

Washington, D.C.

# COST OF U.S. SECURITY ASSISTANCE TO UKRAINE

**Amany Zaid Mahran** 

#### INTRODUCTION

The Russian attack on Ukraine earlier this year provoked various responses of different magnitudes worldwide. Since the beginning of the conflict in February, the United States has led the efforts to support Ukraine, providing humanitarian, economic, and military assistance on an unprecedented scale. This aid has been financed primarily through the Ukraine Supplemental Appropriations Act, 2022 (March), the Additional Ukraine Supplemental Appropriations Act, 2022 (May), and the Ukraine Supplemental Appropriations Act, 2023 (September). Passed by Congress over a period of six months, the bills allocated a total of \$66 billion in aid, \$39.2 billion of which is dedicated to direct and indirect security assistance to Ukraine.

The above-mentioned bills have appropriated security assistance funds in various streams, including arms transfers, intelligence and advisory services, troop deployments in Europe, munitions funds, and others. In particular, arms transfers to Ukraine have come through three different channels: an ordinary program, Foreign Military Financing (FMF), a special fund, Ukraine Security Assistance Initiative (USAI), and an exceptional authority, Presidential Drawdown Authority (PDA). For the purposes of this factsheet, only FMF, USAI, and PDA aid are considered direct security assistance to Ukraine.



Figure (1): How Aid Works

#### **HOW AID WORKS**

Much uncertainty surrounds the exact cost of the U.S. security assistance packages to Ukraine. This uncertainty has resulted in broad estimates ranging from \$15 billion to more than \$40 billion in aid. The main reason for this disparity is the confusion in accounting for the different legislative and federal stages that aid goes through before it is officially sent to the recipient country. Figure (1) explains these stages: the allocation of aid funds to the budgets of federal agencies through congressional appropriations, the commitment to specific aid packages by federal agencies through obligations, and finally, the payment of these aid packages through disbursements.

#### UNDERSTANDING THE COSTS

## 1. Arms Transfers: Direct Security Assistance Channels

<u>Arms transfers</u> – the primary form of direct security assistance to Ukraine since Feb. 2022 – have come through three main channels:

- Presidential Drawdown Authority (PDA) the authority of the U.S. President to directly and immediately transfer defense articles and services from the existing U.S. military inventory to foreign countries without congressional approval in response to an unforeseen emergency requiring military assistance, such as peacekeeping operations, narcotics control, and antiterrorism assistance.
- <u>Ukraine Security Assistance Initiative (USAI)</u> a special fund designed to support the Ukrainian military and develop Ukraine's ability to defend itself and enhance interoperability with NATO. Unlike PDA, USAI is an authority under which the U.S. procures new weapons from the defense industry instead of drawing from existing stocks. The fund can also provide weapon replacement, intelligence and logistics support, training, supplies, salaries, advisory efforts, and others.
- **Foreign Military Financing (FMF)** a funding program that issues grants or direct loans to eligible partner nations, determined by the Secretary of State, to purchase specific U.S. defense articles, services, and training through gov-to-gov agreements under the <u>Foreign Military Sales</u> program.

## 2. Other Indirect Security Assistance Streams

In addition to arms transfers, the U.S. has allocated funds for other forms of indirect security assistance in response to the Russian attack on Ukraine, as outlined below.

## United States European Command (<u>EUCOM</u>) operations in light of the Ukraine conflict

- One of the 11 unified combatant commands of the U.S. military, headquartered in Germany.
- <u>Funds</u> were allocated to deploy U.S. troops in the region and provide intelligence support.

#### Foreign military training <u>programs</u> by DOD, such as:

- Building Partner Capacity (BPC) programs.
- Defense Institution Building (DIB) programs.
- International Military Education and Training (<u>IMET</u>) programs.

#### • Defense Production Act funds

 Funds were allocated to mitigate industrial base constraints for faster missile production and expanded domestic capacity of strategic and critical minerals.

