

112TH CONGRESS  
1ST SESSION

# H. R. 2237

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2011

Mr. SCHIFF introduced the following bill; which was referred to the Committee on Foreign Affairs

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## 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 6 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) UNITED STATES GOVERNMENT LIAISON TO  
2 THE BOARD.—The President shall appoint the  
3 United States Ambassador to Egypt, or the Amba-  
4 sador’s designee, as a liaison to the Board.

5           (4) NON-GOVERNMENT LIAISONS TO THE  
6 BOARD.—

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

14           (B) NGO COMMUNITY.—One of the addi-  
15 tional liaisons to the Board should be from the  
16 nongovernmental organization community, with  
17 significant prior experience in development and  
18 an understanding of development policy prior-  
19 ities for Egypt.

20           (C) TECHNICAL EXPERTISE.—One of the  
21 additional liaisons to the Board should have ex-  
22 tensive demonstrated industry, sector, or tech-  
23 nical experience and expertise in a priority in-  
24 vestment sector for the Fund.

25           (c) GRANTS.—

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

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

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

15           (2) ELIGIBLE PROGRAMS AND PROJECTS.—  
16 Grants awarded under this section may only be used  
17 for programs and projects that support the purposes  
18 set forth in section 103.

19           (3) COMPLIANCE REQUIREMENTS.—

20           (A) IN GENERAL.—Grants may not be  
21 awarded to the Egyptian-American Enterprise  
22 Fund under this section unless the Fund agrees  
23 to comply with the requirements under this sec-  
24 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 end its reinvestment cycle not  
6 later than December 31, 2021, unless the Sec-  
7 retary of State, in consultation with the Admin-  
8 istrator of the United States Agency for Inter-  
9 national Development, and after consultation  
10 with the appropriate congressional committees,  
11 determines that the Fund should be extended.

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

1           tity’s governing board or governing board of  
2           trustees any individual that has been deter-  
3           mined to be involved in or advocating money  
4           laundering or terrorist activity or determined to  
5           be a member of a designated foreign terrorist  
6           organization.

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

13         (d) NOTIFICATION.—

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

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

23           (A) the identity of the organization to be  
24          designated to operate as the Egyptian-American  
25          Enterprise Fund pursuant to subsection (a);

1 (B) the names and qualifications of the in-  
2 dividuals who will comprise the initial Board of  
3 Directors; and

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

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

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

18 (2) the amounts invested by the Fund in each  
19 company or project;

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

22 (4) the amounts of any profits or losses realized  
23 by the Fund in connection with each such company  
24 or project.



1 **SEC. 105. 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 Egypt and iden-  
14 tifying those institutional or regulatory constraints that  
15 inhibit a more effective application of Fund resources.

16 **SEC. 106. 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 Egyptian-American Enterprise Fund in the same  
22 manner as such provisions apply to Enterprise Funds des-  
23 ignated pursuant to subsection (d) of such section.

24 (b) REINVESTMENT.—Returns on investments of the  
25 Egyptian-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. 107. BEST PRACTICES AND PROCEDURES.**

4 To the maximum extent practicable, the Board of Di-  
5 rectors of the Egyptian-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. 108. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

12 In implementing this title, the President shall ensure  
13 that the Articles of Incorporation of the Egyptian-Amer-  
14 ican Enterprise Fund (including provisions specifying the  
15 responsibilities of the Board of Directors of the Fund),  
16 the terms of United States Government grant agreements  
17 with the Fund, and United States Government oversight  
18 of the Fund are, to the maximum extent practicable, con-  
19 sistent with the Articles of Incorporation of, the terms of  
20 grant agreements with, and the oversight of the Enter-  
21 prise Funds established pursuant to section 201 of the  
22 Support for East European Democracy (SEED) Act of  
23 1989 (22 U.S.C. 5421) and comparable provisions of law.

1     **TITLE II—TUNISIAN-AMERICAN**  
2                     **ENTERPRISE FUND**

3     **SEC. 201. SHORT TITLE.**

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

6     **SEC. 202. PURPOSE AND FINDINGS.**

7             (a) **PURPOSE.**—The purpose of this title is to support  
8     a transition to democracy in Tunisia that is successful,  
9     lasting, and reflective of the aspirations of the Tunisian  
10    people for greater economic opportunity and political free-  
11    dom through the creation of a Tunisian-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 Tunisia have a  
18                strong, long-standing bilateral relationship.

