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Chairman Murphy, Ranking Member Young, Members of the Subcommittee, thank you for this opportunity to share the Department of State's assessment of the situation in Tunisia.

While a fundamental commitment to the Tunisian people in line with U.S. values and interests endures in unbreakable friendship, Secretary Blinken has spoken clearly to the reversal of many of the Tunisian people's hard-won democratic gains over the past 21 months. The actions of the Tunisian government have impacted every aspect of the U.S.-Tunisia relationship. The Department continues to adapt to the dramatically altered landscape in Tunisia since July 25, 2021, and, working closely with Allies and partners, to marshal all diplomatic tools – including recalibrated foreign assistance – to advance U.S. objectives in this new context.

In this unsettled environment, the United States has significant interests that guide our diplomacy: forestalling an economic collapse that would further destabilize the situation in Tunisia and regionally, including for our NATO Allies; promoting democratic and constitutional governance that is able to safeguard the rule of law, promote respect for human rights, and secure the fundamental freedoms Tunisians cherish; challenging the pernicious attempts by our adversaries to exploit the country's upheaval against both Tunisian and American interests; and sustaining critical cooperation with the Tunisian military, provided it remains apolitical and professional, to pressure terrorist networks and maintain support capabilities for U.S. and Allied activities.

Today, I would like to update the Subcommittee on the Department's diplomatic efforts and programs to advance these priorities.

Most immediately, Tunisia is confronting a spiraling economic emergency. The disruptions in global food and energy markets spurred by Russia's aggression in Ukraine and the lingering impact of the COVID-19 pandemic have compounded structural weaknesses in Tunisia's public finances after decades of deferred reforms. On a human scale, the ensuing crisis has left Tunisian families often unable to find or afford basic consumer goods and medical supplies, a burden faced most acutely by the most vulnerable and economically precarious communities.

The Tunisian government in response last year developed a technically rigorous reform program to stabilize the economy. If implemented, these reforms would better manage the public wage bill, ensure the viability of state-owned enterprises, and target subsidies to those in greatest need. This Tunisian plan won support from the International Monetary Fund (IMF) and thus enabled Tunisia to conclude a staff-level agreement in October 2022 on a \$1.9 billion support package. As President Saied has indicated publicly, he has decided not to move forward on crucial reforms, and the program is thus unable to advance for IMF Board approval, even as international partners have generously stepped forward with more than \$1 billion to bolster Tunisia's reform efforts. With this IMF program and associated donor commitments on hold, Tunisian economic officials have made efforts to mitigate the impact of the economic crisis, including through improvements in tax collection and greater domestic borrowing. Such measures, however, cannot substitute for a robust reform program and a sustainable solution.

A Tunisia that unravels economically cannot be an environment in which democratic governance can flourish, nor one in which other vital U.S. interests can be effectively advanced.

For this reason, Secretary Blinken, Assistant Secretary Leaf, and Ambassador Hood, among others, have emphasized to Tunisian counterparts that the United States will support Tunisia in implementing its reform program negotiated with the IMF, if it chooses to do so. We recognize that whether and how Tunisia opts to proceed is a sovereign choice that only President Saied can make; an IMF program cannot be imposed. Regrettably, intensive U.S. diplomatic engagements at all levels have raised significant questions about whether the political support exists in Tunis to enable this reform package and the external financing these reforms would unlock. This is a question of Tunisian, not U.S., policy. If Tunisia decides not to proceed with reforms within the framework of an IMF program, the United States – as a country deeply invested in the Tunisian people – will continue to consult with the country's leaders on what they see as the alternative.

Concurrent with this economic crisis, Tunisia is experiencing profound political changes. The overhaul of the political system began with the July 2021 emergency declaration and suspension of the former parliament. The resulting consolidation of executive power has now been formalized through a referendum marked by low voter participation. A new parliament has been seated, but questions remain about whether meaningful checks and balances can be realized. The judiciary has faced significant pressures amid the arrests and prosecutions of perceived government critics, business leaders, political activists, and journalists. Authorities have brought criminal proceedings against Tunisians for "spreading false news," tried civilians in military courts, and levied terrorism accusations against those who hold different opinions about the country's future.

Taken together, the past 21 months in Tunisia have, as Secretary Blinken said, borne witness to an alarming erosion of democratic norms.

The Department has and will continue to condemn politically motivated arrests, both in our private diplomatic engagements and publicly. The arrests by the Tunisian government of opponents and critics are fundamentally at odds with the principles Tunisians adopted in a constitution that explicitly guarantees the freedom of opinion, thought, and expression. Such actions, including the arrest of the former Speaker of Parliament, and the Tunisian government's implication that this arrest was based on public statements, are rightly condemned as a troubling escalation by the Tunisian government. The concern is larger than any one individual, party, or ideology. As with all governments, the Tunisian government has an obligation to safeguard human rights, including freedom of expression, which are essential to a vibrant democracy and the strongest possible U.S.-Tunisia relationship. Particularly disturbing is the targeting of foreigners as scapegoats for the country's economic crisis. Violence and intimidation against the vulnerable shock the conscience, both American and Tunisian.

