

EXAMINING THE FISCAL YEAR 2024 STATE AND FOREIGN OPERATIONS BUDGET REQUEST FOR EUROPE

HEARING

BEFORE THE
SUBCOMMITTEE ON EUROPE
OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

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CONTENTS

	Page
WITNESSES	
Hogan, The Honorable Dereck J., Principal Deputy Assistant Secretary, Bureau of European and Eurasian Affairs, U.S. Department of State	7
Mckee, The Honorable Erin Elizabeth, Assistant Administrator, Bureau for Europe and Eurasia, United States Agency for International Development ..	12
Longi, Maria A., Coordinator, Office of the Coordinator of U.S. Assistance to Europe and Eurasia, U.S. Department of State	20
APPENDIX	
Hearing Notice	45
Hearing Minutes	47
Hearing Attendance	48
RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD	
Responses to questions submitted for the record	49

EXAMINING THE FISCAL YEAR 2024 STATE AND FOREIGN OPERATIONS BUDGET RE- QUEST FOR EUROPE

Tuesday, May 23, 2023

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:15 p.m., in room 210, House Visitor Center, Hon. Thomas Kean, Jr. (chairman of the subcommittee) presiding.

Mr. KEAN. The Subcommittee on Europe of the House Foreign Affairs Committee will continue and come to order.

The purpose of this hearing is to examine the President's State Department and foreign operations budget request for Europe and Eurasia for Fiscal Year 2024. I now recognize myself for an opening statement.

Our investments in Europe and Eurasia pay massive dividends for American prosperity and our national interest. Collectively, the European Union is one of America's closest trade partners. In 2019 alone our trade with EU totaled an estimated \$1.1 trillion.

Europe is also home to almost all of our NATO military allies, who we are treaty bound to defend and who are also treaty bound to defend us.

Diplomatically and politically the United States counts European countries among some of our closest friends, and others in Europe and Eurasia are clamoring for closer ties with America. National security and the economic prosperity of the United States is inextricably linked to the security and prosperity of Europe and Eurasia.

But our relationship with the region goes deeper than that. The ties that bind us together are our shared values, freedom, democracy, the rule of law, the right to self-determination.

Over the decades together we have joined forces in support of those values to defeat fascism, stare down the threat of communism, and to promote democratic ideals around the world.

It is all the more important now that we continue to hold true to our shared values as Russia and China seek to expand their influence in Europe and Eurasia to the detriment of American national security interests.

Of course, American taxpayers cannot carry the weight of that burden. I hope our witnesses today can speak to how our European allies are also stepping up with the investments in their own security to combat Russian aggression and malign Chinese influence.

Russia's full-scale invasion of Ukraine was a watershed moment in changing our shared views of the threat from authoritarian actors around the world. We also must ensure that we jointly act on that threat as well.

Toward that end, it is very encouraging that Europe is now providing Ukraine with more economic and humanitarian assistance than in the United States. Congress has the power of the purse and the duty to provide oversight of the executive branch.

With that in mind, it is incumbent on all of us to take a close look at the President's Fiscal Year 2024 budget request for Europe and Eurasia.

As we know, this request is not the official budget of the United States—we here in Congress will write that later—but a reflection of the priorities of this President and this Administration.

Unfortunately, the President's budget request for Ukraine in particular leaves us with many questions. The level of funding requested by the Administration is comparable to prewar levels and is, to be blunt, inadequate to meet the needs of Ukraine.

This suggests that the Administration will instead continue to rely on supplemental appropriations to provide funding for Ukraine. However, no one from the Administration has approached Congress about a future supplemental.

In fact, recent news reports suggest the Administration will not request any supplemental funding from Congress before the end of the fiscal year.

I urge the Administration to engage with Congress robustly and as soon as possible on a strategy for after the coming counter-offensive its assessment of Ukraine's needs and its diplomatic engagement with our allies to ensure that everyone is paying their fair share.

I hope our witnesses today will be able to preview some of these discussions. Let me be clear. Saying the Administration is prepared to support Ukraine for as long as it takes without laying the groundwork with Congress on how to fund this commitment is, unfortunately, not a strategy but an empty and thus irresponsible promise.

I want to once again thank our witnesses for being with us today, and now I'll turn to Ranking Member Keating for his opening remarks.

Mr. KEATING. Thank you, Mr. Chairman, and I want to thank you for having this hearing. I want to thank the witnesses for joining us on this important hearing to conduct oversight on the State Department and USAID's budget priorities for the Fiscal Year 1924.

The State Department and the U.S. Agency for International Development play critical roles in global peace and stability. As General Mattis said, "If you do not fund the State Department fully then I need to buy more ammunition, ultimately."

I agree with General Mattis and strongly believe that the State Department and USAID play important roles in preventing conflicts, encouraging stability, and developing coalitions based on shared values to counter the common threats and global changes we face today.

These words are more important than ever as the Biden Administration leverages our global alliances and partnerships to counter Chinese malign influence and to support Ukraine in their fight for democracy, freedom, and, ultimately, for their future.

Before I speak briefly on the topics that I believe are and should remain top priorities for the State Department and USAID in 2024 I want to thank our witnesses for their tireless efforts to support the people of Ukraine in their fight for freedom.

I know the State Department and USAID have overcome significant security and logistical hurdles to meet emerging needs in Ukraine and in the region while also ensuring American dollars are being spent for their intended purposes through comprehensive monitoring and oversight mechanisms.

Beyond the work America is doing to support Ukraine in a hot war, I believe the U.S. economy and humanitarian assistance is essential to ensure Ukraine can maintain essential government institutions and public services for its citizens.

Ukraine must secure a stable and prosperous future for all its citizens and the U.S. nonmilitary assistance will ensure Ukrainians have a country to return to, a country to come home to, a country to rebuild after this war is over. Providing anything less will make many of our efforts be in vain.

I also want to acknowledge the efforts of the State Department and USAID that they've made to ensure justice and accountability for war crimes being committed against those living in Ukraine.

As many of you know, I've prioritized these issues with my work here in Congress and I'm thrilled that just last week House Res. 81, a resolution—a bipartisan resolution I introduced in support of establishing a special tribunal on the crime of aggression passed favorably out of this committee. I hope we can move forward with a vote on the floor on that soon.

Next, I want to highlight the importance of the work the State Department and USAID in promoting democracy, promoting human rights, promoting good governance in Europe and in Asia.

I'm pleased that the USAID announced in December new initiatives to support democratic resiliency in Central Europe. I believe these efforts, particularly in Hungary, are central to respond to democratic backsliding that has emerged across the region.

Further, as I mentioned last week, I continue to be concerned with the developments in Georgia, particularly their attempt to pass a Russian style foreign agent registration law.

Finally, as we wait to see the results of Turkey's Presidential election runoff I'm worried that the continued role by the Justice and Development Party will result in additional efforts by President Erdogan to centralize power and subvert the rule of law in Turkey as I believe, you know, it's more important than ever right now to develop an interagency strategy to coordinate our efforts in the Black Sea region and I look forward to reviewing the State Department's strategy as well in that area in the coming months.