19                (2) Tunisia—

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

23                    (B) has been, and continues to be, a re-  
24                    gional center for foreign investment and tour-  
25                    ism.

1           (3) On December 18, 2010, after the self-immolation of a young street vendor, Mohamed Bouazizi, protests broke out in Sidi Bouzid, Tunisia.

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

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

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

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

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

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

23           (7) Tunisia—

24                   (A) has a well-educated and secular population that displayed extraordinary determina-

25

1 tion in forcing President Ben Ali to abdicate;  
2 and

3 (B) is well-positioned to make a successful  
4 democratic transition.

5 (8) In 2010—

6 (A) the inflation rate in Tunisia was ap-  
7 proximately 4.4 percent;

8 (B) Tunisia’s foreign debt was equal to 46  
9 percent of its \$44,000,000,000 gross domestic  
10 product (GDP); and

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

17 (9) According to the World Economic Forum’s  
18 2010–2011 Global Competitiveness Report—

19 (A) Tunisia ranks first in competitiveness  
20 among African nations; and

21 (B) Tunisia’s most problematic factor for  
22 doing business is lack of access to financing.

23 (10) According to the International Monetary  
24 Fund (IMF), Tunisia had weathered the global eco-

1        nomic crisis well, having entered the crisis with  
2        strong fundamentals.

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

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

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

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

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

17           (E) the value of the Tunisian stock market  
18       fell by 14 percent.

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

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

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

4 (B) has shaken the Tunisian economy, al-  
5 though Tunisia's medium-term growth outlook  
6 remains relatively good.

7 (14) According to IMF's Middle East and Cen-  
8 tral Asia Department—

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

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

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

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

21 (16) Foreign direct investment, which is a cru-  
22 cial component of Tunisia's economic health, created  
23 24 percent of the new jobs in 2009, according to  
24 Tunisia's Ministry of Planning and International  
25 Cooperation.

1           (17) According to the African Development  
2 Bank—

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

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

11          (18) According to the most recent official esti-  
12 mates—

13           (A) the unemployment rate in Tunisia is  
14 13 percent;

15           (B) the youth unemployment rate is 30.7  
16 percent; and

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

19          (19) To help foster and support the fledgling  
20 private sector after the fall of the Berlin Wall, Con-  
21 gress, through enactment of the Support for East  
22 European Democracy (SEED) Act of 1989 (22  
23 U.S.C. 5401 et seq.) and the FREEDOM Support  
24 Act (22 U.S.C. 5801 et seq.), authorized nearly  
25 \$1,200,000,000 for the United States Agency for



1 International Development (USAID) to establish 10  
2 new investment funds (collectively known as the  
3 “Enterprise Funds”) throughout Central and East-  
4 ern Europe and the former Soviet Union.

5 (20) The Enterprise Funds—

6 (A) channeled funding into more than 500  
7 enterprises in 19 countries;

8 (B) leveraged an additional  
9 \$5,000,000,000 in private investment capital  
10 from outside the United States Government;

11 (C) provided substantial development cap-  
12 ital where supply was limited;

13 (D) created or sustained more than  
14 260,000 jobs through investment and develop-  
15 ment activities;

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

18 (F) are expected to recoup 137 percent of  
19 the original USAID funding.

20 (21) Enterprise Funds established in partner-  
21 ship with United States partners, such as Poland,  
22 Hungary, Albania, Russia, and other European  
23 countries, have proven beneficial to the economies of  
24 such countries.