Within hours of the emergency declaration on July 25, 2021, Secretary Blinken engaged President Saied directly to share our alarm about the consolidation of executive power. Over the past 21 months, U.S. officials at all levels have reinforced that our relationship is strongest when there is a shared respect for democratic principles, for human rights, and for fundamental freedoms. Secretary Blinken has emphasized directly with President Saied the importance of inclusive reforms to strengthen democratic checks and balances and the protection of fundamental freedoms. And the Department continues to consult with a broad range of regional and international voices in support of a democratic and prosperous future for all Tunisians. We have not and will not shy away from frank conversations with Tunisian officials to urge that they advance democratic governance, respect the rule of law and independence of the judiciary, end politically motivated arrests and prosecutions, and repudiate the perception that Tunisians may face reprisals for speaking their mind. In doing so, we do not seek to impose U.S. values, but rather to support the ideals endorsed in Tunisia's July 2022 constitution.

Another key objective of U.S. policy toward Tunisia is to stave off our adversaries' predatory exploitation of the simultaneous economic and political crises to gain a foothold in strategic sectors of the Tunisian economy and burrow in strategic infrastructure with no regard for Tunisian sovereignty or the economic well-being of the Tunisian people.

The Department is continuously reviewing all aspects of U.S. diplomacy, including our foreign assistance programs, to ensure that U.S. dollars are aligned with U.S. policy goals. As the Subcommittee knows, the United States invested more than \$2 billion from 2011 to 2021 to support Tunisian-led efforts to make government more accountable and responsive to the people, to fight corruption, to promote inclusive economic growth and development, and to develop an effective security partnership that serves both U.S. and Tunisian interests. Since July 2021 and amid our deep concerns about democratic governance, the State Department in coordination with other departments and agencies has recalibrated U.S. programs

to reflect the changed landscape and to ensure consistency with our interests and values.

The President in Fiscal Year 2024 has, therefore, reduced the topline budget request for Tunisia by 65 percent. The President's Fiscal Year 2024 budget request reinforces an unambiguous message to Tunisian leaders and to our international partners that there can be no business-as-usual amid this crisis, and action by the Tunisian government is needed to restore confidence in the country's democratic trajectory.

The recalibration has sought to ensure what economic and development assistance continues is directly benefitting the Tunisian people, including critical investments in civil society. U.S. assistance represents targeted, life-improving investments able to offer a small measure of relief for Tunisians in need. Programming creates thousands of direly needed private sector jobs in remote areas, drives investments in clean energy, promotes civic engagement, addresses food insecurity, and supports the vital contributions of Tunisian civil society. Continuing these targeted investments is in the U.S. interest, and reflects that economic and political empowerment are fundamentally linked. To abandon all such programs would not only be counter to U.S. interests but risk the perception of collective punishment against the Tunisian people based on the alarming actions taken by the government.

Guided during a time of extraordinary upheaval by our long-standing friendship with the Tunisian people, the Department is continuing to review U.S. assistance programming to ensure it is addressing the needs of economically vulnerable Tunisians and contributing to an inclusive political future. We are continuously refining our approach to advance these goals, and will not hesitate to consider course corrections should they be warranted. While the United States has reduced our bilateral aid to Tunisia, the President has requested resources in Fiscal Year 2024 to establish a Middle East and North Africa Opportunity Fund, which is designed to allow for agile responses to emerging opportunities that further U.S. policy goals or respond to crises and challenges that threaten U.S. interests and security.

The Department's relationship with and support for Tunisians who serve their country in uniform is targeted to U.S. interests and is being continuously

reviewed. A guiding principle remains engaging with the Tunisian government on the vital national interests of protecting U.S. diplomatic personnel and facilities, the welfare of American citizens in Tunisia, and neutralizing the continuing threat of terrorism, while promoting accountability and respect for the rule of law. The professional women and men of the Tunisian Armed Forces remain on the front lines of the fight against terrorism in Tunisia and the Sahel, guarding against instability emanating from Libya and providing airlift and support capabilities for U.S. and Allied activities. In partnership with the United States, Tunisians have made notable progress against terrorist networks; this fight is not yet won. Walking away from a security partnership with Tunisia focused on U.S. interests would carry the risk that terrorist groups could regain strength and again threaten Tunisia and, from Tunisia, our Allies and partners.

The Tunisian Armed Forces have stood by and secured the country's defense amid the upheaval since July 2021 – as a professional force should. Together with our partners in the Department of Defense, the Department believes it is vital that the Tunisian Armed Forces remain apolitical, professional, and resourced to fulfill their defense mandate in support of the Tunisian people and alignment with U.S. interests.

It remains in the U.S. interest to see a secure and prosperous Tunisia, led in a manner accountable to the people that can deliver economic stability and protect the human rights and fundamental freedoms of all.

Tunisia's elected leadership faces a sovereign choice about whether and how to go forward with the government's reform plans and enable a democratic and prosperous future. These are questions of Tunisian policy. We will nonetheless continue to speak frankly with the Tunisian government about its actions and policies, and align our diplomacy with U.S. interests and values in the spirit of long-term friendship between the American and Tunisian people.

After a decade of bipartisan U.S. support reflecting the Tunisian people's hardwon democratic gains in 2011, the context in which we are now pursuing U.S. interests is markedly different. As such, the relationship between the United States government and the Tunisian government has changed in far-reaching ways since July 25, 2021. The goal of seeing the Tunisian people realize their vision for a brighter future, however, has not. Thank you for the opportunity to address the Subcommittee today on the situation in Tunisia, and I look forward to your questions.