

**STATEMENT BY KENNETH WOLLACK
PRESIDENT, NATIONAL DEMOCRATIC INSTITUTE
BEFORE THE HOUSE COMMITTEE ON FOREIGN AFFAIRS
“EGYPT AT A CROSSROADS”
FEBRUARY 16, 2012**

Madam Chairwoman and members of the committee. Thank you for this opportunity to testify today about the implications of the disagreements and misunderstandings between the United States and Egypt that have embroiled the National Democratic Institute and other nongovernmental organizations in a political maelstrom not of our own making.

Egypt is a key leader in the region and there remain reasons for a strong partnership between the government and peoples of Egypt and the United States. Egypt’s democratic transition, which was advanced by three successful rounds of parliamentary polls, will be important not only for the people of Egypt but will no doubt influence democratic development far beyond its borders. NDI has been proud to have played a small role in supporting Egyptian efforts in this regard. We recognize that this is a very complicated period in the Egyptian transition process. We hope that we can resume a constructive dialogue with the appropriate authorities about our work and legitimate efforts to support the democratic process in Egypt.

This has been an extraordinarily difficult and perplexing seven weeks since, on December 29, Egyptian investigative officials accompanied by armed men, entered 17 offices of 10 nongovernmental organizations, including the National Democratic Institute, the three organizations represented by the other panelists here today, and the Konrad Adenauer Foundation, which is affiliated with Germany’s ruling party and which has worked in Egypt for 30 years. During the raids on our offices in Cairo, Alexandria and Assiut, the officials refused to identify themselves; they provided no warrant, explanation for the search or inventory of the items seized.

Since then, the situation has regrettably deteriorated rapidly and markedly. None of the equipment, documents and money confiscated by security forces has been returned. A number of our employees are forbidden to leave the country; some have been subject to hours of interrogation. And we received confirmation on February 6 that investigative judges have recommended that charges be brought against 15 of our Egypt-based employees – five Americans, four Egyptians, three Serbians, two Lebanese and one Romanian. It is our understanding that some 400 Egyptian organizations are also under investigation.

The charges are that we, “received and accepted funds and benefits from a non-Egyptian organization in order to commit the crime prescribed under Article 98(C)/1 of the Egyptian Penal Code, being the direct receipt, from NDI’s headquarters in the USA, of the sum of eighteen million US Dollars, of which fourteen million US dollars were received in April 2011” and that NDI, “established and operated, without a license from the Egyptian government, branches of an international organization, by having three locations as branches to the National Democratic Institute (“NDI”) having its headquarters in the US. Branches were located in the governorates of Alexandria, Giza, and Assiut.”

Putting aside the inflated size of our grants and the illogic of being charged with the “crime” of receiving congressionally notified grants from the United States Agency for International Development (USAID) and the State Department’s Bureau of Democracy Human Rights and Labor (DRL), one of the supporting pieces of evidence is that our Cairo office “drafted reports of the outcomes of carrying out said activities in Egypt, and sent same to NDI’s headquarters in the USA.” These reports, of course, are the quarterly program reports required of all grantees.

Other allegations against NDI are false. Media reports have claimed that the Institute possessed maps in its office that purport to divide Egypt, when in fact the maps showed where parliamentary elections would be held and on which date; that payments were made to individuals to undermine the sovereignty of Egypt; and that money was given to certain political parties. Having read the charges and the many press reports, I hardly recognize the organization with which I have worked for 26 years and our program work in Egypt.

NDI, which has cooperated with the investigation, will vigorously defend accused personnel.

NDI believes its nonpartisan activities were actually authorized. NDI fulfilled all legal requirements for registration through the Ministry of Foreign Affairs in 2005, shortly after we opened an office in Cairo. I was personally told at the time by the Minister of Foreign Affairs that our paperwork was in order and that registration would be granted in a matter of weeks. And clause six of the relevant Egyptian law states that if a registration application is not formally rejected within 60 days, it will be considered approved. NDI’s application has never been rejected, verbally or in writing.

While we are still waiting, I believe that we are making progress in the registration process, even during this challenging period. On February 13, our renewed registration

application was approved by the Ministry of Foreign Affairs. It now moves to the Ministry of Social Affairs for the issuance of a license.

Throughout this so-called “unregistered” period, we have been open and transparent about our work, informing officials of our activities on a regular basis and updating our paperwork regularly. Not once were we asked to cease work or close our office – until December 29. In fact, NDI was invited by Egyptian authorities to witness the country’s three phases of parliamentary polls last November, December and January. Our Institute organized international delegations for those elections with observers from 19 countries. It was sadly ironic that our Cairo office was raided as the third delegation was arriving; and the funds seized from that office was to support the delegation’s observation mission.

