

Ukraine Aid Supplemental

THE ISSUE

- Prior to this new request, \$113.1 billion had been authorized for Ukraine since February 2022. Of this amount, \$67.1 billion was coded as defense, including direct military aid via Presidential Drawdown Authority, the Ukraine Security Assistance Initiative (USAI), and Foreign Military Financing.
- About \$46 billion of the \$113.1 billion total was for non-defense spending, including \$26.9 billion in economic support for the Ukrainian government and Ukrainian businesses, along with various humanitarian programs.
- Perhaps realizing how unpopular the transfer of huge amounts of weapons and money to Ukraine has become, the Biden Administration and its allies in Congress and the media have attempted to frame a large percentage of this funding as being for the replenishment of U.S. stores.
- Reading through the bill itself, however, it
 is far from clear that this is the case. The
 amounts described by the Administration
 and its allies as intended for the replenishment of U.S. stocks are all described in the
 bill as intended "to respond to the situation
 in Ukraine and for related expenses."
- It is entirely possible that the weapons being described as replenishment of American stocks will instead be sent to Ukraine. To illustrate this point, last summer, as it neared the end of the amount it had been authorized to send to Ukraine, the Pentagon

- announced a \$6.2 billion accounting error and promptly began to send more weapons and equipment to Ukraine.
- Many conservatives will be loath to send more military aid to Ukraine after the announcement in January that <u>Ukrainian</u> defense officials had stolen \$40 million meant for ammunition. In October, a leaked report confirmed that Biden Administration officials are far more worried about corruption in Ukraine than they are willing to admit publicly. This, after Biden officials insisted there were no significant corruption problems in Ukraine and no proof that any of the money being sent was being embezzled.

UKRAINE FUNDING: \$60.6 BILLION

\$48.43 billion in military support to Ukraine. This funding includes \$19.85 billion described as intended to replenish U.S. weapons and equipment inventories; \$13.8 billion allowing Ukraine to rearm itself with weapons from the United States; and \$14.8 billion in operational support to the Ukrainian war effort, including military intelligence, training, increased presence, and other support.

\$18.6 billion in bilateral economic support to Ukraine (and Israel). This funding includes \$7.85 billion "which may include budget support" to Ukraine for salaries and other needs of government employees and soldiers and \$50 million more for "food insecurity." It provides \$5.65 billion "to address humanitarian needs in response to the situations in Israel and Ukraine, including the provision of emergency food and shelter." An additional \$1.58 billion will support "Europe,

Eurasia and Central Europe" as an "emergency requirement," and \$3.5 billion will meet the humanitarian needs of "refugees in response to the situations in Israel and Ukraine." Finally, the bill provides \$250 million to the World Bank Group.

\$2 billion in security assistance to Ukraine. This includes \$1.6 billion in foreign military financing; \$300 million to "help Ukraine protect its borders and promote the rule of law"; and \$100 million for demining, counterterrorism, and nonproliferation programs.

ANALYSIS

As for billions "which may include budget support," it is no secret that the Ukrainian government will use these funds to cover its domestic budget deficit and pay government salaries and benefits. In the past, U.S. taxpayer funds have subsidized Ukrainian farmers and small businesses. Given that Ukraine is a candidate to join the European Union and EU

member states are overall significantly behind the United States in providing military support to Ukraine, all nonmilitary assistance, including humanitarian assistance, to Ukraine should largely be paid for by European taxpayers. France, the second biggest economy in the EU, has provided just €0.5 billion in military assistance to Ukraine.

Additionally, the bill refers to assistance "to vulnerable populations and communities" without specifying which refugees will be helped and where they will be helped. Providing billions to Europe for "emergency requirements" gives U.S. bureaucrats an opportunity to spend without public oversight. U.S. taxpayers should not subsidize wealthy European governments.

Finally, the \$250 million check to the World Bank Group represents a work-around that circumvents the normal appropriations process and encourages climate mission creep. Given Communist China's oversized influence within the Group's funding decisions, this line item should be struck.