



Integrated Country Strategy

Tunisia

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1. Chief of Mission Priorities

More than seven years past its 2011 revolution, Tunisia remains on a steady but fragile path toward consolidating its democratic transition. As a major non-NATO ally, Tunisia's success in this endeavor is in the interest of the United States, and thus so is continued American support for Tunisia.

During the years covered by this Integrated Country Strategy, Tunisia should complete its second round of full national parliamentary and presidential elections since the revolution and take additional steps to implement the decentralization process which began with the 2018 municipal elections. Tunisia will continue to tackle persistent security threats, in the shape of both domestic terrorism and regional instability. And the country must improve the pace of necessary economic reforms that foster inclusive growth. Accordingly, our three Mission Goals center on progress in those fields.

Goal one deals with the security sector. In recent years, Tunisia's military and police forces, enabled by strong international partnerships, have made significant strides in building their capacity and competence. They have incorporated new equipment and new methods, and an interagency ethos is beginning to take root. We intend to continue our cooperation in this field, as well as our efforts with Tunisia's justice system, to help build a robust security sector that is capable of securing Tunisia's territory and population, responsive to citizen needs, and respectful of human rights.

Goal two addresses Tunisia's ongoing effort to consolidate its democratic transition. We view this as a goal that requires commitment from the government as well as the citizenry, and we intend to foster a better understanding and deeper fulfillment of the rights and responsibilities of both. Our plan covers engagements with government institutions across the three branches of government, independent constitutional bodies, the media, civil society, and the public. We will continue to support Tunisia's democratic consolidation with assistance programs targeting political party and Parliamentary development, addressing the implementation of the decentralization law, and building the capacity of newly-established democratic institutions. Tunisia's national elections, expected by the end of 2019, will be an important milestone during the life of this ICS, and an important opportunity to take stock of progress.

Goal three relates to sustainable, inclusive economic growth. Economic grievances underpinned the 2011 revolution and remain a source of tension in Tunisia. Our plan attempts to address the drivers of economic distortions, with an emphasis on improving conditions for private sector-led growth while improving the efficiency of state-managed economic activity. We will continue to prioritize work on the investment climate and ensuring fair opportunities for U.S. companies. There is significant crossover between the economic health of the country and the development of the political system, and this strategy encompasses a comprehensive approach to engage with Tunisia, tying political development to economic progress and vice versa.

In addition to daily diplomatic engagement and programmatic activities, this strategy includes convening several high-level planning and coordination meetings that cross our three goals: the Strategic Dialogue, the Joint Military Commission, the Joint Economic Commission, and the Trade and Investment Council.

2. Mission Strategic Framework

Mission Goal 1: Tunisia maintains stability, improves its security, and eliminates domestic terrorist groups.

Mission Objective 1.1: Security forces eliminate domestic violent extremist organizations and secure Tunisia's land and sea borders, and participate in regional and NATO security missions.

Mission Objective 1.2: Tunisian law enforcement and criminal justice institutions are legitimate, capable, transparent, accountable, and respectful of human rights and the rule of law.

Mission Objective 1.3: Tunisian citizenry behavior and attitudes support the country's security.

Mission Goal 2: Tunisia consolidates and advances its democracy.

Mission Objective 2.1: Tunisian government institutions become transparent, accountable, and responsive to citizens.

Mission Objective 2.2: Tunisian citizens and civil society understand and exercise their rights and responsibilities in a democratic system.

Mission Objective 2.3: Social cohesion promoted through democratic consolidation. (CDCS DO 2)

Mission Goal 3: Tunisia stabilizes government finances and generates inclusive, private sector-led growth.

Mission Objective 3.1: Public finances become more sustainable and predictable. (CDCS DO 1)

Mission Objective 3.2: The business climate becomes more conducive to private sector-led growth. (CDCS DO 1)

Mission Objective 3.3: Inclusive private sector employment is increased.

Mission Objective 3.4: U.S. businesses are more active and more successful in the Tunisian market.

Management Objective 1: Post is adequately staffed with trained personnel to support Mission growth.

3. Mission Goals and Objectives

Mission Goal 1 Tunisia maintains stability, improves its security, and eliminates domestic terrorist groups.