Finally, I'd like to highlight a few remaining issues that I'm particularly interested. First, I want to express my continued support for the Trade and Technology Council as a platform to further develop democratic and market-oriented values.

Next, I continue to encourage the State Department and USAID efforts to maintain peace and stability in Northern Ireland and I want to thank your agencies for your work in relation to the Windsor Framework.

Last, I'm pleased that through the work of the Belarus Caucus we're able to increase funding to support civil society in Belarus and I hope to hear details soon about the appointment of a special envoy and the establishment of a strategic dialog to liaise with democratic movements in Belarus.

Finally, with my remaining time I'd like to acknowledge that for the two relatively small bureaus within the State Department and USAID we have asked you to take on an extremely long list of strategically important tasks.

At the same time I want to point out that my Republican colleagues have voted to cut across the board the State Department and USAID's budget by 22 percent. I hope we can address these budget proposal issues during this hearing and I believe such cuts will have a devastating impact on our foreign and diplomatic efforts and produce results that run counter to our national security priorities.

With that, again, I want to thank you, Mr. Chairman, and I yield back.

Mr. KEAN. Thank you, Ranking Member Keating.

I would like to welcome the gentleman from Illinois, Mr. Schneider, who is joining us today. He will participate following all other members in today's hearing. Other members of the subcommittee are reminded that opening statements may be submitted for the record.

We are pleased to have a distinguished panel of witnesses before us today on this important topic.

Ambassador Dereck Hogan is the Acting Assistant Secretary for the Bureau of European and Eurasian Affairs at the Department of State. He is joined by Ms. Maria Longi, the coordinator of U.S. assistance to Europe and Eurasia at the State Department.

And, finally, we have before us Ambassador Erin McKee, who is the assistant administrator of the Bureau for Europe and Eurasia at the U.S. Agency for International Development.

Thank you all for being here today. Your full statements will be made part of the record and I will ask each of you to keep your verbal remarks to 5 minutes in order to allow time for member questions.

I now recognize Ambassador Hogan for his opening statement. Mr. Ambassador?

STATEMENT OF DERECK J. HOGAN, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. HOGAN. Thank you.

Chairman Kean, Ranking Member Keating, and members of the subcommittee, thank you today for the opportunity to testify on the President's Fiscal Year 2024 budget requests for Europe and Eurasia.

This subcommittee knows the stakes. The U.S. support is a lifeline for Ukraine under Russian assault and other front line States

vulnerable to Russian aggression and malign influence from authoritarian actors like the PRC. With the support of Congress the United States is rising to meet the test of this moment.

The President's Fiscal Year 2024 request seeks to advance this vital effort with \$1.49 billion for foreign assistance for Europe and Eurasia, \$581.2 million for diplomatic engagement, and \$99.9 million for public diplomacy.

This comes in addition to the \$58.7 billion in extraordinary security, economic, and humanitarian support we have marshaled for Ukraine, thanks to bipartisan congressional support, since February 2022.

Today, I want to talk about how our assistance supports five key areas that advance a whole free democratic Europe even as Russia wages full-scale war on one of its neighbors.

First and foremost, our assistance is supporting Ukraine to continue its successful defense and win the future. Our Fiscal Year 2024 request with clear oversight and accountability will support democratic, justice sector, and rule of law reform and accelerate Ukraine's Euro-Atlantic aspirations.

Ultimately, these efforts aim to give Ukraine the tools to help defend its territory, consolidate its democracy, and move further into the EU and global markets.

Second, our assistance request will fortify a Europe more resilient, more independent, and more anchored to Euro-Atlantic institutions.

Across the region our support will advance the modernization and sustainability of allies' and partners' military capabilities, buttress the region against economic coercion from the PRC, and reduce dependence on Russian energy.

Third, our request seeks to advance the Euro-Atlantic aspirations of our front line partners. In Moldova we are supporting a vulnerable country with a clear Euro-Atlantic trajectory to weather a strained budget while simultaneously addressing corruption, security concerns, an energy crisis, and cyber vulnerabilities.

In Georgia we are helping to improve democratic governance, elections, and political processes and the rule of law. In Armenia and Azerbaijan U.S. diplomacy and assistance are actively supporting direct engagement between the two governments as well as between the people of Azerbaijan and Armenia to achieve a sustainable and durable peace.

In the Western Balkans our assistance helps address serious challenges, for example, helping normalize relations between Kosovo and Serbia, strengthening the rule of law and independent media, fighting corruption, enhancing cybersecurity, and promoting energy diversity even today to support the democratic aspirations of the Belarusian and Russian people.

We continue our programs to sustain civil society advocacy and access to objective media despite increasing government repression.

Fourth, our assistance is catalyzing our allies and partners in the G-7, in the EU, and NATO and the United Nations and elsewhere to address these shared challenges together with us and I look forward to discussing many of these priorities together that we are working on with the—with our European partners and allies in our question and answer session.

Finally, our diplomatic program budget makes it possible to fund platforms and personnel across 80 posts and here at home in the service of U.S. leadership and U.S. foreign policy objectives in all of these efforts.

With your bipartisan support our Fiscal Year 2024 budget will enable the U.S. to rise to meet the test of this moment just as millions of Ukrainians have done.

Thank you for inviting me to testify today and I look forward to your questions.

[The prepared statement of Mr. Hogan follows:]

The FY 2024 Budget Request for the Bureau of European and Eurasian Affairs

TESTIMONY

**DERECK HOGAN, ACTING ASSISTANT SECRETARY
BUREAU OF EUROPEAN AND EURASIAN AFFAIRS**

**THE HOUSE FOREIGN AFFAIRS COMMITTEE:
SUBCOMMITTEE ON EUROPE
WASHINGTON, DC**

MAY 23, 2023

Chairman Kean, Ranking Member Keating, and Members of the Subcommittee: Thank you for the opportunity to testify— together with my USAID counterpart, Ambassador Erin McKee, and my State colleague, Coordinator Maria Longi – on the President’s Fiscal Year 2024 budget request for Europe and Eurasia. I would like to thank this Subcommittee for your partnership in our efforts to support Ukraine as it defends itself against Russia’s war of choice – and other frontline states vulnerable to Russian aggression and malign influence from authoritarian actors like the PRC.

This Subcommittee knows the stakes. As President Biden stated in front of the Royal Castle in Warsaw on February 21, “When Russia invaded, it wasn’t just Ukraine being tested. The whole world faced a test for the ages. Europe was being tested. America was being tested. NATO was being tested. All democracies were being tested.” With the support of Congress – and the American taxpayer – the United States is rising to meet that test. The President’s Fiscal Year 2024 request seeks to advance this vital effort with \$1.49 billion for EUR foreign assistance, \$581.2 million for diplomatic engagement and \$99.9 million for public diplomacy.