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

3                   (A) help sustain and expand reform efforts  
4           in Tunisia;

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

8                   (C) help reinforce financial institutions  
9           within the country;

10                  (D) provide debt and equity investment for  
11           commercially viable SMEs; and

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

15 **SEC. 203. PURPOSES OF TUNISIAN-AMERICAN ENTERPRISE**

16                   **FUND.**

17           The purposes of the Tunisian-American Enterprise  
18           Fund are—

19                   (1) to promote the private sector in Tunisia,  
20           while considering the development impact of invest-  
21           ments and profitability of those investments, par-  
22           ticularly in small- and medium-sized enterprises, and  
23           joint ventures with participants from the United  
24           States and Tunisia;

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

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

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

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

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

25           (b) BOARD OF DIRECTORS.—

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

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

18           (3) UNITED STATES GOVERNMENT LIAISON TO  
19 THE BOARD.—The President shall appoint the  
20 United States Ambassador to Tunisia, or the Am-  
21 bassador’s designee, as a liaison to the Board.

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

24           (A) AUTHORITY TO APPOINT.—Upon the  
25 recommendation of the Board of Directors, the

1           President may appoint up to 2 additional liai-  
2           sons to the Board of Directors in addition to  
3           the members specified in paragraphs (1) and  
4           (3), of which not more than one may be a non-  
5           citizen of the United States.

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

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

17          (e) GRANTS.—

18          (1) IN GENERAL.—The President may use  
19          funds appropriated by any Act, in this fiscal year or  
20          prior fiscal years, making appropriations for the De-  
21          partment of State, foreign operations, and related  
22          programs, including funds previously obligated, that  
23          are otherwise available for such purposes, notwith-  
24          standing any other provision of law—

1 (A) to carry out the purposes specified in  
2 section 203 through the Tunisian-American En-  
3 terprise Fund; and

4 (B) to pay for the administrative expenses  
5 of the Tunisian-American Enterprise Fund,  
6 which should not exceed 5 percent of the funds  
7 made available for the Fund.

8 (2) ELIGIBLE PROGRAMS AND PROJECTS.—  
9 Grants awarded under this section may only be used  
10 for programs and projects that support the purposes  
11 set forth in section 203.

12 (3) COMPLIANCE REQUIREMENTS.—

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

18 (B) GRANT AGREEMENT.—The grant  
19 agreement between the United States Agency  
20 for International Development and the Tun-  
21 sian-American Enterprise Fund shall state that  
22 the Fund shall end its reinvestment cycle not  
23 later than December 31, 2021, unless the Sec-  
24 retary of State, in consultation with the Admin-  
25 istrator of the United States Agency for Inter-

1 national Development, and after consultation  
2 with the appropriate congressional committees,  
3 determines that the Fund should be extended.

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

24 (D) DISPOSITION OF ASSETS.—The assets  
25 of the Tunisian-American Enterprise Fund at

1           the time the Fund is dissolved shall be returned  
2           to the General Fund of the United States  
3           Treasury and used to reduce the debt of the  
4           United States.

5           (d) NOTIFICATION.—

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

13          (2) INFORMATION.—The information described  
14          in this paragraph is—

15                (A) the identity of the organization to be  
16                designated to operate as the Tunisian-American  
17                Enterprise Fund pursuant to subsection (a);

18                (B) the names and qualifications of the in-  
19                dividuals who will comprise the initial Board of  
20                Directors; and

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



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

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

10 (2) the amounts invested by the Fund in each  
11 company or project;

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

14 (4) the amounts of any profits or losses realized  
15 by the Fund in connection with each such company  
16 or project.

17 **SEC. 205. REPORTS.**

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

23 (b) GAO REPORT.—Not later than 3 years after the  
24 date of the enactment of this Act, and every 3 years there-  
25 after until the Fund is dissolved, the Comptroller General

1 of the United States shall submit to the appropriate con-  
2 gressional committees a report assessing the activities of  
3 the Fund in achieving the stated goals of promoting pri-  
4 vate sector investment and employment in Tunisia and  
5 identifying those institutional or regulatory constraints  
6 that inhibit a more effective application of Fund resources.

7 **SEC. 206. OPERATION PROVISIONS.**

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

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

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

20 To the maximum extent practicable, the Board of Di-  
21 rectors of the Tunisian-American Enterprise Fund should  
22 adopt the best practices and procedures used by Enter-  
23 prise Funds, including those for which funding has been  
24 made available pursuant to section 201 of the Support for

1 East European Democracy (SEED) Act of 1989 (22  
2 U.S.C. 5421).

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

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

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