Description and Linkages: Tunisia's ability to advance its democratic and economic reform agenda is underpinned by joint efforts in the security sector. Efforts to achieve this goal will advance the security partnership between the United States and Tunisia, build the capacity of Tunisian security forces to respond to internal and external threats, and reduce the trust gap between the security services and Tunisia's citizenry. This corresponds to the first pillar of the Joint State/USAID Strategic Plan and the National Security Strategy.

Mission Objective 1.1 Security forces deny internal and external threats posed by violent extremist organizations, secure Tunisia's land and sea borders, and participate in bilateral, regional and NATO security missions.

Justification: Slow progress on democratic and economic reforms creates instability, lends legitimacy to public grievances, and creates opportunities for domestic extremism to flourish. Achieving this mission objective will support the continuation of economic growth and foster legitimate, accountable, and effective governance. Strengthening the security sector is critical to continued development, and a failure to do so could allow destabilizing influences and activities to grow.

Mission Objective 1.2 Tunisian law enforcement and criminal justice institutions are legitimate, capable, transparent, accountable, and respectful of human rights and the rule of law.

Justification: By improving competencies, accountability, and oversight, Tunisians will be better protected under the law and have more confidence in their government. Without these improvements, the security situation could worsen, damaging the recovering tourism sector and risking a return to more authoritarian policing practices. This could also cause Tunisians to lose faith in a nascent democratic process and the rule of law.

Mission Objective 1.3 Tunisian public's behavior and attitudes support the country's security.

Justification: In order for Tunisia to maintain the levels of security necessary to continue its ongoing democratic consolidation and economic reforms, its citizens must have faith in Tunisia's ability to overcome the challenges of the transition period and to provide a better future for all Tunisians. Attitudes toward changes and citizens' roles in the country, as well as

the people's connection to a national identity, are all determining factors in the public's reactions to terrorist activity, crime, and other threats to security. Such attitudes also affect the support for Tunisian security forces and Tunisia's international relationships, including cooperation with the United States.

Mission Goal 2 Tunisia consolidates and advances its democracy.

Description and Linkages: Tunisia's post-revolution path has produced impressive results, but progress remains fragile and requires the fulfillment of key elements outlined in the constitution and demanded by citizens. These include the establishment of critical institutions and a dedicated effort to advance human rights, counter corruption, and improve government transparency. Important markers for progress loom in the medium term, including national elections and the implementation of the decentralization process. As a member of a community of democracies, Tunisia has proven to be a reliable security partner to the United States and to be a leader in the region advancing human rights, including the rights of women and minorities. Touted as the only success story out of the Arab Spring, Tunisia serves as a model for peaceful, democratic, rights-based transitions. This goal corresponds to the first and second pillars of the Joint State/USAID Strategic plan.

Mission Objective 2.1 Tunisian government institutions become more transparent, accountable, and responsible to citizens.

Justification: The trust gap between government and citizens remains wide, as respected polls frequently list fighting government corruption as a priority for citizens. Effective communication, the full establishment of independent constitutional bodies and the Constitutional Court, and political party development will help narrow the gap significantly. As Tunisia consolidates its democratic practices, it is important that the appropriate checks and balances on the system are in place to ensure conformity with the Tunisian constitution. The risk of failing to meet this objective would be a public loss of confidence in Tunisian institutions and ultimately in the democratic experiment.

Mission Objective 2.2 Tunisian citizens and civil society understand and exercise their rights and responsibilities in a democratic system.

Justification: A vibrant civil society and free, independent, and responsible media are critical to the success of a participatory democratic system. The Tunisian people should understand, advocate for, and exercise their rights to ensure that all rights are properly protected in legislation and are used to check the power of government. Newly established rights recognized or established in the post-revolution constitution still

require some legislation and attention to be fully implemented. If civil society, media, and the general public do not understand these rights and the mechanisms necessary to protect them, citizens will be unable to hold elected officials accountable. Lack of full citizen awareness of such issues could also lead to democratic backsliding by government officials or others whose power or wealth may be lessened by the full exercise of a rights- and rule of law-based democracy.

Mission Objective 2.3 Social cohesion promoted through democratic consolidation.