Today I want to talk about how our assistance supports five key areas that advance a whole, free, democratic, open Europe – even as Russia wages full-scale war on one of its neighbors.

First and foremost – our assistance is supporting Ukraine to continue its successful defense, and to win the future. Our Fiscal Year 2024 request – with clear oversight and accountability – will support that successful future through democratic, justice sector, and anti-corruption reform; help dismantle the oligarchic structures holding Ukraine back; and accelerate Ukraine’s path to advance its Euro-Atlantic aspirations.

U.S. support is advancing Ukraine's private sector, energy, and cybersecurity investments. It is giving a lifeline to critical government services — like health and law enforcement — and expanding demining programs. This will make it possible for many displaced Ukrainians to come home and return to work — in agriculture, raw materials, and digital services; further, it will enable the country to fight corruption, broaden its exports into European and global markets, and counter Russian and Chinese disinformation.

Ultimately, these efforts aim to give Ukraine the tools to help defend its sovereignty, consolidate its democracy, and move into the EU and global markets. As Secretary Blinken stated before the full HFAC committee on March 23, this Fiscal Year 2024 budget will “sustain our security, economic, energy, and humanitarian support for Ukraine to ensure that President Putin’s war remains a strategic failure.”

Second — our assistance request will fortify a continent more resilient, more independent, and more committed to Euro-Atlantic institutions. Across the region, our support will advance the modernization and sustainability of Allies and partners’ military capabilities; reduce dependence on Russian energy; fortify the region against economic coercion from the PRC; and mitigate trade and supply-chain disruptions.

Our support will advance independent, democratic institutions, civil society, and anticorruption efforts. We are enabling the next phase of integration with the West — in Ukraine, in Moldova, in Georgia, in the Western Balkans and in the South Caucasus.

Third — our request seeks to advance the Euro-Atlantic aspirations of our frontline partners and support civil society championing democratic transitions. In Moldova, we are supporting a vulnerable country’s efforts to weather a strained budget and address corruption, security concerns, an energy crisis, and cyber vulnerabilities. We are also bolstering Moldova’s Western trajectory by advancing anticorruption reforms, increasing access to Western markets, and deepening integration with the EU. In Georgia, we are supporting the Georgian people’s efforts to move toward Euro-Atlantic integration by improving democratic governance, elections and political processes, and the rule of law.

We are actively supporting talks between Armenia and Azerbaijan as they work to achieve a sustainable and durable peace. An agreement would bolster democracy and regional economic integration and push back against Russia’s influence. Russia has used the conflict to maintain its leverage in the region at a significant human cost.

In the Western Balkans, our assistance remains focused on addressing the serious challenges facing the region, including advancing the reforms our regional partners need to make to join the EU; bolster democratic institutions; normalize relations between Kosovo and Serbia; strengthen rule of law and independent media; fight corruption and

organized crime; enhance cybersecurity; and promote diversity of energy sources across the region.

In Central Europe, we are advancing transparency, independent media, rule of law, and respect for the human rights of minority communities. And on the democratic aspirations of the Belarusian and Russian people, we continue our programs to sustain civil society advocacy and access to objective media, despite increasing government repression.

Fourth, our assistance is catalyzing our allies and partners – in the G7, in the EU, in NATO, in the United Nations and elsewhere – to address our shared challenges. And the best example of this is Ukraine. The economic support and humanitarian assistance that our Allies and Partners have delivered to Ukraine even exceeds the magnitude of the U.S. economic and humanitarian contributions. Our joint efforts have enabled the approval of a \$15.6 billion IMF loan to stabilize its economy and support a robust reform agenda.

Finally, our EUR diplomatic program budget makes it possible to fund platforms and personnel across 80 posts and here at home in the service of U.S. leadership and U.S. foreign policy objectives in all of these efforts.

With your bipartisan support, our Fiscal Year 2024 budget will enable the United States to rise to the test of this moment. Thank you for inviting me to testify today. I look forward to your questions.

Mr. KEAN. Thank you, Ambassador Hogan.

I now recognize Ambassador McKee for her opening statement.

STATEMENT OF ERIN ELIZABETH MCKEE, ASSISTANT ADMINISTRATOR, BUREAU FOR EUROPE AND EURASIA, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. MCKEE. Thank you, Chairman Kean, Ranking Member Keating, distinguished members of the Subcommittee on Europe. I really appreciate the opportunity to testify about the President's Fiscal Year 1920—excuse me, 2024 budget request and its importance for USAID's foreign assistance programming across Europe and Eurasia.

As you all know, we're over a year into the Kremlin's unprovoked war against Ukraine, a war that has displaced approximately 13 million people including more than 8 million who have been forced to flee the country.

However, thanks to bipartisan support from Congress over the past year we have been able to provide lifesaving and critical services to the citizens and to the government of Ukraine from assisting heroic workers to keep the heat and lights on while Putin attempted and failed to weaponize winter, to providing mobile heat distribution systems, generators for heating hospitals, businesses, mobile boiler houses, temporary heating shelters for thousands of people who lost their homes and access to heat and light. Your support lets us continue to assist these people of Ukraine.

The President's request reflects an increase in assistance for Europe, Eurasia, and Central Asia, or AEECA, and global health programming from \$301 million in 2021 to \$522 million in 2024 for USAID.

Funds will be used to address critical mid-and longer-term priorities such as bolstering anti-corruption, strengthening an independent media to actively combat disinformation that seeks to undermine Ukraine and the West, and catalyzing private investment and job creation.

Russia's war against Ukraine has compounded regional challenges elsewhere. Pro-democracy activists have been forced into exile in Belarus.

In response, USAID has supported an independent Belarusian media outlet that continues to operate in exile with a reach of between 2 to 5 million unique visitors a month, half of whom are within Belarus.

Moldova continues to feel the economic and energy consequences of Russia's strikes on Ukraine's energy infrastructure as the energy supply continues to be a geopolitical weapon.

Congress has enabled USAID to provide \$412 million in supplemental assistance to Moldova including \$300 million additional targeted support to the energy sector, which is vital for stabilizing the sector and increasing energy interconnectivity with European markets.

Looking ahead to 2024, the request of \$55 million for Moldova will advance democratic and anti-corruption initiatives, and expand partnerships including with the private sector.

The Kremlin's malign influence also exploits local fissures in the Western Balkans, aiming to disrupt peace and stability. The Presi-

dent's request of \$108 million provides crucial funding to counter this malign influence and bolster the regional economy.

In Kosovo and Serbia USAID remains focused on supporting the entire U.S. Government efforts to further the EU-led normalization dialog.

Bosnia and Herzegovina continues to be manipulated by Russia's control of the energy supply. The request of \$31 million for USAID and State will assist stakeholders to reform, restructure, and diversify the country's natural gas market.

Energy reform and security will strengthen democratic freedom by demonstrating that democracy can deliver, which is more important than ever as the leader of the country's Republika Srpska entity, Milorad Dodik, increases his dangerous political rhetoric.

