

# WHY IS U.S. ASSISTANCE TO UKRAINE CRITICAL TO AMERICA'S INTERESTS?

## How is Russia's war in Ukraine impacting U.S. security and economic interests?

Russia's invasion of a sovereign nation has not only exacted immeasurable costs on the Ukrainian people, but it also threatens global stability, directly impacting American stability and our security and economic interests here at home.

#### **U.S. National Security:**

- America's military leaders continue to warn how Russia's war against Ukraine is creating significant "destabilizing impacts on global security" that stretch "far beyond the European frontlines." America's continued assistance to Ukraine helps advance global stability and U.S. national security all without sending American troops into harm's way.
- National Security Experts also worry that if sovereignty and democracy are not protected in the face of Russia's brutal invasion that the ultimate costs of a hostile nuclear power on the doorstep of America's top NATO allies would be "far greater" than the cost of supporting Ukraine's self-defense.
- Outside of Europe, the war continues to disrupt global food security with 7 in 10 people facing crisis-level food insecurity in countries already affected by fragility and conflict, driving new threats for U.S. national security from global hunger, rising conflict, and extremism.

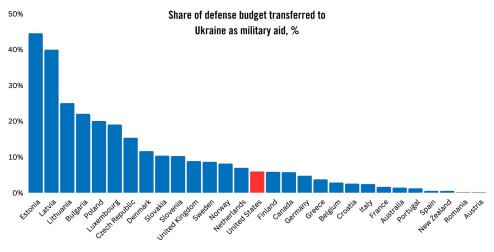
#### **U.S. Economic Interests:**

- Russia's invasion of Ukraine has created havoc for global energy markets and food supplies, directly impacting gas and grocery prices for American families at home, with U.S. food price inflation remaining stubbornly high at 8.5%.
- The war has had an outsized and destabilizing impact on Europe's economy, impacting America's economic interests given Europe remains one of our most trusted trading partners. With \$1 trillion in annual U.S. trade with the continent, stable European markets are critical for the exports of American companies and workers with 1 in 5 U.S. jobs depending on international trade. Europe also remains America's fifth largest market for agricultural exports from America's heartland and beyond.

## Are America's allies and partners stepping up in support of Ukraine?

More than 50 NATO allies and other partner countries are sharing the burden and providing assistance to support the Ukrainian people and to enable the country to defend itself from Russia's invasion. President Vladimir Putin was banking on a fracturing of the West, when – in fact – the opposite has occurred with unprecedented resolve from America's allies. This united support is due in no small part to significant U.S. diplomatic leadership, the rallying of NATO and America's alliances, the commitments of the U.S. Congress, and – importantly – the bravery of the Ukrainian people.

- While U.S. leadership has been indispensable, America <u>ranks</u> fifth globally in its support to Ukraine as a percentage of GDP, behind Estonia, Latvia, Poland, and Lithuania, and tied with Bulgaria and Norway. When adding in the high burden of costs on countries hosting Ukrainian refugees, the U.S. actually ranks twelfth in overall commitment as a percentage of GDP.
- The European Union and its member countries have committed more than \$69 billion in assistance. With its recent €18 billion commitment, the European Union and its member states are now the <u>largest contributors</u> of economic and humanitarian aid to Ukraine. In total, U.S. allies and partners from Germany to the UK to Australia have provided or committed over \$35 billion in security assistance to Ukraine.



Source: Aid data as of January 15, 2023 - Kiel Institute for the World Economy, defense budget data as of 2022 - SIPRI

### How is U.S. assistance to Ukraine accountable? Is Ukraine pursuing anti-corruption reforms?

American security, economic, and humanitarian assistance to Ukraine is one of the most highly scrutinized and accountable aid programs that the United States has ever delivered to a partner country with dozens of Congressional delegations helping provide oversight.