In three separate statements, the NDI election observers were generally complimentary of the process and concluded that the newly elected assembly reflected the will of the people. Some of the delegations’ recommendations on election logistics made during early rounds were ultimately implemented for subsequent polls.

In the weeks since the raids, Egyptian media have reported a number of false and misleading accusations against our organization. Let me state unequivocally that NDI has never trained protest movements or provided them with any support, financial or otherwise. We have never provided funds to political parties. And we do not take a position on, or support a particular outcome in any election. Our goal is to support a transparent, democratic process that gives people the freedom to make choices.

We have been completely open and transparent and have, on an ongoing basis, provided written and verbal reports of our activities to the Egyptian authorities. The Institute has maintained a bank account, and its staff members are legally employed and pay their taxes. Instead of undermining Egyptian sovereignty, our nonpartisan programs have supported public confidence and participation in the very political process designed by the Egyptian authorities – both civilian and military – and approved in last year’s national referendum.

As we have done in more than 100 countries worldwide, NDI has responded to local requests for information sharing and technical assistance. Since April, with grant funds from USAID and DRL, NDI has conducted some 700 training sessions for more than 13,000 participants across Egypt. More details on these programs are included in an attachment to my statement. But, in brief, these programs have included the sharing of international experiences on democratic transitions by leaders who were instrumental in their own transitions in diverse places such as Chile, Indonesia and Poland. We have conducted programs on the development of political parties with participants from all

parties that are now represented in the new parliament; and we have assisted civil society groups conducting election monitoring, civic education and nonpartisan voter education.

Egypt's government has said repeatedly that the investigation is being conducted by the country's independent judiciary and cannot be influenced by the government. Yet the actions to date – from the armed raids and the nature of interrogations to public pronouncements by Egyptian authorities – have not resembled a normal and fair judicial process.

While the motivations for the investigation and charges remain unclear, one issue may be a longstanding conflict over who controls U.S. foreign assistance. The Egyptian view has been that such assistance should be used only for programs and groups sanctioned by the government. By providing assistance, often through people-to-people programs, more directly and widely to support the democratic goals and aspirations of a revolution led by Egyptians, the U.S. has sought to assist the emergence of a vibrant civil society and political parties whose participation in Egypt's evolving political, social and economic development can lay the foundation for a functioning democracy. This is the same way that these groups have played positive roles in successful political transitions around the world and throughout history.

Since its founding nearly 30 years ago, NDI has worked with 13,000 civic organizations, 720 political parties and organizations, 10,000 legislators and 1,300 women's organizations, and monitored more than 300 elections. Many of our staff members, who represent 88 nationalities, have repeatedly overcome the challenges of working in difficult and sometimes hostile environments. But the challenges we have faced in Egypt are unprecedented – where many of our staff members are being interrogated, unable to leave the country, and are facing possible trial, fines and a prison sentence.

We have been asked frequently in recent weeks whether this serious controversy has adversely complicated our work in other countries. In fact, we have received an outpouring of support from political leaders, civic groups, political parties and government officials around the world.

One such endorsement came from an interesting source – a government that has not always been receptive to outside assistance. Two weeks ago, this government, pointing to NDI's "excellent reputation and rich experience...in the field of election monitoring and promotion of democracy," invited the Institute to observe its upcoming elections.

We also have received many expressions of concern and support from friends and partners inside Egypt. They want to make sure our staff is safe, want to speak on our

behalf, ask what else they can do to defend us – and in the next breath, they want to know when we will be resuming our programs. We also care deeply for their ability to contribute freely to Egypt’s democratic process. The semi-governmental National Commission on Human Rights, an official advisory council to the Supreme Council of the Armed Forces, a coalition of 43 democracy and human rights NGOs, and several political parties are among the Egyptians who have issued public statements supporting the affected organizations or criticizing the actions against them.

Finally, I would like to thank the many members of Congress and officials in the Administration who have worked tirelessly to help resolve the current crisis. We also appreciate those on the Egyptian side who also seek to defuse tensions over these issues.

Thank you, Madam Chairwoman and members of the committee. I hope that my full statement could be included in the record.



NDI PROGRAMS IN EGYPT

The National Democratic Institute (NDI) began its work in Egypt in 1995, and opened an office in Cairo in 2005. Since then, NDI has provided technical assistance to political parties and civil society organizations participating in the country's political process. These activities, which are described below in more detail, have included election observation, constituent outreach, voter registration and education, political party strengthening, and community development initiatives.