In North Macedonia and Albania resources will support enduring efforts toward Euro-Atlantic integration by partnering with citizens, civil society, media, and the private sector to fight against corruption and demand government transparency, and in the South Caucasus USAID's work in Georgia remains critical to safeguard the country's democracy and prospects for Euro-Atlantic integration.

And in Armenia and Azerbaijan the situation in the region of Nagorno-Karabakh continues to be of great concern as the blockage of the Lachin corridor has resulted in civilians of Nagorno-Karabakh to lose or have reduced access to essential services, medical treatment, and basic commodities.

Thanks to Congress' focus and attention on Central Europe we have stronger relationships with civil society in Hungary and Poland. Fiscal year 2024 resources will allow us to build the skills of local organizations, independent media, and civic actors to promote democracy and protect those fundamental freedoms.

The challenges we face in Europe and Eurasia are expansive and complex but the resources provided by Congress to date and as requested in the President's budget request for Fiscal Year 2024 allow for USAID to make a critical impact to strengthen the foundations of freedom in Europe and Eurasia on behalf of the American people.

Thank you for the opportunity to testify today. I look forward to answering your questions.

[The prepared statement of Ms. McKee follows:]

**Testimony of USAID Assistant Administrator Erin E. McKee
House Foreign Affairs Committee Subcommittee on Europe
FY 2024 President's Budget Request for Europe
May 23, 2023**

Chairman Kean, Ranking Member Keating, distinguished members of the Subcommittee on Europe, thank you for the opportunity to testify about the President's Fiscal Year (FY) 2024 Budget Request, and its importance for USAID's foreign assistance programming across Europe and Eurasia. As you all know, we are over a year into the Kremlin's unprovoked war against Ukraine; a war that has displaced approximately 13 million people – including more than 8 million who have been forced to flee the country. Ukraine is defending itself against Russian aggression and we are supporting this defense, as well as reconstruction and humanitarian efforts. While we do not know what 2024 holds, we know that significant challenges will persist across the region as a result of the Kremlin's unjustified brutality. However, thanks to bipartisan support and supplemental appropriations from Congress over the past year, we have been able to provide life-saving and other critical support to the citizens and Government of Ukraine.

For example, USAID has assisted the heroic workers in the energy sector to keep the heat and the lights on while Putin attempted – and failed – to weaponize the winter. Specifically, our programs provided critical equipment such as mobile heat distribution systems, generators for heating hospitals and businesses, mobile boiler houses, and more than 360 temporary heating shelters with the capacity to accommodate over 10,000 people who lost heat, along with repairs to critical infrastructure. The President's Request reflects an increase in Assistance for Europe, Eurasia, and Central Asia (AEECA) and Global Health Programming, from \$301 million in FY 2021 to \$522 million in FY 2024. This increase reflects normalizing our assistance at levels that more accurately consider the needs in relation to the current realities on the ground. Funds will be used to address critical mid- and longer-term priorities that build on the momentum from the supplemental appropriations, such as bolstering anti-corruption and governance efforts; working to increase the quality, public access, and demand for independent media to actively combat misinformation and disinformation that seeks to undermine Ukraine and other democracies; and, enhancing economic assistance by catalyzing private investment

and supporting job creation to ensure functioning local economies. This is particularly important in liberated areas to enable the return of displaced persons to their hometowns as it becomes safe to do so. This request represents a renewed and normalized level of funding, which will be necessary to advance the reforms needed for a dynamic, stable Ukraine and ensure its continued progress towards EU membership.

Meanwhile, the impact of Russia's war against Ukraine has compounded regional challenges elsewhere across Europe and Eurasia. Pro-democracy activists have been forced into exile, not only from Ukraine, where the invasion threatened their lives, security, and ability to work, but from Belarus. For example, USAID supported one media outlet that continues to operate in exile and reaches over 2 million unique visitors per month, and in some months as many as 5 million, with at least half of the views coming from *within* Belarus (in a country of only about 9 million people).

In Moldova, the economic and energy consequences of Putin's war have been pronounced, particularly Russia's strikes on Ukraine's energy infrastructure and its continued use of energy supply as a geopolitical weapon. Congress has enabled USAID to provide \$412 million in supplemental assistance to Moldova, including \$300 million for additional targeted support to the energy sector, which is vital for stabilizing the energy sector and increasing energy interconnectivity with European markets.

Looking ahead to FY 2024, the request of \$55 million for Moldova will help advance democratic initiatives, as the war next door has solidified the Government of Moldova's resolve toward democracy. As part of USAID's new Democracy Delivers Initiative, a strategy intended to bolster countries experiencing windows of democratic opportunity, USAID is surging support and expanding partnerships, including with the private sector, to help Moldova's democratic institutions deliver tangible results for citizens. We are also prioritizing funding for democracy and anti-corruption programs in Moldova. For example, USAID will work with domestic election observation and watchdog organizations to support civil society and community efforts to

monitor and observe long- and short-term political events, such as elections, and Parliamentary and ministerial activities.

The Kremlin's malign influence goes beyond Ukraine, Belarus, and Moldova. It seeks to exploit local fissures in the Western Balkans, aiming to disrupt peace and stability by sowing or exacerbating discord among ethnic groups, continuing efforts to undermine democracy and political processes, and promoting disinformation. The President's request of \$108 million across the Western Balkans provides crucial funding to address the Kremlin's malign influence, bolster inclusion in both the democratic and economic spheres, and build resilience of and regional economic cooperation among these countries. In Kosovo and Serbia, USAID is intensely focused on supporting U.S. government efforts to further the EU-led Dialogue to normalize Kosovo-Serbia relations.

The Kremlin's malign influence also exploits local fissures in Bosnia and Herzegovina, which is compounded by Russia's control of – and thereby ability to leverage or manipulate – the energy supply. The President's Request of \$31 million for USAID and State is essential to our mitigating Russia's influence in Bosnia, which includes assisting stakeholders to reform and restructure the internal natural gas sector in accordance with treaty obligations for the Energy Community of South East Europe and best international practices, and to create the preconditions to join the regional natural gas market, as well as to promote renewable energy sources. In addition, strengthening rule of law and the foundations for democratic freedom in Bosnia and Herzegovina is now more important than ever as the leader of the country's Republika Srpska entity, Milorad Dodik, increases his dangerous confrontational rhetoric, promotes discrimination against and attacks on journalists and civil society, and threatens secession.

In North Macedonia and Albania, resources will also support enduring commitments to advance efforts toward Euro-Atlantic integration. In North Macedonia, which is seeking to advance EU accession negotiations, resources will support our upcoming anti-corruption work. USAID assistance will increase citizen, civil society, media, and private sector awareness in the fight

against corruption. These efforts also create demand-driven pressure to improve government responsiveness and effectiveness.

