

Statement for the Record
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Chairman Ros-Lehtinen, Ranking Member Deutch, and Members of the Committee, I am honored to appear before you today to discuss our relations with the Republic of Tunisia. It is a pleasure to share this panel with my talented friend and colleague Maria Longi, USAID's Deputy Assistant Administrator to the Middle East. Together, our institutions, along with others in the executive branch, are working to help Tunisia's government and people develop their economy, face the menace of violent extremism, and develop their democratic institutions and rule of law.

Tunisia's 2011 revolution sparked the Arab Spring, or Arab Awakening, which continues to reverberate throughout the region. While other countries have struggled with their transitions, Tunisia has emerged with a nascent yet stable democratic government. They have a constitution widely hailed as one of the most progressive in the Middle East, and they have conducted two sets of transparent and credible elections.

I am happy to report that the Tunisian-American partnership continues to deepen and mature as we confront shared security challenges, build sustainable economic growth that benefits both nations, and build a strong democratic, inclusive tradition that serves as a model for the region. Tunisia is a reliable partner, and we can make it stronger if we continue to show our support through its transition.

Tunisia continues to face considerable challenges. Between 3,000 and 6,000 Tunisians have joined extremist groups abroad--especially in Libya--placing Tunisia among the largest per-capita source countries of foreign terrorist fighters in the world. While this bolsters the ranks of those seeking to destabilize the region, it also poses a long-term challenge to Tunisia as those extremists return. The horrific attacks of 2015 – at the Bardo Museum in March, on the beach in Sousse in June, and again in downtown Tunis in November – underline the very real threat that extremists pose to Tunisia. The March 7, 2016 attack on Ben Guerdane, in which nearly 100 Da'esh-affiliated attackers crossed the border and sought to overwhelm security forces and take control of the city, also accentuated the danger that instability in neighboring Libya poses to Tunisian security. In that case, the Tunisian military heroically and professionally thwarted the attack.

We cannot address security challenges in Tunisia without discussing Libya. Instability in Libya is a threat to Tunisian national security, which was evident even before Ben Guerdane. The attackers in the Bardo and Sousse attacks received training in Libyan terrorist camps. Between 250,000 and 1 million Libyans currently live in Tunisia, having fled instability in their own country, which strains communities' capacity to serve their citizens' needs. We must have a viable Government of National Accord in Libya as it works to establish peace and security, and as a partner to counter the threat Da'esh poses to the region and beyond. Without a permanent

political solution to the ongoing strife in Libya, Tunisia will continue to face real and persistent security challenges from across the border.

Tunisian security forces continue build capacity to respond to threats and prevent violence. Our assistance funding is helping the Tunisian security services develop a more agile force that respects human rights and democratic principles. Increased law enforcement and intelligence work and cooperation with partners are important steps to maintain security. Tunisia views the United States as a principal partner in its efforts to strengthen military and civil police authorities. In 2014, President Obama named Tunisia as one of six countries to participate in the Security Governance Initiative, aimed at supporting partner governments to develop sound policies, institutional structures, systems, and processes to deliver security and justice to their citizens. Our support will enhance security forces' capacity to counter increasing threats from internal and external groups, monitor Tunisia's borders, communicate and coordinate internally more effectively, and combat terrorists in diverse environments. Our support also helps the civilian criminal justice sector improve respect for the rule of law and promote citizen security and access to justice across Tunisia. We note the response of the Tunisian security forces to the Ben Guerdane attack, and the restrained peacekeeping efforts of civil police during recent economic protests. These events show that our long-term investment to help train Tunisia's civilian security forces is paying dividends. We will continue to build upon this success in the future.

Another important element of our approach to supporting Tunisian security needs is our Trans-Sahara Counterterrorism Partnership (TSCTP). It uses a whole-of-government approach in the Maghreb and the Sahel to build capacity and promote regional cooperation and coordination. The Department of State, USAID, and Department of Defense work together with our Tunisian partners to design and implement counterterrorism and countering violent extremism (CVE) and security sector reform measures. The TSCTP coordination mechanism has provided a platform for sharing best practices and lessons learned, including models for monitoring and evaluating the return on investment for programs.

Additionally, in 2015, President Obama designated Tunisia a Major Non-NATO Ally in recognition of our shared values and Tunisia's strategic importance as a democratic success and critical line of defense against instability from neighboring Libya. Major Non-NATO Ally status comes with tangible privileges including eligibility for training, loans of equipment for cooperative research and development, and Foreign Military Financing for commercial leasing of certain defense articles.

