiving investment capital, and other measures;

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

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

16 **SEC. 1114. EGYPTIAN-AMERICAN ENTERPRISE FUND.**

17 (a) ESTABLISHMENT.—The President is authorized
18 to establish or designate a private, nonprofit organization
19 (to be known as the “Egyptian-American Enterprise
20 Fund”) to receive funds and support made available under
21 this subtitle after determining that such organization has
22 been established for the purposes specified in section
23 1113. The President should make such designation only
24 after consultation with the leadership of each House of
25 Congress.

1 (b) BOARD OF DIRECTORS.—

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

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

19 (3) UNITED STATES GOVERNMENT LIAISON TO
20 THE BOARD.—The President shall appoint the
21 United States Ambassador to Egypt, or the Amba-
22 sador's designee, as a liaison to the Board.

23 (4) NON-GOVERNMENT LIAISONS TO THE
24 BOARD.—

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

8 (B) NGO COMMUNITY.—One of the addi-
9 tional liaisons to the Board should be from the
10 nongovernmental organization community, with
11 significant prior experience in development and
12 an understanding of development policy prior-
13 ities for Egypt.

14 (C) TECHNICAL EXPERTISE.—One of the
15 additional liaisons to the Board should have ex-
16 tensive demonstrated industry, sector, or tech-
17 nical experience and expertise in a priority in-
18 vestment sector for the Fund.

19 (c) GRANTS.—

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

1 are otherwise available for such purposes, notwith-
2 standing any other provision of law—

3 (A) to carry out the purposes set forth in
4 section 1113 through the Egyptian-American
5 Enterprise Fund; and

6 (B) to pay for the administrative expenses
7 of the Egyptian-American Enterprise Fund,
8 which should not exceed 5 percent of the
9 amounts made available for the Fund.

10 (2) ELIGIBLE PROGRAMS AND PROJECTS.—
11 Grants awarded under this section may only be used
12 for programs and projects that support the purposes
13 set forth in section 1113.

14 (3) COMPLIANCE REQUIREMENTS.—

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

20 (B) GRANT AGREEMENT.—The grant
21 agreement between the United States Agency
22 for International Development and the Egyp-
23 tian-American Enterprise Fund shall state that
24 the Fund shall end its reinvestment cycle not
25 later than December 31, 2021, unless the Sec-

1 retary of State, in consultation with the Admin-
2 istrator of the United States Agency for Inter-
3 national Development, and after consultation
4 with the appropriate congressional committees,
5 determines that the Fund should be extended.

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

1 (D) ADHERENCE TO DEMOCRATIC DEVEL-
2 OPMENT AND REGIONAL PEACE.—The grant
3 agreement between the United States Agency
4 for International Development and the Egyp-
5 tian-American Enterprise Fund shall state that
6 the Fund agrees to cease operations for any pe-
7 riod of time during which a certification de-
8 scribed in section 1115 is not in effect.

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

15 (d) NOTIFICATION.—

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

23 (2) INFORMATION.—The information described
24 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 (e)(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
21 1113(2);

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

24 (3) the amounts of additional private invest-
25 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. 1115. CERTIFICATION.**

5 Not later than 90 days after the date of the enact-
6 ment of this Act and every 90 days thereafter—

7 (1) the President shall certify to the appro-
8 priate congressional committees that Egypt is pur-
9 suing policies conducive to democratic development
10 and regional peace; or

11 (2) if the President is unable to make such a
12 certification, the President shall transmit to the ap-
13 propriate congressional committees a report that
14 contains the reasons therefor.

15 **SEC. 1116. REPORTS.**

16 (a) **ADMINISTRATIVE EXPENSES.**—Not later than 1
17 year after the date of the enactment of this Act, and annu-
18 ally thereafter until the Fund is dissolved, the Fund shall
19 submit to the appropriate congressional committees a re-
20 port detailing the administrative expenses of the Fund.

21 (b) **GAO REPORT.**—Not later than 3 years after the
22 date of the enactment of this Act, and every 3 years there-
23 after until the Fund is dissolved, the Comptroller General
24 of the United States shall submit to the appropriate con-
25 gressional committees a report assessing the activities of

1 the Fund in achieving the stated goals of promoting pri-
2 vate sector investment and employment in Egypt and iden-
3 tifying those institutional or regulatory constraints that
4 inhibit a more effective application of Fund resources.