Between April and December 2011, NDI conducted 739 training sessions for 13,671 participants. Sessions were conducted in each of Egypt's 27 governorates.

Programs

Transition Experiences: While recognizing that Egypt's cultural and political traditions are unique, NDI, in the months following the January 2011 revolution, facilitated opportunities for Egyptian political and civic leaders to exchange ideas and lessons learned with senior leaders in countries that have experienced a transition to democracy. Since February, NDI, along with Egyptian partners, has hosted in Cairo delegations of Chilean, Polish, and Indonesian transition experts who played central roles in guiding democratic transitions in their respective countries. Visitors included:

- Janusz Onyszkiewicz, former Minister of Defense from Poland;
- Gen. Agus Widjojo (ret.), Indonesian Army
- Sergio Bitar, former Chilean Senator and Minister
- Genaro Arriagada, former Chilean Minister of State

During discussions, the experts addressed how to build democratic institutions, as well as election systems and political party development.

Political Party Strengthening: Before the 2011 parliamentary elections, participants from 49 registered political parties, including all those represented in the new parliament, took part in NDI programs. Activities helped assess internal structures and capacity to participate effectively in the country's evolving political process and address citizens' concerns. The Institute uses a dual approach of in-country consultations with experts and out-of-country events, including multiparty study missions and regional workshops. At

the beginning of the country's democratic transition, NDI brought a series of experts to Egypt to host individual and multiparty consultative sessions focused on the needs of parties to participate in the evolving process.

NDI programs for political parties have focused on grassroots organizing, poll watching, media relations, survey research, door to door canvassing, women's candidate training, management training, message development, volunteer recruitment, fundraising, communications, voter outreach, new media, comparative electoral systems, research and budgeting, fundraising, party poll watcher training, and coalition building. From April 1 through December 31, 2011, NDI conducted more than 300 multi-party sessions and 220 individual party consultations/trainings. Approximately 7,700 party leaders, activists, and candidates attended these sessions.

NDI does not provide funding or any other materiel assistance to parties but operates through technical assistance only.

Civic Education and Electoral Reform: The Institute complemented its party program by working with civic groups to promote the values of participating in the democratic process through a nationwide voter awareness and civic education curriculum. Programming for civic groups has focused on election monitoring, parallel vote tabulations, advocacy, strategic planning, youth engagement, voter education, communications, new media, public opinion research, organizational development, proposal writing, and financial management.

NDI convened a working group of 15 NGOs to develop a civic education toolkit and corresponding curriculum that was tested among an audience of 200 participants. The Institute hopes to print 10,000 copies of the toolkit for use by more than 115 NGOs currently engaged in civic education activities.

NDI provided assistance with materials development and strategic planning sessions on an as-needed basis with each organization, while conducting skills-training workshops with participating civic groups. NDI is also building the capacity of its civic partners to monitor the transition, thus promoting confidence and participation in the democratic process. The Institute convened a discussion group to examine electoral reform models in countries with political situations similar to Egypt's, and to examine the role of Egyptian civic organizations in electoral reform.

In 2011, NDI conducted more than 100 workshops and training of trainers sessions for more than 2,600 participants from 12 civil society organizations interested in citizen engagement and education. Since September, NDI has added an additional 320 NGOs to its network of NGO partners through the conduct of advocacy trainings, reaching 26 of the 27 governorates in Egypt. These trainings inspired participants to engage parliamentary candidates on issues impacting their communities. In total, 642 candidates from 24 governorates signed pledges on issues such as education, jobs, health care and the environment. In addition to the basic advocacy trainings, NDI has conducted core

capacity building sessions, such as financial management and strategic planning, for 20 NGOs in three governorates.

Cooperative Community Development (CCD) and Civil Society Capacity Building:

Since 2007, NDI has provided technical support to a network of civic groups with a broad geographical distribution across Egypt. The network fostered effective and constructive relationships between municipal governments and their constituents. NDI's partners held public roundtables with municipal councilors and their constituents, published interviews with councilors, and conducted public opinion research to determine the effectiveness of the councils and hold them accountable to citizens. Member organizations of the CCD network hosted Egypt's first candidate debates ahead of the June 2010 Shoura Council elections, and broadened these debates to include voter education presentations ahead of the November 2010 parliamentary elections. NDI complements this program by providing its partner organizations with training and technical assistance on financial management, human resources, and strategic planning.