#### • Munitions and Exportability funds

 Funds were allocated to procure critical munitions to increase the stocks of the DOD and to develop program protection strategies for systems identified for possible future export.

#### CALCULATING THE COSTS

Calculating the total cost of U.S. security assistance to Ukraine depends on what exactly is in question. As explained above, appropriations represent the large funding umbrella – allocated by Congress – under which aid is gradually obligated to Ukraine in specific packages and is later disbursed. Accordingly, when measuring appropriations/obligations, it is crucial to note that these funds have not been disbursed or sent to Ukraine yet.

Note: FY2022 appropriations expired on Sept. 30, but the specific security-related funds relevant to this factsheet had different expiration dates; most importantly, PDA/USAI in Sept. 2023 and FMF in Sept. 2024.

Table 1 shows the total amount of funds allocated to Ukraine's security assistance since 2014 when Russia first invaded and annexed Crimea. Direct security assistance to Ukraine represents FMF, USAI, and PDA aid<sup>1</sup>.

<sup>1.</sup> Detailed data on FMF, USAI, and PDA allocations and obligations are included in the tables at the end of this factsheet.

Table 1: Total allocated security assistance to Ukraine since 2014

Total allocated security assistance from 2014 through 01/2022	\$2.7 billion
Total allocated security assistance since 02/2022 <sup>2</sup>	\$39.7 billion
Total allocated <i>direct</i> security assistance from 2014 through 01/2022	\$2.4 billion
Total allocated direct security assistance since 02/2022	\$28.35 billion



Figure (2): Breakdown of total allocated U.S. security assistance to Ukraine from Feb. to Oct. 2022

Since the start of the 2022 war, the U.S. has allocated **\$39.7 billion** in security assistance to Ukraine, of which **\$28.35** billion counts as direct security assistance. Figure (2) breaks this aid down into different allocation streams and disbursement channels.

Of these allocated funds, approximately **\$18.3** billion has been obligated in direct security assistance packages by the Department of Defense (DOD) and the Department of State (DOS). As for disbursements, no clear data has been released, although obligated PDA aid – totaling about \$10.7B – is expected to transfer immediately.

## **COMPARISONS**

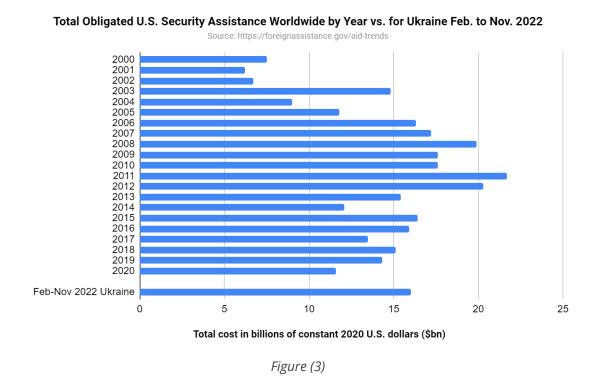
The security assistance packages that the U.S. has committed to Ukraine since the start of the conflict in February 2022 are unprecedented, not just in scale but also in the rate at which they are obligated and the mechanisms through which they are issued. The discussion and figures below outline these aspects.<sup>3</sup>

<sup>2.</sup> Calculates the total assistance allocated by the appropriation acts in March, May, and Sept. 2022, in addition to PDA used before that.

<sup>3.</sup> Figure (3), Figure (5), and Figure (6) use constant 2020 U.S. dollars. The inflation-adjusted values for all historical data were obtained directly from foreignassistance gov. However, the inflation-adjusted value for the total obligations to Ukraine in 2022 (\$18.3B) was calculated manually using the BLS CPI Inflation Calculator to be \$16B in constant 2020 U.S. dollars.

## 1. Understanding the scale:

Compared to the total spending by the U.S. on security assistance obligations worldwide, Ukraine's security assistance from Feb. to Nov. 2022 is quite substantial. As Figure (3) illustrates, it surpasses the total annual U.S. security assistance obligations in many years, including every year from 2016 to 2020.