5 **SEC. 1117. OPERATION PROVISIONS.**

6 (a) **APPLICABLE PROVISIONS.**—Subsections (d)(5),
7 (g), (h), (i), (k), (l), (m), (n), (o), and (p) of section 201
8 of the Support for East European Democracy (SEED)
9 Act of 1989 (22 U.S.C. 5421) shall apply with respect
10 to the Egyptian-American Enterprise Fund in the same
11 manner as such provisions apply to Enterprise Funds des-
12 ignated pursuant to subsection (d) of such section.

13 (b) **REINVESTMENT.**—Returns on investments of the
14 Egyptian-American Enterprise Fund and other payments
15 to the Fund may be reinvested in projects carried out by
16 the Fund without further appropriation by Congress.

17 **SEC. 1118. BEST PRACTICES AND PROCEDURES.**

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

1 **SEC. 1119. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

2 In implementing this subtitle, the President shall en-
3 sure that the Articles of Incorporation of the Egyptian-
4 American Enterprise Fund (including provisions speci-
5 fying the responsibilities of the Board of Directors of the
6 Fund), the terms of United States Government grant
7 agreements with the Fund, and United States Government
8 oversight of the Fund are, to the maximum extent prac-
9 ticable, consistent with the Articles of Incorporation of,
10 the terms of grant agreements with, and the oversight of
11 the Enterprise Funds established pursuant to section 201
12 of the Support for East European Democracy (SEED)
13 Act of 1989 (22 U.S.C. 5421) and comparable provisions
14 of law.

15 **Subtitle B—Tunisian-American**
16 **Enterprise Fund**

17 **SEC. 1121. SHORT TITLE.**

18 This subtitle may be cited as the “Tunisian-American
19 Enterprise Fund Act”.

20 **SEC. 1122. PURPOSE AND FINDINGS.**

21 (a) **PURPOSE.**—The purpose of this subtitle is to sup-
22 port a transition to democracy in Tunisia that is success-
23 ful, lasting, and reflective of the aspirations of the Tuni-
24 sian people for greater economic opportunity and political
25 freedom through the creation of a Tunisian-American En-
26 terprise Fund that will support economic prosperity

1 through financial investment and technical assistance to
2 small- and medium-sized enterprises.

3 (b) FINDINGS.—Congress makes the following find-
4 ings:

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

7 (2) Tunisia—

8 (A) plays an important strategic role in
9 promoting peace and security in North Africa,
10 the broader Middle East, and elsewhere; and

11 (B) has been, and continues to be, a re-
12 gional center for foreign investment and tour-
13 ism.

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

17 (4) The protests, which quickly spread across
18 Tunisia, involved peaceful demonstrators calling
19 for—

20 (A) a new government;

21 (B) free and fair elections;

22 (C) significant political reforms;

23 (D) greater economic opportunity; and

24 (E) an end to government corruption.

1 (5) The protests culminated in the ouster of
2 President Zine el-Abidine Ben Ali on January 14,
3 2011, inspiring democracy activists throughout the
4 region and around the world.

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

7 (A) an orderly and peaceful transition to
8 democracy in Tunisia; and

9 (B) assisting the people of Tunisia to form
10 a representative and democratic political and
11 economic system that respects universal values.

12 (7) Tunisia—

13 (A) has a well-educated and secular popu-
14 lation that displayed extraordinary determina-
15 tion in forcing President Ben Ali to abdicate;
16 and

17 (B) is well-positioned to make a successful
18 democratic transition.

19 (8) In 2010—

20 (A) the inflation rate in Tunisia was ap-
21 proximately 4.4 percent;

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

1 (C) according to The Peterson Institute of
2 Economics, Tunisia was the only country in the
3 region in which per capita incomes have gradu-
4 ally converged with the industrial democracies
5 of the Organization of Economic Cooperation
6 and Development (OECD).

7 (9) According to the World Economic Forum's
8 2010–2011 Global Competitiveness Report—

9 (A) Tunisia ranks first in competitiveness
10 among African nations; and

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

13 (10) According to the International Monetary
14 Fund (IMF), Tunisia had weathered the global eco-
15 nomic crisis well, having entered the crisis with
16 strong fundamentals.