The South Caucasus has become an increasingly turbulent and challenging subregion, as we navigate democratic backsliding, and both active and frozen conflicts. USAID's work in Georgia remains critically important to help Georgians safeguard their democracy and the country's prospects for Euro-Atlantic integration, especially in light of recent events, including the ill-advised 'foreign agents' bill, and the influx of over one hundred thousand Russian Federation citizens into Georgia. As a country invaded by Russia back in 2008, Georgia is also contending with the impact of Russia's war against Ukraine, and Russia's ongoing occupation of roughly 20 percent of its territory. USAID's democracy, human rights, and governance work in the country is designed to help Georgians stem democratic backsliding and assist partners who are actively working to counter disinformation, support citizen's human rights and fundamental freedoms, and ensure that the government remains accountable to citizens.

In Armenia and Azerbaijan, the situation remains tense following the 2020 intensive fighting, with ongoing sporadic episodes of fighting around the region of Nagorno-Karabakh, ongoing blockage of the Lachin Corridor, and incursions by Azerbaijan into the Republic of Armenia. The situation inside Nagorno-Karabakh continues to be of great concern to the USG, USAID, and the international humanitarian community. The blockage of the Lachin Corridor is putting undue stress on the civilian population of Nagorno-Karabakh – reducing access to essential services, medical treatment, and basic commodities.

USAID also sees Armenia as a real democratic bright spot, despite the growing challenges we see facing the region. Since its 'Velvet Revolution' in 2018, the Government of Armenia has embarked on key reforms in several areas, in part with USAID's support. We continue to see important new opportunities to do more there across a range of areas, from e-governance to economic growth to cleaner energy, that will help Armenia's democratic institutions become stronger and to deliver for Armenia's citizens.

FY 2024 resources will enable us to continue providing ongoing assistance to advance the prospects for peace and to foster good governance and prosperity across the South Caucasus. For example, our South Caucasus Regional Program will harmonize water resources management among Georgia and Armenia and Azerbaijan, promote rural livelihoods, and strengthen energy collaboration between Georgia and Armenia, and Georgia and Azerbaijan.

Thanks to Congress' focus and attention on Central Europe, we have increased our engagement with civic actors in Hungary and Poland. We have strengthened the support networks available to civil society across Central Europe, and have offered a comprehensive package of grants to local civil society organizations, watchdogs, and independent media. FY 2024 resources will allow us to build the skills of local organizations, independent media, and civic actors, thereby empowering them to promote democratic principles and human rights and fundamental freedoms; strengthen the competitiveness and sustainability of independent media sectors; and enhance the oversight capacity of civil society to increase adherence to the rule of law and combat corruption.

The request also includes funding for regional media and civil society programs that counter disinformation and propaganda, providing access to unbiased, fact-based information across Europe and Eurasia regarding Russia's war against Ukraine, and local news alike. For example, our Strengthening Transparency and Accountability through Investigative Reporting (STAIR) program supports investigative journalism in promoting greater accountability and transparency, improves the sector's sustainability, and advances partnerships for journalists' safety. STAIR builds on the impressive impact achieved in recent years through USAID's support of Organized Crime and Corruption Reporting Project. The request also includes funding for our flagship regional civil society programs, including the Black Sea Trust and the Prague Civil Society Center. These programs provide flexible financial and technical assistance to a wide range of local civil society and media organizations, and our work includes everything from

emergency grants for relocation and reestablishment of work in exile to anti-war messaging, humanitarian and psychosocial assistance, and other grass-root initiatives.

The challenges we face in the Europe and Eurasia region are expansive and complex, but the resources provided by Congress to date, and as requested in the President's Budget Request for FY 2024, allow for USAID to support key interventions across a range of sectors make a critically important impact to strengthen the foundations of freedom in Europe and Eurasia on behalf of the American people. Thank you for the opportunity to testify today, and I look forward to answering your questions.

Mr. KEAN. Thank you, Ambassador McKee.
I now recognize Ms. Longi for her opening statement.

**STATEMENT OF MARIA A. LONGI, COORDINATOR, OFFICE OF
THE COORDINATOR OF U.S. ASSISTANCE TO EUROPE AND
EURASIA, U.S. DEPARTMENT OF STATE**

Ms. LONGI. Thank you, Chairman Kean and Ranking Member Keating, for inviting me to testify before you today.

My colleagues, Ambassadors Hogan and McKee, have spoken about the President's Fiscal Year 1924 budget requests for Europe and Eurasia.

I would like to address the on-the-ground impact our assistance has had and how it advances U.S. national interests, particularly in the midst of Russia's full-scale invasion of Ukraine.

I'll start with the energy security issue. In Ukraine, as Ambassador McKee mentioned, our assistance has helped Ukraine maintain citizens' access to power and heat in the face of Russia's escalated attacks on the electricity grid last winter.

In partnership with other donors we have already begun planning for this coming winter with a more decentralized, efficient, and cleaner energy system compatible with the EU grid while also providing support for EU integration on electricity trade, gas sector support, and nuclear safety and security.

Elsewhere, when Moldova faced its own energy crisis this winter we channeled assistance to enable reverse flow gas transfers from the Trans-Balkan Pipeline, facilitate open market gas purchases, and link Moldova to the European electricity grid, and in a number of countries including Armenia we are assessing the feasibility of small modular nuclear reactors built with U.S. technology that could facilitate greater energy independence from both Russia and the PRC.

We have also directed our assistance to strengthen good governance across the region with programs that improve transparency and fight corruption. These programs help enable economic transformation in Euro-Atlantic integration.

In Ukraine our assistance has strengthened transparent and independent anti-corruption tax and budget auditing authorities and has improved corporate governance and State management, building the framework necessary to ensure a swift and ethical reconstruction at war's end.

We have also bolstered the digitization of procurement including in Ukraine's corruption prone construction sector and e-governance. These programs have made clear impacts on investor confidence.

Ambassador McKee and I were in Kyiv last month when the Horizon Capital Growth Fund announced the \$250 million investment round for the communities' private sector.

The U.S. Government helped create the managers of this fund and the DFC contributed \$25 million to the fund, and there were quite a number of private businesses there anxious to start investing more in Ukraine.

In Moldova our assistance has empowered marginalized communities, strengthened civil society oversight over public procurement, and expanded independent local news sources across the country.

In Kosovo our recent support has helped transform the country's commercial court, reducing backlogs and significantly improving participant satisfaction.

In Albania we have strengthened the anti-corruption structure as it went after powerful corrupt forces including crooked cops, members of parliament, and even a former deputy prime minister.

In Montenegro we supported investigative journalists whose work led to the arrest of the country's supreme court president, and in Serbia viewership of U.S.-supported independent media has grown by over 30 percent.

Our law enforcement and security assistance is also producing results in the region and beyond. We are facilitating partnerships between the Illinois State police and counterparts in Georgia to bolster respect for human rights in the law enforcement community and the United States has provided body-worn cameras to 50 police stations across North Macedonia, reducing corruption complaints by 34 percent.

An embedded U.S. prosecutor in Albania is advising on the vetting of judges and prosecutors, which so far has resulted in 60 percent of the judges and prosecutors screened leaving their positions.