Tunisia continues to develop long-neglected government institutions, but practices of the old regime linger. I note reports from human rights groups that repressive practices continue by some members of Tunisia's security forces. We are also concerned about reports of corruption at all levels of government that reflect the economic hardship faced by many Tunisians, the oversaturation of government payrolls, and the culture of permissiveness that built over the Ben Ali era. Tunisia's big tent government moves slowly. The ongoing upheaval in a key party of the governing coalition has slowed decision-making further, and reforms do not come as quickly as we would like. This is a challenge that will surely be surmounted, hopefully drawing on the same democratic values that have imbued Tunisia's Arab Spring.

But Tunisia is confronting these political challenges. Tunisian officials rightly take pride in their country's exemplary efforts to promote rule of law, transparency, and accountability; reform its security sector; and reinforce principles of democratic governance. Tunisians across the spectrum of society recognize that human rights abuse and corruption must be addressed, and actively seek ways to create change. Tunisia's civil society is more vigorous and vocal than ever before, and parliament-watchers, civil rights advocates, and minority rights activists feed into an open media dialogue about the democratic values Tunisians hold dear. In recognition of the important role of civil society in advancing reform, Tunisia has joined the Open Government Partnership and is partnering with civil society to promote transparency, accountability, and participation in government. Senior government officials are working to address challenges and repeatedly voice their commitment to reform. The Ministers of Interior and Justice have spoken out against prisoner abuse and held security officials accountable. Tunisia also recently created a ministry specifically focused on combatting corruption. More needs to be done on all these fronts, but establishing transparency and accountability mechanisms and a culture of zero tolerance of corruption will take time.

Tunisia's faltering economy compounds the challenges facing the Tunisian government. GDP growth in 2015 was anemic at 0.8 percent. The Tunisians hope to get back to 2 percent growth this year, but even this figure is significantly below the 10-year average of 5.7 percent growth before the 2011 revolution. Last year's terrorist attacks devastated the tourism industry, which accounts for 12 percent of GDP and which, even before the two attacks, remained below pre-revolution levels. Unemployment is over 15 percent, and twice as high for recent graduates, those living in the interior of the country, and women. Tunisia needs to generate about 100,000 jobs every year to keep pace with the projected growth of the workforce, particularly university graduates. Tunisia's fiscal deficit increased from 0.6 percent of GDP in 2010 to 4.1 percent of GDP in 2014. The government is seeking to balance influential private sector interests with powerful labor unions as it seeks to open up the economy to greater competition, expanded entrepreneurship and modern business practices, which is the path to higher growth.

Despite the difficult economy, the Tunisian government has made meaningful progress on economic reforms. They have already passed Public Private Partnership, Banking and Bankruptcy laws, among others. I am optimistic the Tunisians will get a new investment code passed this summer. As Secretary of Commerce Penny Pritzker has noted, "Tunisia must streamline, simplify, and clarify its complicated investment code – to send a signal to local and global investors that Tunisia is open for business." In the recent Joint Economic Commission (JEC), we also worked closely with the government and private sector to address sub-national reforms that will increase access to finance, connect more Tunisians to the internet, and build trade linkages for their agricultural sector that benefit both countries. Such reforms are laying the groundwork for increased investment, trade, and private sector engagement between the United States and Tunisia. Moreover, these reforms expand Tunisia's openness to new business activity and international investment. We look forward to building on the commitments of the JEC over the coming year, and continue looking for opportunities to promote private sector growth and public sector cooperation.

As Tunisians move forward on reforms and take steps to provide economic opportunity they are holding fast to their democratic ideals. The full range of political actors, including political Islamists, are working together constructively to build Tunisia's democratic traditions. Our investments in Tunisia have been rewarded by the steady development of inclusive governance institutions and processes, increased stability and security, and great strides toward financial sustainability. As a strategic partner and powerful example of a successful Arab democracy working together to move forward, Tunisians still need--and want--our support.

The development of a fully functioning and transparent democracy will take time and patience as Tunisia's leaders strengthen their institutions and work to ensure the freedoms guaranteed to Tunisian citizens by their constitution. With the help of Congress and our interagency colleagues, we will continue our work to build an even stronger partner in a volatile region.

I want to thank you, again, for the opportunity to testify and I look forward to answering any questions you have. Thank you.