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

19 (A) Tunisia's economy was brought to a
20 near standstill and continues to feel lingering
21 effects;

22 (B) Tunisia's debt rating was downgraded;

23 (C) tourism revenues, which are respon-
24 sible for an estimated 8.6 percent of direct con-
25 tribution to Tunisia's GDP, have dropped an

1 estimated 40 percent compared to the previous
2 year;

3 (D) industrial output and investment activ-
4 ity in Tunisia are experiencing significant
5 short-term reductions; and

6 (E) the value of the Tunisian stock market
7 fell by 14 percent.

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

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

15 (A) will increase government deficits in
16 Tunisia for the next 2 years, due in part to new
17 government spending; and

18 (B) has shaken the Tunisian economy, al-
19 though Tunisia’s medium-term growth outlook
20 remains relatively good.

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

23 (A) Tunisia’s tourism and foreign direct
24 investment (FDI) inflows will continue to de-

1 cline, which will negatively impact the rest of
2 the Tunisian economy;

3 (B) recent events in Tunisia have illus-
4 trated the need for more inclusive growth and
5 better governance in Tunisia; and

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

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

11 (16) Foreign direct investment, which is a cru-
12 cial component of Tunisia's economic health, created
13 24 percent of the new jobs in 2009, according to
14 Tunisia's Ministry of Planning and International
15 Cooperation.

16 (17) According to the African Development
17 Bank—

18 (A) Tunisia has pursued governance re-
19 forms in an effort to increase FDI and boost
20 local enterprises; and

21 (B) Small- and medium-sized enterprises
22 in Tunisia require support to access finance
23 outside of the traditional lines of credit because
24 sources of finance for enterprises in Tunisia are
25 weak.

1 (18) According to the most recent official esti-
2 mates—

3 (A) the unemployment rate in Tunisia is
4 13 percent;

5 (B) the youth unemployment rate is 30.7
6 percent; and

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

9 (19) To help foster and support the fledgling
10 private sector after the fall of the Berlin Wall, Con-
11 gress, through enactment of the Support for East
12 European Democracy (SEED) Act of 1989 (22
13 U.S.C. 5401 et seq.) and the FREEDOM Support
14 Act (22 U.S.C. 5801 et seq.), authorized nearly
15 \$1,200,000,000 for the United States Agency for
16 International Development (USAID) to establish 10
17 new investment funds (collectively known as the
18 “Enterprise Funds”) throughout Central and East-
19 ern Europe and the former Soviet Union.

20 (20) The Enterprise Funds—

21 (A) channeled funding into more than 500
22 enterprises in 19 countries;

23 (B) leveraged an additional
24 \$5,000,000,000 in private investment capital
25 from outside the United States Government;

1 (C) provided substantial development cap-
2 ital where supply was limited;

3 (D) created or sustained more than
4 260,000 jobs through investment and develop-
5 ment activities;

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

8 (F) are expected to recoup 137 percent of
9 the original USAID funding.

10 (21) Enterprise Funds established in partner-
11 ship with United States partners, such as Poland,
12 Hungary, Albania, Russia, and other European
13 countries, have proven beneficial to the economies of
14 such countries.

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

17 (A) help sustain and expand reform efforts
18 in Tunisia;

19 (B) empower Tunisian entrepreneurs with
20 the resources required to create urgently needed
21 employment opportunities;

22 (C) help reinforce financial institutions
23 within the country;

24 (D) provide debt and equity investment for
25 commercially viable SMEs; and

1 (E) make the investment environment
2 more attractive to domestic and international
3 investors.