Finally, let me end on the human dimension of Russia's war. U.S. assistance has been supporting the brave men, women, and children of Ukraine as they cope with Russia's onslaught.

It has provided hospitals—it has powered hospitals and facilities caring for thousands of wounded veterans and civilians and funded consultations for more than 40,000 internally displaced people.

We have supported independent verification of Russia's atrocities by the U.N. human rights monitoring mission and others across multiple domains, including satellite imagery, social media, and traditional reporting.

Ultimately, the immense tragedy of Russia's war of choice underscores the urgency of our assistance right now. This is just a brief snapshot of the power of American assistance.

With bipartisan congressional support our Fiscal Year 1924 budget request for foreign assistance, a 7 percent increase over the Fiscal Year 1923 request, will do more to advance an energy independent, democratically strong, economically resilient region on the path toward a Europe whole, free, and at peace.

As my colleagues have noted, our assistance underlies U.S. leadership in Europe and Eurasia and it has helped us catalyze the efforts of our allies and partners so that we can address challenges in the region together.

We're committed to using the resources Congress provides to continue this work to advance our goals and strengthen our partnership and to serve the American people.

Thank you, and I welcome your questions.

[The prepared statement of Ms. Longi follows:]

FY 2024 Budget Request for Europe and Eurasia

TESTIMONY

**MARIA LONGI, COORDINATOR OF U.S. ASSISTANCE TO EUROPE
AND EURASIA**

**HOUSE FOREIGN AFFAIRS COMMITTEE,
SUBCOMMITTEE ON EUROPE
WASHINGTON, DC**

MAY 23, 2023

Thank you, Chairman Kean and Ranking Member Keating, for inviting me to testify before you today. My colleagues, Ambassadors Hogan and McKee, have spoken about the President's FY24 budget request for Europe and Eurasia. I would like to address the on-the-ground impact our assistance has had, and how it advances U.S. national interests – particularly in the midst of Russia's brutal invasion of Ukraine.

Let me start with energy security. In Ukraine – as Ambassador McKee mentioned – our assistance has helped Ukraine maintain citizens' access to power and heat in the face of Russia's relentless attacks on its electricity grid. In partnership with other donors, we have already begun planning for this coming winter with a more decentralized, efficient, and cleaner energy system, while also providing support for Ukraine's EU integration on better aligning its electricity trade, gas sector support, and nuclear safety and security practices with those of the EU.

Moldova faced its own energy crisis this winter, and we channeled assistance to enable reverse-flow gas transfers from the TransBalkan

Pipeline, facilitate open-market gas purchases, and link Moldova to the European electricity grid. And in a number of countries, including Armenia, we are assessing the feasibility of Small Modular Nuclear Reactors – built with U.S. technology – that could facilitate greater energy independence from both Russia and the PRC.

We have also directed our assistance to strengthen good governance across the region, with programs that improve transparency and fight corruption, and foster or enable economic transformation and Euro-Atlantic integration. In Ukraine, our assistance has aimed to strengthen transparent and independent anti-corruption, tax, and budget auditing authorities, and has helped improve corporate governance and state management— all intended to build the framework necessary to ensure transparent and sustainable reconstruction. We have also bolstered the digitization of procurement – including in Ukraine’s corruption-prone construction sector— and e-governance. These programs have made a clear impact on investor confidence: I was in Kyiv last month when the Horizon Capital Growth Fund announced a \$250 million Fund IV investment round in the country’s private sector.

Our good governance assistance to Moldova has empowered marginalized communities; strengthened civil society oversight over public procurement; and expanded independent, local news sources across the country. In Kosovo, our recent support has helped transform the country’s Commercial Court, unsticking backlogs and significantly improving participant satisfaction. In Albania, we have strengthened the Special Anti-Corruption Structure (SPAK) as it went after powerful, corrupt forces— including crooked cops, members of Parliament, and even a former Deputy Prime Minister. In Montenegro, we have supported investigative journalists whose work led to the arrest of the

country's Supreme Court President. And in Serbia, viewership of U.S.-supported independent media has grown by over 30 percent.

On law enforcement and security, our assistance is producing results for the region and beyond. We are facilitating partnerships between the Illinois State Police and counterparts in Georgia to bolster respect for human rights in the law enforcement community, and the United States has provided body-worn cameras to 50 police stations across North Macedonia, reducing corruption complaints by 34 percent. An embedded U.S. prosecutor in Albania is advising on the vetting of judges and prosecutors, which so far has resulted in 60 percent of the judges and prosecutors screened leaving their positions.

Finally, let me turn to the human dimension of Russia's war. U.S. assistance has been supporting the brave men, women, and children of Ukraine as they cope with Russia's onslaught. It has powered hospitals and facilities caring for thousands of wounded veterans and civilians, and funded broad-based consultative care for more than 40,000 internally displaced people. We have supported independent verification of Russia's atrocities by the UN Human Rights Monitoring Mission and others across multiple domains, including satellite imagery, social media, and traditional reporting. Ultimately, the immense tragedy of Russia's war of choice underscores the urgency of our assistance right now.

This is just a brief snapshot of the power of American assistance. With bipartisan Congressional support, our FY24 budget request for foreign assistance – a 7% increase over our FY23 request – will do more to advance an energy-independent, democratically strong, economically resilient region on the path toward a “Europe whole, free and at peace.”

As my colleagues have noted, our assistance has helped catalyze support from our Allies and partners as we address challenges in the region together. We are committed to using the resources Congress provides to continue this work, to advance our goals, to strengthen our partnerships, and to serve the American people.

Thank you and I welcome your questions.

Mr. WILSON [presiding]. Thank you, Ms. Longi, and we now—I recognize myself for 5 minutes and we will be very strict on the 5-minute rule, and Chairman Keating will be back in a few minutes.

In the meantime, something the chairman said really struck home to me on how important Europe is. In the district I represent I've got the largest Michelin plant in the world. I'm very grateful in upState South Carolina we have the largest BMW facility in the world. And so it's really clear Europe means jobs.

As we're discussing issues it's really refreshing that substantially what you're doing is bipartisan. A classic case was yesterday, led by Congresswoman Ann Wagner. In Luxembourg we had a vote of the NATO Parliamentary Assembly. It was unanimous to support territorial integrity for Ukraine.

It was unanimous to oppose the ideology and practices of Ruscism, which the New York Times has defined as Russian fascism, and so with that in mind I am concerned, though, that the budget request for Ambassador Hogan there's been a reservation about providing long-range missiles—ATACMS—to Ukraine. The United Kingdom is providing Storm Shadow cruise missiles with a similar range.

Is the Administration reconsidering the faulty assumptioning about long-range missiles being inherently escalatory given the fact that the government of Ukraine has abided by the U.K.'s request not to use the system against targets in Russian territory and does the U.S. really accept President Zelenskyy's promises not to target Russia testimony—territory?