## 2. Understanding the rate:

Figure (4) shows the rate at which cumulative obligated aid to Ukraine increased over time, noting the dates when new appropriation bills were passed by Congress. As illustrated, around \$18.3 billion has been obligated to Ukraine over a period of roughly 9 months. This enormous rate represents the largest security assistance the U.S. has ever given to a foreign country in a single year, surpassing Vietnam in 1973, Israel in 1979, and Afghanistan in 2011, as shown in Figure (5). Moreover, the security assistance that Ukraine has received from the U.S. this year shows a gigantic jump from the pre-Biden levels, which had never topped \$350 million in a single year before, as Figure (6) depicts.

## 

Figure (4)

Timeline since the start of the conflict

#### The Largest Obligated U.S. Security Assistance to a Single Country in One Year Since 1949

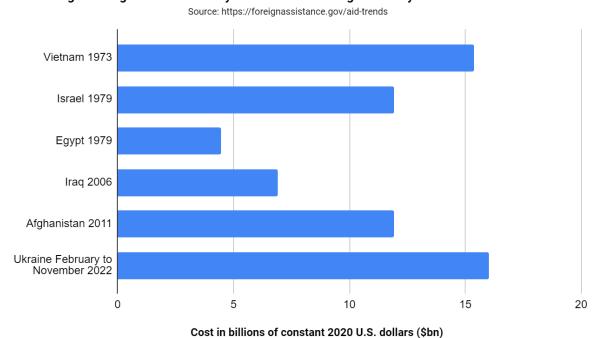
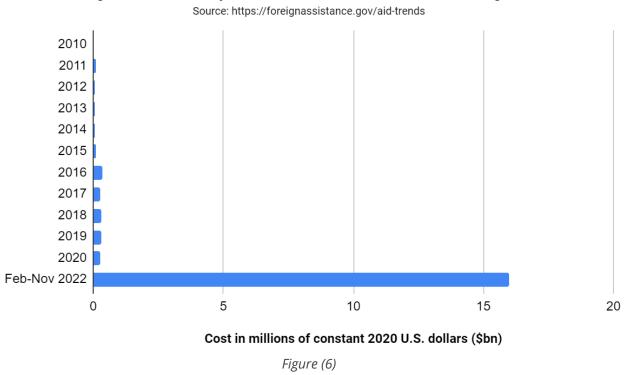


Figure (5)



Obligated U.S. Security Assistance to Ukraine from 2010 through 2022

## 3. Understanding the mechanisms:

As Figure (7) illustrates, the majority of the U.S. security assistance obligations to Ukraine have come through the Presidential Drawdown Authority (PDA), which allows for the immediate transfer of arms to the recipient country. Between 2011 and 2015, PDA was used only thirteen times. However, since the start of the conflict in Feb. 2022 through Nov. 2022, twenty-two drawdowns have been authorized for Ukraine, valued at about \$10.7 billion. Another special mechanism that the U.S. has implemented is the Ukraine Democracy Defense Lend-Lease Act, which loosens some requirements and bureaucratic restrictions on the lease of military equipment to Ukraine and requires no congressional approval before leasing. A similar Lend-Lease program has been used before, during WWII, to facilitate the process of leasing military equipment to the U.S. allies.