- All U.S. assistance to Ukraine is overseen by three independent U.S. inspectors general from the State Department, USAID, and the Pentagon. Collectively, these three Offices of Inspector General have more than 250 personnel supporting oversight efforts of U.S. assistance to Ukraine. At the U.S. Embassy in Kyiv, the State Department has 45 people on the ground, responsible for monitoring and inspecting America's assistance to Ukraine.
- In recent testimony to Congress, all three inspector generals were clear that their offices' ongoing investigations to date have not uncovered any fraud, misuse, or diversion of U.S. resources to Ukraine:
  - Department of Defense Inspector General Robert Storch: "Our completed work has not substantiated any allegations of diversion."
  - **Department of State Deputy Inspector General Diana Shaw:** "We have not substantiated any instances of the diversion of U.S. security assistance to Ukraine."
  - » USAID Acting Deputy Inspector General Nicole Angarella: "We have not identified any instances of fraud or misuse with respect to the direct budget support."
- Despite wartime pressures, Ukraine has introduced significant reforms to combat corruption.
  - In December 2022, the Ukrainian parliament passed legislation to dissolve an Administrative court in Kyiv, long been deemed to be corrupt by Ukraine's National Anti-Corruption Bureau and civil society actors.
    Ukraine is one of the few countries in the world that improved its corruption score over the last year, according to Transparency International.
  - The Ukrainian government has held itself to rigorous standards with high profile dismissals of senior officials who have been suspected of any corruption or impropriety. And in March 2023, the Council of Europe's anti-corruption body issued an interim report praising Ukraine's reforms and progress to root out corruption as the country pursues EU membership.
- All U.S. funding for direct budgetary support to Ukraine is reimbursed only after the Ukrainian government has verified its expenses. This assistance, delivered through the World Bank, goes through rigorous verification processes with monthly reports to the U.S. government.
  - WSAID Administrator Samantha Power has been clear when it came to America's position on corruption: "When something is spotted – because there are going to be issues – that this gets smothered, that the people get fired, that they get prosecuted."

USAID has engaged Deloitte Consulting to support the Ukrainian Ministry of Finance and other Ukrainian government institutions to review and advise on the government's processes and procedures to oversee and report on the use of direct budget support funds provided by the U.S. government through the World Bank, bilaterally, or other mechanisms. While Deloitte is not auditing or verifying the use of direct budget support funds, Deloitte is reviewing and reporting on the Ukrainian government's monitoring, transparency, verification and reporting systems and safeguards, including on the use of direct budget support funds, results achieved, and metrics used to measure results.

### Is there bipartisan support on Capitol Hill for Ukraine?

Top Republican and Democratic leaders in Congress continue to speak out on why U.S. support to Ukraine is critical for U.S. national interests, even though a small segment of have raised concerns about the level of U.S. support.

- Senate Majority Leader Chuck Schumer (D-NY): "Now is not the time... to take our foot off the gas when it comes to helping Ukraine. The single worst thing we can do right now is give Putin any signal that we are wavering in our commitment to defend democracy in Ukraine and around the globe."
- » Senate Republican Leader Mitch McConnell (R-KY): "This is not just some altruistic project. This passes every cold, hard, realistic calculation with flying colors. It's the right move for American taxpayers, for American servicemembers, for our allies and partners... Our investment in Ukraine is restoring and rebuilding deterrence for pennies on the dollar."
- Senator Chris Coons (D-DE): "More than 40 countries around the world are helping Ukraine... We have to continue to stand by Ukraine. Their fight is our fight. They are on the front lines of freedom, for the world, for this century, and I am determined that we will continue this fight to Ukrainian victory."
- » Senator Lindsey Graham (R-SC): "If Putin dismembers Ukraine, he will not stop. China is more likely to go into Taiwan. The world will unravel and no domestic problem gets better here at home allowing Putin to destroy Ukraine quite the opposite... We're spending money, but it's being spent on a good cause, the cause of freedom. So I'm all in, whatever they need as long as they need it."
- House Democratic Leader Hakeem Jeffries (D-NY): "It's not just between two countries. It's a battle between freedom and tyranny, it's a battle between democracy and autocracy, it's a battle between truth and propaganda... If Ukraine prevails, the free world prevails, and that's good for all of us."
- » Chairman Michael McCaul (R-TX): "I have supported U.S. assistance because a victory by Putin in Ukraine would further embolden Americans adversaries from Chairman Xi in Beijing, to the Ayatollah and Tehran to Kim Jong-un in North Korea... Last month, I led a congressional delegation to Ukraine and Poland to conduct in-person oversight of U.S. aid to Ukraine. I saw firsthand the process is working."
- » Ranking Member Gregory Meeks (D-NY): "Congress and the American people will continue to stand with the brave Ukrainians who are defending their rights and freedom. Ukrainians did not ask for this unjust war of aggression. They are only asking for our support as they defend their home and their sovereignty. And it is in our national interest to provide that support to Ukraine."