Mr. HOGAN. Thank you, Congressman Wilson, for that question.

I would say that the Administration is constantly assessing the needs of the Ukrainian armed forces. We have been doing that throughout, and our security assistance reflects the opportunities that we see for Ukraine to preserve its territorial integrity.

And so when it comes to specific weapon systems like the ATACMS that is always under consideration. But at this time what we have provided to the Ukrainians is what we think the Ukrainians need at this time.

Thank you.

Mr. WILSON. And I'm glad that's being considered. Indeed, it's bipartisan. Over the weekend it was tremendous that Intelligence Chairman Mike Turner had the opportunity at the NATO Parliamentary Assembly to announce the decision by the Administration of F-16s to the—to protect the delivery of grain—air cover for Ukraine to protect its citizens.

One of the main objectives, again, Ambassador Hogan, of the budget request is to improve European energy security as the continent diversifies away from Russian energy. In fact, the Administration was very successful in reaching an agreement between Israel and Lebanon to offshore drilling in the Mediterranean and then the side consequence the oil is refined in Egypt and then sent to Italy.

And so we need—you've been creative. We want you to be even more creative because I'm concerned about China's dominance of the renewable energy technology and its growing nuclear power industry, and we must ensure that we do not move from dependence on one authoritarian State to another.

And so, Ambassador, what is—what presence did China already have in the European energy market? In particular, has its nuclear power industry made any headway in the European market?

Mr. HOGAN. Sir, I would say that when it comes to energy security this has been one of the opportunities—the strategic opportunities that we have seen come as a result of Russia's heinous invasion of Ukraine.

Europe, in a sense, saw that dependence on Russian hydrocarbons is a bad bet and so we have been working hand in hand with our European partners and allies to diversify away from that.

And when it comes to U.S. LNG, for example, two-thirds of our LNG exports went to Europe and so we're on track to do something like that for this year as well.

When it comes to renewables we also see a real strategic opportunity here. Both Europe as well as the United States view of the importance of reliable, trustworthy supply chains and so, for example, the U.S.-EU Trade and Technology Council focuses almost exclusively on these sorts of issues—how do we increase the resilience of our respective U.S. supply chains.

Mr. WILSON. And thank you very much. But I am very concerned about dependency on Chinese batteries and we need to be not dependent. With that in mind, I'm really grateful to recognize the ranking member, Bill Keating, for any questions he may have.

Mr. KEATING. Thank you, Mr. Chairman. I mentioned in my opening remarks the—Leader McCarthy's proposed 22 percent budget cut to reduce State Department and USAID funding—the levels in your agency.

These are levels that we haven't seen since 2010, well over a decade ago, at a time when historically so much is at stake right now in terms of democracy, security here at home as a result and the role of China. You know, Russia has a hot war going on and we discuss that in so many other committees, including Armed Services, which we both share.

But, you know, at the same time, even preceding this war, China has been moving in its own campaign in Eurasia and Eastern Europe and using enormous economic influence and trying to move away from democracies and undercut them to authoritarian regimes.

With this in mind, with so much at stake, I mean, how devastating would these cuts be to our ability to counter China and their activities?

Mr. HOGAN. I can start off with that. I'm sure my colleagues would be able to chime in as well.

Congressman, Mr. Ranking Member, it would be devastating, that impact, to our—

Mr. KEATING. I'm sorry. Could you move the microphone a little closer? I'm sorry.

Mr. HOGAN. Sorry.

Mr. KEATING. Probably my hearing.

Mr. HOGAN. No, it's—excuse me, sir. It would be devastating that sort of cut to our budget. Right now we are in a situation where Russia as well as the PRC are trying to up end the rules-based international order and the PRC—China—is using economic coercion.

It's using massive disinformation as part of its toolkit. We have been diplomatically as well as programmatically countering that and so this budget represents our efforts to advance those goals.

Ms. LONGI. And I can add a little more.

The Fiscal Year 1924 budget request we feel is a number that would help—let us sustain the programmatic investments that we have made in the past. A 22 percent decrease would require us to make some very, very difficult choices on the programming including the investments we have made in Ukraine and in the region—

Mr. KEATING. Well, the region in particular. I would say this. If we're having cuts of the magnitude that I mentioned aren't we essentially putting the white flag up, you know, in our ability to counter China? And, you know, we cannot ignore that threat.

China is going to be important in the war itself because if we're not successful, certainly, it shows the aggression can work in this world and certainly they've indicated with Taiwan what their intentions are.

But aren't we ceding this area right now to China by not meeting our budgetary needs, which—I hate to talk numbers but this is, like, investing in the front line of democracy in our fight with China, you know, that they are bringing on not on the hot war but on the economic and diplomatic front, the coercive activities they've taken, the anti-democratic activities they have been involved in.

These have real impact. Wouldn't a cut of that size have enormous impact on our ability to even compete with China in that front?

Ms. LONGI. I would say that much of our programming directly is intended to help these countries with energy independence, with their economic stability, with getting good information and facts out there and, yes, our ability to counter Russia and the malign influence of PRC would be affected by this type of a cut.

Mr. KEATING. Yes, and I'm concerned. One day this war will be over and I'm convinced Ukraine will be successful. But what happens then and what happens right after that is so important. If we're not acting on these issues now, if you could in 1 minute, where will we be at the end of this war?

Mr. HOGAN. We would be in a very difficult situation. That's why we are pursuing these things simultaneously. That's why our budget request reflects what we are trying to do to counter Russian aggression as well as PRC malign influence.

Just one particular example, investment screening, for example. This is something that is critical to countries' abilities to be able to evaluate the potentially spurious investments from the PRC.

And so our assistance has been able to help these countries, these governments in Europe, be able to identify those bad deals for them so that they do not end up with a situation where critical infrastructure, for example, now belongs to the PRC.

Mr. KEATING. Yes, those predatory loans, their influence. If we're not there and we're not competing they've got that arena all to themselves. I yield back.

Mr. WILSON. Thank you very much, Mr. Keating. And we now recognize full committee Vice Chairwoman Ann Wagner.

Mrs. WAGNER. I thank the chairman and I'm grateful to our witnesses for their time and service.

Indeed, as mentioned, Congressman Wilson and I just returned yesterday for the spring meeting of the NATO Parliamentary Assembly and I was so proud and gratified to find that NATO's commitment to Ukrainian victory in the brutal Russian war is unshaken and we will continue as a U.S. delegation to push all NATO members toward their commitment of 2 percent of GDP toward defense and beyond that toward NATO.

Ukrainians are making unimaginable sacrifices to demonstrate to tyrants around the world that aggression against innocent and peaceful nations will never be tolerated.

The U.S. must give Ukraine the tools to succeed and now is not the time to waver. Russia and China hope to see the U.S.-led coalition against Putin fracture and we need to use every opportunity to signal to our adversaries that we remain united against aggressors.

Deputy Assistant Secretary Hogan, just a quick side question here. Has the Administration not—why has the Administration not yet appointed a new U.S. Special Envoy to Belarus, the post that's been vacant since June 2022? Just real briefly.