4 **SEC. 1123. PURPOSES OF TUNISIAN-AMERICAN ENTER-**
5 **PRISE FUND.**

6 The purposes of the Tunisian-American Enterprise
7 Fund are—

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

14 (2) to promote policies and practices conducive
15 to strengthening the private sector in Tunisia
16 through measures including loans, microloans, equity
17 investments, insurance, guarantees, grants, feasi-
18 bility studies, technical assistance, training for busi-
19 nesses receiving investment capital, and other meas-
20 ures;

21 (3) to promote good corporate governance and
22 transparency in Tunisia, foster competition, catalyze
23 productivity improvements in existing businesses,
24 and strengthen local capital markets; and

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

4 **SEC. 1124. TUNISIAN-AMERICAN ENTERPRISE FUND.**

5 (a) ESTABLISHMENT.—The President is authorized
6 to establish or designate a private, nonprofit organization
7 (to be known as the “Tunisian-American Enterprise
8 Fund”) to receive funds and support made available under
9 this subtitle after determining that such organization has
10 been established for the purposes specified in section
11 1123. The President should make such designation only
12 after consultation with the leadership of each House of
13 Congress.

14 (b) BOARD OF DIRECTORS.—

15 (1) APPOINTMENT.—The Tunisian-American
16 Enterprise Fund shall be governed by a Board of
17 Directors, which shall be comprised of 4 private citi-
18 zens of the United States and 6 private citizens of
19 Tunisia, appointed by the President of the United
20 States in consultation with the Government of Tun-
21 isia.

22 (2) QUALIFICATIONS.—Members of the Board
23 of Directors shall be selected from among people
24 who have had successful business careers and dem-
25 onstrated experience and expertise in international

1 and particularly emerging markets investment activi-
2 ties, such as private equity or venture capital invest-
3 ment, banking, finance, strategic business con-
4 sulting, or entrepreneurial business creation, and
5 backgrounds in priority business sectors of the
6 Fund.

7 (3) UNITED STATES GOVERNMENT LIAISON TO
8 THE BOARD.—The President shall appoint the
9 United States Ambassador to Tunisia, or the Am-
10 bassador's designee, as a liaison to the Board.

11 (4) NON-GOVERNMENT LIAISONS TO THE
12 BOARD.—

13 (A) AUTHORITY TO APPOINT.—Upon the
14 recommendation of the Board of Directors, the
15 President may appoint up to 2 additional liai-
16 sons to the Board of Directors in addition to
17 the members specified in paragraphs (1) and
18 (3), of which not more than one may be a non-
19 citizen of the United States.

20 (B) NGO COMMUNITY.—One of the addi-
21 tional liaisons to the Board should be from the
22 nongovernmental organization community, with
23 significant prior experience in development and
24 an understanding of development policy prior-
25 ities for Tunisia.

1 (C) TECHNICAL EXPERTISE.—One of the
2 additional liaisons to the Board should have ex-
3 tensive demonstrated industry, sector, or tech-
4 nical experience and expertise in a priority in-
5 vestment sector for the Fund.

6 (c) GRANTS.—

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

14 (A) to carry out the purposes specified in
15 section 1123 through the Tunisian-American
16 Enterprise Fund; and

17 (B) to pay for the administrative expenses
18 of the Tunisian-American Enterprise Fund,
19 which should not exceed 5 percent of the funds
20 made available for the Fund.

21 (2) ELIGIBLE PROGRAMS AND PROJECTS.—

22 Grants awarded under this section may only be used
23 for programs and projects that support the purposes
24 set forth in section 1123.

25 (3) COMPLIANCE REQUIREMENTS.—

1 (A) IN GENERAL.—Grants may not be
2 awarded to the Tunisian-American Enterprise
3 Fund under this section unless the Fund agrees
4 to comply with the requirements under this sec-
5 tion.

6 (B) GRANT AGREEMENT.—The grant
7 agreement between the United States Agency
8 for International Development and the Tun-
9 isian-American Enterprise Fund shall state that
10 the Fund shall end its reinvestment cycle not
11 later than December 31, 2021, unless the Sec-
12 retary of State, in consultation with the Admin-
13 istrator of the United States Agency for Inter-
14 national Development, and after consultation
15 with the appropriate congressional committees,
16 determines that the Fund should be extended.

