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Written Testimony

Mr. Chairman, Ranking Member Frankel, Members of the Subcommittee, thank you for the opportunity to speak today on the importance of supporting democracy abroad from within the FY2026 Appropriations Budget, specifically through two accounts: The National Endowment for Democracy and the Democracy Fund. In FY2025 the National Endowment for Democracy was appropriated \$315 million, while the Democracy Fund was appropriated \$345,200,000.

I know full well that the United States is heading for fiscal disaster if we can't rein in spending and borrowing. I want to congratulate those in Congress and the Administration who seek to protect our children's futures while keeping America safe, strong, and prosperous. I am here to testify that investments made into the National Endowment for Democracy and the Democracy Fund are strategic and necessary in this regard.

The National Endowment for Democracy (NED) and the Democracy Fund are the primary accounts within the Appropriations budget that support democracy programs abroad. While approximately \$2.9 billion dollars of programming by the United States Agency for International Development (USAID) and the State Department was attributed in FY24 as being related to "democracy promotion," this is a false, inflated number that actually undermines the true value of democracy assistance overseas. The United States does not spend \$2.9 billion for democracy assistance – the true number is approximately \$660 million.

For the taxpayer, this is still a gigantic number to fathom, and defending its value is crucial to those of us who do the work – even as we acknowledge that American adversaries like China and Russia spend billions attacking democratic institutions as part of their strategy to undermine American leadership, interests, and alliances. For them as for us, this work is strategic and tied directly to American national interests.

Three decades ago, across the Atlantic, the United States invested heavily in helping former Soviet satellite countries make democratic transitions. We assisted with organizing elections. We helped dormant legislative branches reconstitute and learn processes. We helped one-party systems become multiparty systems, helped people who hadn't been in political parties start their own, aided in rebuilding credible justice systems, and helped journalists report the truth about the harms of communism. Some countries made swift transitions, others took longer; some became democratic and then backtracked and needed help again. Ultimately, almost all broke away from the Soviet Union and became American allies. The NED and other forms of U.S. government democracy assistance were our main soft-diplomacy tools in opening up Europe, along with foreign broadcasting.

Today, countries like Lithuania, Poland, the Czech Republic, Albania, and Romania are important allies and NATO members, helping in efforts to combat terrorism, fight autocracies, and keep America – and Americans – out of wars. They are also our economic allies, homes to U.S. investments and partnerships. They buy our products, they visit our country, they admire our culture and people.

In 2025, the effort to provide democracy assistance is more complicated than it was in the mid-1990's. The threats to the United States come in many forms. Anti-American authoritarian regimes try to compromise our borders, traffic drugs and crime onto our shores, attack sovereign allies and wage harm on us in unconventional ways, including through cyber warfare. Kleptocracies like Venezuela produce mass migration that brings desperate citizens to our shores. Theocratic regimes like Iran and terrorist organizations like Hamas and Hezbollah destabilize the globe and kill our allies, drawing our forces and money into conflicts that raise our taxes and cost us American lives. Countries which aren't necessarily adversarial but nonetheless lack measurable levels of freedom and rule of law are havens for these malign powers, as well as organized crime and international cartels that bring us fentanyl, illicit products, and human trafficking. They too levy costs on American families.

The plain truth is that democracy assistance was less complicated when we were just breaking countries away from the Soviet Union, which Ronald Reagan correctly identified then as a threat to America's way of life. Today's environment is more complex, and the threats are arguably greater. America is not the world's police force, but neglecting opportunities to positively influence trajectories of countries with soft power is neither strategic nor cost efficient. The cost of the Democracy Fund and the NED combined in FY2022 was roughly the same as one B-21 Bomber.

Helping countries become democratic *does* make us safer at home, and it *does* open economic opportunities – two outcomes which become less true if dictatorships prevail; if one-party systems like China's prevail; if regime states like Iran and the Taliban continue to censor their people, harm women and girls, and jail political opponents.

In the fiscal year you are considering, the NED and the State Department's Bureau of Democracy, Human Rights and Labor – DRL – will likely focus 75% of their programming on countering the corrosive authoritarian influence of the People's Republic of China (PRC), Iran and its terrorist proxies, countries under Marxist control, religious extremism, systematic human rights abuse, resistance against dictatorships, and the malign influence of Vladimir Putin.

Countering the Chinese Communist Party (CCP) remains the number one focal point of those in this industry – and within the government – as the nature of this threat globally is multi-faceted and far-reaching.

Countering PRC influence requires us to essentially reverse engineer the ways China exerts control by implementing cost-effective programs that deliver for the American taxpayer by training political parties to be responsive to citizens not foreign masters, helping legislatures understand the costs of predatory loans, helping local civic actors keep politicians honest in the face of Chinese inducements, helping governments understand the risks of Huawei 5G, and helping students seeking accountable democratic rule, among other critical areas.

Democracy programs are the tip of the soft power spear for countering China. These initiatives are low cost, proven to be effective, and complement the military tools we use to deter Chinese aggression and influence. U.S.-funded democracy programs have prevented and mitigated Chinese influence in strategically important countries by uncovering opaque BRI deals; supporting development of policies and legislation that make it more difficult for China to advance its propaganda; and exposing previously unknown CCP malign influence in industries such as mining, transportation, and technology.

The very institutions we promoted in Europe 40 years ago to counter the Soviets – free elections, multiparty systems, free press, free civil society – are at risk today due to well-resourced campaigns by the anti-American and authoritarian regimes in Beijing, Moscow, Tehran, and Pyongyang to undermine and eradicate the components of democracy that are good for the United States and bad for our adversaries. Our enemies have amassed new levels of financial resources, technology, and techniques of economic coercion that increase the probability they will win, and we will lose. China alone spends an average of \$60 billion annually on infrastructure projects that coopt elites, trainings to indoctrinate foreign political parties in authoritarian thinking, and buying local media outlets to push PRC propaganda.

Like every other element of spending by the United States, democracy assistance should be subject to stringent oversight. The NED and its core institutes, including the International Republican Institute (IRI), are subject to tremendous oversight and audit controls. On the State Department side, which is funded by the Democracy Fund, there is certainly scope for increased oversight. At IRI, we welcome Congressional engagement with our work and are proud of our close collaboration with Congress. Both we and the NED have leading Members of Congress on our boards of directors, which is a source of strength for us. We applaud the Congress for enhancing oversight of democracy programs, given the strategic role they play in advancing American interests.

In this current fiscal year, Congress funded the National Endowment for Democracy and the Democracy Fund with approximately 1% of its foreign affairs budget, which is close to 1% of the total budget. I testify today that this one percent of one percent yields the potential to create new democracies and new allies, ones that won't be enemies, won't side with terrorism and international cartels and criminal organizations, allies that won't prefer the CCP over the USA, and won't force their citizens to flee to our borders. As is the case with U.S. foreign lending through the Development Finance Corporation (DFC), development assistance through the Millennium

Challenge Corporation (MCC), or life-saving and humanitarian assistance through USAID, democracy assistance is an essential component of our soft-diplomacy repertoire. I encourage Congress to support the National Endowment for Democracy and the sharpened programs of the State Department under the Democracy Fund.