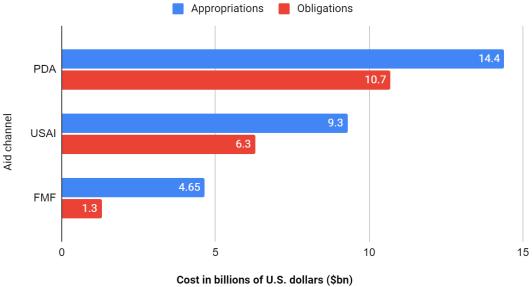


Figure (7)

#### **OVERSIGHT**

Since the beginning of the 2022 Russia-Ukraine conflict, the U.S. has been keen on providing security assistance "to help Ukraine preserve its territorial integrity" and "provide Ukraine the equipment it needs to defend itself." However, there are concerns surrounding the practicalities of this process. One concern is the unprecedented scale of the assistance programs, which raises questions about whether the U.S. can keep up and brings to attention other possibly underfunded issues. In addition to its scale, the ability to track the end destination and use of the transferred military equipment is another concern. In this regard, P.L. 117-128, which was passed in May 2022, requires the Secretaries of State and Defense to report on measures being taken to account for the end use of transferred weapons to Ukraine. Further, P.L. 117-180, passed in Sept. 2022, allocates \$2 million specifically for oversight tasks. It remains to be seen how effective these oversight efforts will prove to be.

## **QUESTIONS FOR POLICYMAKERS**

- How do you plan to strengthen your oversight and tracking efforts regarding security assistance to Ukraine, especially since the most utilized aid tool, PDA, does not require congressional approval?
- How do you picture the scope of the future US-Ukraine security relationship after the end of the war?
- How does the US response to the Russia-Ukraine war alter its future policy toward conflicts elsewhere?

#### **APPENDIX**

## **Breakdown of Relevant Appropriation Bills**

#### Ukraine Supplemental Appropriations Act 2022 (Omnibus Bill): \$13.6 billion

- Passed on 03/15/2022 and became P.L. 117-103
- Humanitarian (non-military) aid \$6.4 billion
- Military aid \$7.2 billion
  - \$3.5 billion: to replenish U.S. stocks of equipment sent to Ukraine by PDA
     It also increased the cap for PDA transfers from \$300 million to \$3 billion
  - \$650 million: FMF for Ukraine and countries affected by the situation in Ukraine, including NATO Eastern flank countries and other partners in the region
    - Of which, \$322 million is obligated for Ukraine
  - \$3.028 billion: U.S. European Command operations

#### Additional Ukraine Supplemental Appropriations Act 2022: \$40.1 billion

- Passed on 05/21/2022 and became P.L. 117-128
- Humanitarian (non-military) aid \$20 billion
- Military aid \$24.1 billion
  - \$9.05 billion: to replenish U.S. stocks of equipment sent to Ukraine by PDA
     It also increased the cap for PDA transfers to \$11 billion
  - \$6 billion: USAI funds for Ukraine
  - \$4 billion: FMF for Ukraine and countries affected by the situation in Ukraine, including NATO Eastern flank countries and other partners in the region
  - \$3.9 billion: U.S. European Command operations
  - \$600 million: Defense Production Act to mitigate industrial base constraints
  - \$550 million: Munitions and Exportability funds

## **Ukraine Supplemental Appropriations Act 2023: \$12.38 billion**

- Passed on 09/30/2022 and became P.L. 117-180 (to continue funding through Dec. 16)
- Economic (non-military) aid \$4.5 billion

- Military aid \$7.88 billion
  - \$1.5 billion: to replenish U.S. stocks of equipment sent to Ukraine by PDA
     It also authorizes the President to direct drawdowns of up to \$3.7 billion
  - \$3 billion: USAI funds for Ukraine
  - \$2.8 billion: U.S. European Command operations
  - \$540 million: to increase production of critical munitions replacements
  - \$35 million: NNSA to prepare for potential nuclear/radiological incidents in Ukraine
  - \$2 million: Inspector General oversight to monitor and report on the use of weapons