17 (C) PREVENTION OF MONEY LAUNDERING
18 AND TERRORIST FINANCING.—The grant agree-
19 ment between the United States Agency for
20 International Development and the Tunisian-
21 American Enterprise Fund shall state that the
22 Fund shall comply with procedures specified by
23 the Secretary of State to ensure that grant
24 funds are not provided by the Fund to or
25 through any individual, private or government

1 entity, or educational institution that advocates,
2 plans, sponsors, engages in, or has engaged in,
3 money laundering or terrorist activity or, with
4 respect to a private entity or educational insti-
5 tution, that has as a principal officer of the en-
6 tity's governing board or governing board of
7 trustees any individual that has been deter-
8 mined to be involved in or advocating money
9 laundering or terrorist activity or determined to
10 be a member of a designated foreign terrorist
11 organization.

12 (D) ADHERENCE TO DEMOCRATIC DEVEL-
13 OPMENT AND REGIONAL PEACE.—The grant
14 agreement between the United States Agency
15 for International Development and the Tun-
16 sian-American Enterprise Fund shall state that
17 the Fund agrees to cease operations for any pe-
18 riod of time during which a certification de-
19 scribed in section 1125 is not in effect.

20 (E) DISPOSITION OF ASSETS.—The assets
21 of the Tunisian-American Enterprise Fund at
22 the time the Fund is dissolved shall be returned
23 to the General Fund of the United States
24 Treasury and used to reduce the debt of the
25 United States.

1 (d) NOTIFICATION.—

2 (1) IN GENERAL.—Not later than 15 days be-
3 fore designating an organization to operate as the
4 Tunisian-American Enterprise Fund pursuant to
5 subsection (a), the President shall provide the infor-
6 mation described in paragraph (2) to the Chairman
7 and Ranking Member of the appropriate congres-
8 sional committees.

9 (2) INFORMATION.—The information described
10 in this paragraph is—

11 (A) the identity of the organization to be
12 designated to operate as the Tunisian-American
13 Enterprise Fund pursuant to subsection (a);

14 (B) the names and qualifications of the in-
15 dividuals who will comprise the initial Board of
16 Directors; and

17 (C) the procedures referred to in sub-
18 section (c)(3)(C) that will apply to the Tuni-
19 sian-American Enterprise Fund for purposes of
20 curtailing money-laundering and terrorist fi-
21 nancing activities.

22 (e) PUBLIC DISCLOSURE.—Not later than 1 year
23 after the entry into force of the initial grant agreement
24 under this section, and annually thereafter, the Fund shall
25 prepare and make available to the public on an Internet

1 Web site administered by the Fund a report on the Fund's
2 activities during the previous year, including—

3 (1) a description of each investment or project
4 supported by the Fund, including each type of as-
5 sistance provided in accordance with section
6 1123(2);

7 (2) the amounts invested by the Fund in each
8 company or project;

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

11 (4) the amounts of any profits or losses realized
12 by the Fund in connection with each such company
13 or project.

14 **SEC. 1125. CERTIFICATION.**

15 Not later than 90 days after the date of the enact-
16 ment of this Act and every 90 days thereafter—

17 (1) the President shall certify to the appro-
18 priate congressional committees that Tunisia is pur-
19 suing policies conducive to democratic development
20 and regional peace; or

21 (2) if the President is unable to make such a
22 certification, the President shall transmit to the ap-
23 propriate congressional committees a report that
24 contains the reasons therefor.

1 **SEC. 1126. REPORTS.**

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

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

16 **SEC. 1127. OPERATION PROVISIONS.**

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

24 (b) REINVESTMENT.—Returns on investments of the
25 Tunisian-American Enterprise Fund and other payments

1 to the Fund may be reinvested in projects carried out by
2 the Fund without further appropriation by Congress.

3 **SEC. 1128. BEST PRACTICES AND PROCEDURES.**

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

11 **SEC. 1129. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

12 In implementing this subtitle, the President shall en-
13 sure that the Articles of Incorporation of the Tunisian-
14 American Enterprise Fund (including provisions speci-
15 fying the responsibilities of the Board of Directors of the
16 Fund), the terms of United States Government grant
17 agreements with the Fund, and United States Government
18 oversight of the Fund are, to the maximum extent prac-
19 ticable, consistent with the Articles of Incorporation of,
20 the terms of grant agreements with, and the oversight of
21 the Enterprise Funds established pursuant to section 201
22 of the Support for East European Democracy (SEED)
23 Act of 1989 (22 U.S.C. 5421) and comparable provisions
24 of law.

