

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

January 15, 2025

The Honorable Antony Blinken
Secretary
Department of State
2201 C Street N.W.
Washington, D.C. 20520

Dear Secretary Blinken,

I write to express concern over the implementation of the Countering People's Republic of China Influence Fund (CPIF). Building on prior oversight, Senate Foreign Relations Committee (SFRC) Republican staff held briefings with the executive branch on 36 congressional notifications covering more than half of the CPIF projects notified with Fiscal Year 2023 funds. Despite some improvement over the last two years, the Committee found that State Department and U.S. Agency for International Development (USAID) implementation of CPIF continues to fall short of Congressional intent and fails to adequately address the growing threat from China.

The CPIF selection process, which considers projects proposed by embassies and bureaus of the State Department, suffers from a lack of strategic direction. The CPIF lines of effort (LOEs) that guide proposal submissions are necessary but broad. As a result, CPIF projects cover a wide range of issues not always linked to the most central counter-PRC imperatives.

As one example, the Department supported multiple small, disparate projects addressing the same problem. For instance, CPIF funded several different critical minerals projects to counter the CCP's control of critical mineral supply chains around the world. This is a U.S. priority, but investing in disjointed projects is unlikely to enable the United States to effectively address these core supply chain issues in the long run. The Department must prioritize critical minerals projects that tackle core priorities as a whole, rather than allow small projects to drive piecemeal U.S. engagement.

Other projects, even if focused on counter-PRC priorities, did not consistently advance U.S. interests. For example, the Department funded the set-up of yet another online database to analyze the impact of Belt and Road Initiative projects in South Asia. Such websites are costly and quickly become obsolete if not sustained. A project to develop a construction materials testing lab in the Caribbean was another missed opportunity, because it did not address regulatory gaps that Chinese actors can exploit.

The Department also used weak or even bogus counter-PRC justifications to secure CPIF funding. In September, I blocked a CPIF project supporting the establishment of a National Railway Authority in Liberia. SFRC oversight, including an on-site review in Liberia, revealed the project would not strengthen Liberia's ability to compete with PRC-supported mining operations in the country or the PRC-backed railway in neighboring Guinea. Embassy staff admitted to leveraging

CPIF's broad guidelines to fabricate a counter-PRC nexus, and to repurposing the initiative to address unrelated objectives. Liberian officials later confirmed, in writing, that the intervention was unnecessary.

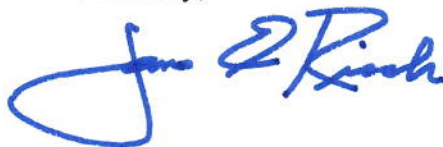
To address these problems the Department should:

- **Set specific strategic priorities at the start of each CPIF funding cycle.** This would produce a more targeted competition centered on clear priorities within the LOEs. Regional and functional bureau perspectives, which span beyond a particular country, should directly inform the CPIF decision-making process. Finally, CPIF Working Group guidelines must include clear metrics for successful projects and provide feedback to embassies and bureaus (including on why a project was not chosen or not funded fully).
- **Transition to the base bilateral budget CPIF-funded initiatives that advance strategic imperatives and demonstrate a return on investment.** Failure to transition CPIF programs with high strategic impact and demonstrated return on investment leaves them vulnerable to arbitrary cuts and undermines effectiveness. One example is a unique program that stops bad or predatory infrastructure investments before they start. The Department must work with Congress to find a sustainable funding source for such initiatives. If a transition to the base budget is not possible, in rare circumstances the Department should use CPIF to fully fund a critical and ongoing need.
- **Translate U.S. counter-PRC policy into a strategic framework that governs the selection, design, implementation, and evaluation of the CPIF portfolio to ensure CPIF investments are comprehensive, mutually-reinforcing, and achieve stated goals at the local and global level.** The Department and USAID describe the current process for soliciting CPIF program ideas as a "venture capital model." Unfortunately, that model appears to operate in the absence of clear, specific, and compelling guidance for where and how to target CPIF resources. This work is too important for ad hoc efforts. The Department and USAID must advance a comprehensive monitoring, evaluation and learning initiative to ensure that funds counter PRC influence and/or lead to follow-on initiatives that benefit United States interests.

CPIF enjoys strong bipartisan support. However, after four years, CPIF still suffers from a lack of direction. Better positioning CPIF to advance clearly defined U.S. strategic priorities and interests will continue to be a priority of mine in this Congress.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "James E. Risch". The signature is stylized and fluid, with a large loop at the beginning and a long, sweeping tail.

JAMES E. RISCH
Chairman