NDI has conducted more than 100 workshops for 56 NGOs and more than 3,000 participants on these issues.

Election Monitoring: NDI provided a coalition of Egyptian organizations with support on international best practices for monitoring every aspect of the election process, including the pre-election period, election-day voting, and the tabulation of results. The Institute worked with local partners to develop a comprehensive domestic monitoring and observer deployment strategy, and helped build their partners' capacity to draft and disseminate detailed reports analyzing election administration and the overall electoral climate.

NDI worked with four coalitions of Egyptian NGOs representing 194 smaller community-based organizations to field nearly 10,000 domestic election monitors for the parliamentary elections. The Institute also, with accreditation from the Egyptian government, conducted three international observation missions during those elections. NDI fielded 84 short-term observers from 19 countries, including 12 long-term observers from eight countries, who visited approximately 750 polling stations across Egypt.

Voter Education: NDI supported a multi-media, multi-dimensional voter education campaign in partnership with 44 Egyptian NGOs. Printed materials, such as posters, flyers, and brochures, videos, a website and Facebook page were developed to explain the election process and encourage people to vote. These materials were nonpartisan and non-ideological. Organizers of the campaign opened voter education centers across Egypt and held more than 651 events attended by nearly 72,000 Egyptians. The campaign's public service announcements were broadcast free on six television and four radio stations in Egypt. In addition, 1,300 volunteers canvassed door to door before the election and then worked at polling centers, where they helped almost 650,000 voters find their polling center locations and key voter information needed to cast ballots. The campaign's web site has had more than 400,000 page views and its Facebook page has grown to 124,718 "likes."

Women and Youth Political Participation: Although women and youth were on the frontlines of the January 25 revolution, they have been less visible in the transition process. NDI worked with women and youth organizations to increase their representation in the transition process, focusing its assistance on ways to build clear channels of communication to relay views to political parties and elected officials. NDI also worked with youth from political parties and local civic groups seeking to play a greater role in politics and civil society through training sessions focusing on new media, leadership skills, grassroots organizing, and advocacy.

The Institute has also initiated a series of videoconference discussions that connect women activists in Egypt with women experts from around the world. Through these discussions, Egyptian activists ask questions directly to women who have campaigned for, and experienced transitions themselves, and are able to provide advice on the first steps to making women's voices heard. Egyptian participants have thus far represented political parties and women's organizations. Prior to the November 2010 parliamentary elections, NDI provided advice to women candidates. It continued to assist women candidates and encourage political parties to feature women on their electoral lists.

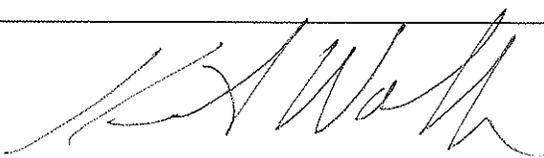
In 2011, NDI conducted candidate training for 284 women who were considering running for the parliament in Alexandria, Aswan and Cairo. The Institute also conducted focus group research among women and youth to explore voter attitudes toward the elections and constitutional processes. This information was widely shared among political parties and civil society to assist them in their voter outreach efforts. In addition, NDI worked with a network of 12 women's NGOs on the development of a unified platform for women in advance of the parliamentary elections.

No funds were provided nor training activities conducted that were related in any way to protest movements. All activities were designed to support participation in a transition process designed by Egyptians and approved in last year's referendum.

United States House of Representatives
Committee on Foreign Affairs

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee require the disclosure of the following information. A copy of this form should be attached to your written testimony and will be made publicly available in electronic format, per House Rules.

1. Name: Kenneth Wollack	2. Organization or organizations you are representing: The National Democratic Institute
3. Date of Committee hearing: Thursday, February 16, 2012	
4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets. Please see attached.	
7. Signature: 	

Please attach a copy of this form to your written testimony.

6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

**USAID Grant No. 263-G-00-05-00030-00 to NDI
July 1, 2005 – May 31, 2011
\$5,418,181**

**USAID Grant No. 263-G-11-00006 to NDI
May 1, 2011 – April 30, 2013
\$10,000,000**

DEPARTMENT OF STATE'S BUREAU FOR DEMOCRACY, RULE OF LAW AND LABOR

**DRL Grant No. S-LMAQM-09-GR-599 to NDI
September 26, 2009 – June 30, 2011
\$477,128**

**DRL Grant No. S-LMAQM-11-GR-557to NDI
April 1, 2011 – May 19, 2013
\$3,960,396**