

### THE IMPORTANCE OF U.S. ASSISTANCE TO UKRAINE

### Why does Ukraine matter to America's interests?

Russia's ongoing war in Ukraine 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. The chaos created by Putin's war of choice has created havoc for global energy markets and food supplies, directly impacting gas and grocery prices for American families.

- America's military leaders <u>continue to warn</u> how Putin'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 the ultimate U.S. costs of a Putin victory on the doorstep of America's top NATO allies would be "astronomical" in comparison to the cost of supporting Ukraine's selfdefense.
- Outside of Europe, Putin's suspension of the Black Sea Grain Initiative 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.
- 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.

## Why does additional emergency U.S. economic and security assistance to Ukraine remain critical – even as the war continues into its second year?

- It is critical for the U.S. and European allies to support Ukraine to be in the strongest diplomatic position possible for any negotiation with firm and unified commitments of additional emergency economic and security assistance.
  - The upcoming UN General Assembly in September will provide another important marker to continue to demonstrate Western resolve and to rally U.S. allies, partners, and the private sector to support Ukraine, following the G7 in Japan in May and the London reconstruction conference in June.
- With experts warning that Putin has made "Ukraine's economy a pivotal theater of the war" with devastating attacks on civilian targets, energy infrastructure, and Ukrainian exports continued economic assistance is essential to enable Ukraine's self-defense.
  - » **The IMF reported a 35% drop in Ukraine's GDP** from pre-war levels with massive decreases in basic tax revenue as the war has severely disrupted Ukraine's economy.
  - Without ongoing economic assistance and **direct budget support** from the U.S. and European partners, Ukraine's ability to function as a state and defend itself from Russia would be severely diminished. A Ukrainian economic collapse would also result in even greater economic shocks around the world and here in the U.S., not to mention the security ramifications.
- National security leaders continue to warn of the growing authoritarian nexus between China and Russia and how the outcome in Ukraine will be decisive when it comes to America's global competition with China, Beijing's strategic calculations about Taiwan, and the long-term durability of U.S. global leadership and America's alliances.
  - » The most recent annual threat assessment by the U.S. intelligence community stated that "China will

maintain its diplomatic, defense, economic, and technology cooperation with Russia to continue trying to challenge the United States."

# Are America's allies and partners stepping up in support of Ukraine? What is the latest on reconstruction?

**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. 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> tenth globally in its support to Ukraine as a percentage of GDP, behind countries including Estonia, Latvia, Lithuania, Poland, Denmark, Norway, and the United Kingdom. When adding in the high burden of costs on European countries hosting Ukrainian refugees, the U.S. ranks twentieth in overall commitment as a percentage of GDP.
- Over the course of 2023, European allies and partner countries have significantly increased their investments in assistance to Ukraine, accounting for more than 47% of global aid to Ukraine. U.S. assistance accounts for close to 40% of global aid to Ukraine.
- European countries have significantly increased the pace of security assistance to Ukraine in 2023, spending nearly the same amount on security assistance in just the first six months of this year as they did during all of 2022. The ratio of European security assistance, compared to economic and humanitarian aid, has increased from 28% of their aid to 42%. U.S. security assistance is currently 60% of its aid to Ukraine, compared to 40% invested in critical economic and humanitarian support.
- The World Bank estimated in March of this year that Ukraine will require \$411 billion over a decade to support its reconstruction needs. During the recent <u>Ukraine Recovery Conference</u> in London, the **European Commission announced** <u>\$55 billion</u> in reconstruction aid for Ukraine through 2027 with the U.S. further contributing an additional \$1.3 billion, including \$675 million to rebuild and modernize Ukrainian infrastructure.
- The private sector has also stepped up its support of the Ukrainian people and is committed to helping reforge the economy. Nearly 500 global businesses from 42 countries worth more than \$5.2 trillion and 21 sectors have already signed the Ukraine Business Compact, pledging to support Ukraine's recovery and reconstruction.

#### 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 Generals 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 <u>45 people</u> on the ground, responsible for monitoring and inspecting America's assistance to Ukraine.
- All U.S. funding for direct budgetary support to Ukraine is reimbursed <u>only</u> 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.
- Despite wartime pressures, Ukraine is one of the few countries in the world that improved its corruption score over the last year, according to Transparency International.
  - 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.
  - 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.

### 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:

- 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."
- Senate State-Foreign Operations Appropriations Ranking Member 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 Foreign Affairs 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."
- 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 State-Foreign Operations Appropriations 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."
- 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."
- House Foreign Affairs 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."
- House Intelligence Chairman Mike Turner (R-OH): "Overwhelmingly, there is support for continuing aid to Ukraine, so that they can continue to fight against this aggression of Russia."