



THE WHITE HOUSE
PRESIDENT
GEORGE W. BUSH

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For Immediate Release
Office of the Press Secretary
July 15, 2006

U.S.-Russia Foundation for Economic Advancement and Rule of Law

STATEMENT BY THE PRESS SECRETARY

Today the President announced the support of the United States for further development of an independent entrepreneurial sector in Russia, rooted in the rule of law, which can contribute to the modernization of the Russian economy. To this end, the United States Government endorses creation of the "U.S.-Russia Foundation for Economic Advancement and Rule of Law" as a successor to the successful U.S.-Russia Investment Fund (TUSRIF). TUSRIF was established in 1995 to promote the growth of the Russian private sector and a healthy climate for private investment in Russia.

It is envisioned that the new Foundation would provide grants to Russian and U.S. organizations, training opportunities for business people, government officials and representatives of civil society, and a series of exchanges and partnerships between Russians and Americans. Its activities would include support for entrepreneurial skills, business training, intellectual property right, and promoting innovation. In addition, it would promote a good environment for business by supporting policy and legal reforms, strengthened anti-corruption efforts, and better access to information for the private sector. The new Foundation would also focus on other essential elements of a healthy market economy that can attract domestic and foreign investment, especially the rule of law, transparent administrative and regulatory practices, access to information and corporate social responsibility. The development of a private sector is an essential ingredient of democracy.

The TUSRIF Board would take the lead in creating the Foundation, which would be organized in the United States as a 501 (c)(3) non-profit entity, and would have a Board of Directors including both Americans and Russians serving on it, and an investment committee to manage its funds.

The Administration will formally notify and consult closely with Congress about the use of the enterprise fund proceeds. Once the required consultations are completed, and assuming Congressional concurrence, the TUSRIF Board would proceed to make this proposal a reality.

TUSRIF Accomplishments

Established in 1995 and capitalized by the U.S. government, TUSRIF's mandate has been to promote the growth of the Russian private sector and a healthy climate for private investment in Russia. When TUSRIF established Delta Private Equity Partners in 1995, it was one of only two firms providing private equity to the Russian market. Today, the private equity industry has grown to \$1.5 billion - much of which was catalyzed by TUSRIF's original private investment fund. TUSRIF has invested

more than \$320 million in the Russian economy over the past 11 years. Specifically, TUSRIF has:

Invested in more than 44 Russian small and mid-sized companies via private equity and loans, bringing to them not only its investment resources but invaluable management skills;

Established Delta Bank, one of the first banks operating in Russia to provide real consumer credit cards to average middle class Russians (100,000 VISA credit cards in the first four years); Pioneered private mortgage lending in Russia by backing the first private bank to offer them and lending over \$200 million to individuals to buy real estate; Established Delta Leasing in 1998, helping over 800 domestic manufacturers in over 27 regions of Russia access modern production equipment so that they could keep up with rising consumer demand for Russian goods; and Created the U.S. Russia Center for Entrepreneurship, with offices in Moscow, Nizhniy Novgorod, and St. Petersburg, which promotes a broad entrepreneurial class in Russia through training, networking and programs that promote good corporate governance.

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