#### Breakdown of costs for the three fundamental aid channels

## 1. Presidential Drawdown Authority (PDA)

Date	Cost (million \$)	Source	Notes
2014	5	GAO Report 10/2016	
2014	20	GAO Report 10/2016	
2015	20	GAO Report 10/2016	
2015	1.5	GAO Report 10/2016	
08/27/2021	60	CRS Rep 08/2022	
12/28/2021	200	CRS Rep 08/2022	
02/25/2022	350	DOD	Next day after the invasion was launched
03/10/2022	3500	Ukraine Supplemental Appropriations Act 2022	Congressional Appropriation
03/12/2022	200	DOS	
03/16/2022	800	DOD	
04/05/2022	100	DOD	
04/13/2022	800	DOD	
04/21/2022	800	DOD	

05/06/2022	150	DOD	
05/19/2022	100	DOD	
05/21/2022	9050	Additional Ukraine Supplemental Appropriations Act 2022	Congressional Appropriation
06/01/2022	700	DOD	
06/15/2022	350	DOD	
06/23/2022	450	DOD	
07/01/2022	50	DOD	
07/08/2022	400	DOD	
07/22/2022	175	DOD	
08/01/2022	550	DOD	
08/08/2022	1000	DOD	
08/19/2022	775	DOD	
09/08/2022	675	DOD	
09/16/2022	600	DOD	
09/30/2022	1500	<u>Ukraine Supplemental</u> <u>Appropriations Act 2023</u>	Congressional Appropriation
10/04/2022	625	DOD	
10/14/2022	725	DOD	
10/28/2022	275	DOD	
<b>Total</b> PDA appropriations since 2014		\$14.71 billion	
<b>Total</b> PDA appropriations since 02/2022		\$14.4 billion	
<b>Total</b> PDA obligated since 02/2022		\$10.68 billion	

## 2. Ukraine Security Assistance Initiative (USAI)

Date	Cost	Source	Notes
Date	(million \$)	Source	Notes
2014 – 2015	52.6	DOS Rep 01/2022	Includes IMET assistance
2016	226.5	CRS Rep 08/2022	
2017	148.6	CRS Rep 08/2022	
2018	195.5	CRS Rep 08/2022	
2019	214.8	CRS Rep 08/2022	
2020	256.7	CRS Rep 08/2022	
2021	275	CRS Rep 08/2022	
04/01/2022	300	DOD	
05/21/2022	6000	Additional Ukraine Supplemental Appropriations Act 2022	Congressional Appropriation
06/15/2022	650	DOD	
07/01/2022	770	DOD	
07/22/2022	95	DOD	
08/24/2022	3000	DOD	
09/28/2022	1100	DOD	
09/30/2022	3000	<u>Ukraine Supplemental</u> <u>Appropriations Act 2023</u>	Congressional Appropriation
11/04/2022	400	DOD	
<b>Total</b> USAI appropriations since 2014		\$10.67 billion	
<b>Total</b> USAI appropriations since 02/2022		\$9.3 billion	
<b>Total</b> USAI obligated since 02/2022		\$6.3 billion	

## 3. Foreign Military Financing (FMF)

Date	Cost (million \$)	Source	Notes
2014 – 2015	97	DOS Rep 01/2022	
2016	85	CRS Rep 08/2022	
2017	99	CRS Rep 08/2022	
2018	95	CRS Rep 08/2022	
2019	115	CRS Rep 08/2022	
2020	115	CRS Rep 08/2022	
2021	115	CRS Rep 08/2022	
03/15/2022	650	Ukraine Supplemental Appropriations Act 2022	Congressional Appropriation; \$322 million is obligated for Ukraine
05/21/2022	4000	Additional Ukraine Supplemental Appropriations Act 2022	Congressional Appropriation
09/08/2022	2200	<u>DOS</u>	\$1 billion for Ukraine \$1.2 billion for Albania, Bosnia, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Greece, Kosovo, Latvia, Lithuania, Moldova, Montenegro, North Macedonia, Poland, Romania, Slovakia, Slovenia
<b>Total</b> FMF since appropriated since 2014		\$5.37 billion	1
<b>Total</b> FMF appropriated since 02/2022		\$4.65 billion	1
<b>Total</b> FMF obligated since 02/2022		\$2.2 billion	