Justification: Seven years after the revolution, democratic transition in Tunisia remains fragile. Broadly held public perceptions of lack of representation and opportunity, regional development disparities, political and social exclusion, inequitable public investment, and public sector corruption have fueled frustration and generated disillusionment with the benefits of democratic governance, especially among young people. Improving the relationship between Tunisians and their civic and government institutions is essential to fully consolidate democratic transition and reach a point of irreversibility. If the citizen-government relationship fails to produce outcomes that are considered effective or legitimate, there is a higher risk of instability and impeded development. Additional risks affecting this objective relate to Tunisia's ongoing political instability, the political will to enact necessary reforms, and the security threats related to ongoing regional crises. This objective is built on the premise that effective governance systems foster constructive engagement through collaboration between state institutions and citizens, and that a cohesive society is a necessary foundation for democratization. This Mission Objective, therefore, will support the development of transparent and accountable governance systems, as well as encourage social cohesion and community resilience in disaffected and/or marginalized communities.

Mission Goal 3 Tunisia stabilizes government finances and generates inclusive, private sector-led growth.

Description and Linkages: An increase in sustainable, inclusive economic growth meets shared U.S.-Tunisian objectives of greater economic opportunity for both our countries' citizens, in keeping with the second pillar of the State/USAID Joint Strategic Plan.

Mission Objective 3.1 Public finances become more sustainable and predictable. (CDCS DO 1)

Justification: Citizen-responsive economic governance was a key demand of the revolution and is crucial to social cohesion. Enabling more effective taxation, more

responsible spending, and targeted assistance to the needy will support this goal and enable economic growth. Meanwhile, helping trim Tunisia's energy deficit would decrease the government's subsidy burden, mitigate the current-account deficit, slow the depletion of foreign-exchange reserves, lessen downward pressure on the dinar, and reduce inflation. Failure to address these problems could result in unsustainable public debt and increased instability, including demonstrations and strikes. These could stall the reform process underway and reduce investment and economic activity, exacerbating unemployment.

Mission Objective 3.2 The business climate becomes more conducive to private sector-led growth. (CDCS DO 1)

Justification: Tunisia's formal economy remains stymied by a legacy of non-competitive business regulation and practices, and Tunisia's interior is severely underdeveloped relative to the northeastern coastal region. Creating a fair and transparent economic playing field by allowing greater access to finance, simplifying transactions, and applying clear standards for receipt of credit will remove barriers to competition, reduce gender bias and regional disparity, and allow greater participation in the formal economy.

Mission Objective 3.3 Inclusive private sector employment is increased.

Justification: Tunisia faces the challenge of providing adequate jobs to meet its population's needs. Increasing private sector employment by facilitating SME growth and effectiveness and equipping Tunisians with job skills the economy needs will help meet this need quickly and sustainably without burdening the state budget. Failure to achieve this objective could lead to unemployment rising from its already-high level, continued growth of the bloated public sector to accommodate job-seekers, and/or increased risk of political instability due to economic discontent.

Mission Objective 3.4 U.S. businesses are more active and more successful in the Tunisian market.

Justification: There are fewer than 70 U.S. companies currently operating in Tunisia, and few U.S. firms bid on Tunisian government tenders, despite many well-suited opportunities. Complicating matters, the Tunisian government often incorporates specifications in tenders that are suggested by other countries' governments and companies, which makes U.S. firms less competitive. Increasing business relations would support and sustain government-to-government ties, increase U.S. exports, and create jobs in the United States and Tunisia.

4. Management Objectives

Management Objective 1 ICASS staff and vehicle fleet support expanding and changing Post demographics.

Justification: Post continues to expand from the post-evacuation period 2012-2015 and continues to host the Libya External Office. As a result, each agency is gradually configuring the most ideal in-country footprint in harmony with the MRR, the 2017 MPRI Rightsizing Review, and other evolving planning tools. These tasks have a major impact on the support services that come under Management's responsibility. To meet the growing need, ICASS support personnel numbers need to catch up and then keep pace with the growing numbers of customers and changing missions, especially with non-State agencies. Post is working with a target ratio of customers to service providers of 1:1.3. (It is currently 1:1.1, down from 1:2.25 in 2016.) Concurrently, the improving security situation and return of families has led to a complete review of our vehicle fleet to ensure it complies with security, FMIS requirements, and ICASS support needs. That, in turn, influences what is procured and what maintenance support platform, equipment, and parts we have at Post. The objective is to provide the most safe, cost-effective, and efficient Motor Pool operation for all USG agencies at Post.