Mr. HOGAN. Very briefly. We are in the process of doing that, Congresswoman. We are waiting right now for the transition in the European Bureau, the bureau that I'm representing. That will be happening this summer. The person that we expect to put in that position will be coming in and then we'll move forward with that process.

Mrs. WAGNER. I mean, talking about Russian aggression, it is very important that we get that special envoy there as quickly as possible.

Mr. HOGAN. Fully agree.

Mrs. WAGNER. I hope that you keep the committee and Congress informed of that—

Mr. HOGAN. Yes, ma'am.

Mrs. WAGNER [continuing]. Decision when it's taken. Thank you.

Despite Russia's ongoing full-scale war in Ukraine the Kremlin has not ceased its efforts to spread, as I said, malign influence across Europe.

Again, Assistant Secretary Hogan, how has Russian influence in Europe and Eurasia evolved since the start of the full-scale invasion of Ukraine and have its tactics and priorities changed and how are U.S. activities adapting to reflect the situation on the ground, sir?

Mr. HOGAN. Thank you, Congresswoman.

The Russian narrative is basically that Ukraine is at fault, that the United States is at fault, that NATO is at fault for the war and then they go beyond that and they, of course, work hand in hand with the PRC.

The Russian and Chinese malign influence are very much complementary. They also make—they try to make the point that this war is having a disastrous effect on food security and that we are part and parcel of that.

So that is what they're trying to spin and I think the U.N. General Assembly resolutions make clear that it is Russia that is at fault, that Russia is the aggressor, that Ukraine is a victim.

So we are using multilateral institutions. Last week we had the Council of Europe Summit. That was the first multilateral institution that kicked Russia out for its aggression in Ukraine and we are doing the same thing when it comes to PRC malign influence as well.

Mrs. WAGNER. Well, you know, I'll say, sir, we need to really adapt and push back harder. I am also gravely concerned about Russia's destabilizing activities in the Western Balkans and particularly Bosnia where it is empowering dangerous and corrupt politicians like Milorad Dodik.

The U.S. must continue to prioritize engagement with Western Balkan countries, whether promoting the region's integration into NATO and the EU or punishing the bad actors who are trying to hold the region back.

Again, Assistant Secretary Hogan, how does your budget support enhanced engagement in the Balkans to insulate the region from adversary influence and get it back on track for membership in European and transatlantic institutions?

Mr. HOGAN. Thank you, again, Congresswoman. The budget is very much focused on moving these countries toward—the Western Balkans countries, including BiH, toward its Euro-Atlantic end State. These countries have all, except for the—except for Serbia have all made NATO as well as EU their endpoints, both of these institutions.

And so our assistance is moving these countries in that direction when it comes to corruption, being able to fight corruption, when it comes to standing up and strengthening democratic institutions such as watchdog agencies, independent media. So we have got a lot of tools in place to be able to—

Mrs. WAGNER. Thank you. I'd really like some more specifics on this because I did not follow that whole thought process there at all. I want specific, sir, If you could, in writing about how the budget supports enhanced engagements in the Balkans specific to Bosnia.

I thank the chair for their indulgence and I yield back. Thank you.

Mr. WILSON. Thank you very much, Vice Chairwoman Ann Wagner, and we're very grateful to have Congresswoman Dean.

Ms. DEAN. Thank you, Mr. Chairman and thank you, Ranking Member Keating. Thank you to our witnesses for your work and, of course, for your testimony today.

As we enter the second year of the conflict in Ukraine with looming counter offenses on the horizon how have Ukraine's nonsecurity assistance needs changed over the course of the last 14 months?

Is the pace of congressional support and appropriations keeping pace with those needs and where in Ukraine are humanitarian needs the very highest?

Ms. LONGI. Thank you for that. The needs have—some of the needs have, indeed, changed. You saw one primary example is on the energy front.

When Russia attacked the energy grid so aggressively last October we quickly pivoted and used some of the supplemental funding that Congress provided to help with emergency repair equipment and auto transformers and generators, and so we were able to use those resources to address those changed conditions.

I think over the course of the year the need for budget support has also been a lot more evident and has become more clear as the government has adjusted to the war.

As the government of Ukraine has adjusted and put its—watched its resources decline and watched the needs for their basic—for their basic—keeping their government functions going, stabilize, I think we were able to come in with assistance with—for budget support. So those were two areas—

Ms. DEAN. Ambassador McKee, from USAID's perspective?

Ms. MCKEE. Yes. I would say that the areas that we had to pivot the most rapidly and also expand were in the areas of the agricultural sector, which is critical not only for putting food on Ukrainian citizens' tables but to help feed the world.

And so we worked closely across the interagency to develop and our European partners to develop the solidarity lanes and provide an alternative to the Black Sea blockade. That effort is ongoing and the needs continue. The planting season and cycle needs to be sustained.

The other area that we both expanded and shifted in terms of our technical assistance was in the energy sector. As Putin weaponized winter we responded to help try and keep the water running, the heat on, and the lights on.

But with an eye toward what Ukraine is trying to achieve in the future we know that the energy architecture is sort of ground zero for kleptocracy. It's to build a decentralized deregulated modern and sustainable energy architecture for the future that can absolutely integrate and support the EU and the surrounding areas.

And so those would be two areas I would point out that we shifted both the nature of our programming and, obviously, the size and focus.

Ms. DEAN. As we're in the spring and summer months, Ambassador McKee, and moving—thinking of the fall and harvest again, is the reason to be optimistic that the support that Ukraine is getting for the agricultural sector is going to be effective for them to produce?

Ms. MCKEE. Absolutely. Until the Black Sea opens up, obviously, their ability to export in the volumes that they did preconflict remains a challenge.

But we have gotten smart with our partners and allies in terms of better inputs using ag tech, rendering the planting field safe for both planting and harvest since the Russians tend to mine everything in their wake.

They are weaponizing not only winter but also food, and so hand in glove trying to sustain the sector and those investments have essentially provided the relief that the farmers need, not to the order of pre-war magnitude but I do know that, for example, when we were in Bucharest just a couple of weeks ago the Romanians are counting through the solidarity lanes an uptick in throughput and

the investments that we made in the—reducing the bottlenecks of the overland and littoral routes.

And so we remain hopeful that it's a lifeline. It's certainly not the order of magnitude that will be necessary until the Black Sea opens up.

Ms. DEAN. OK. And, Ambassador Hogan, shifting lanes to Azerbaijan and Armenia, I met with the deputy foreign minister of Azerbaijan today and we know that the Secretary of State early this month said that there was progress toward peace, some notable—I'm paraphrasing—notable movement in the negotiations.

Can you give me an update on the negotiations for long-term peace? And I'm thinking of in particular the blockade—the controversy and the blockade and when we hope that will be fully opened.

Mr. HOGAN. Thank you, Congresswoman Dean.

The process is moving forward—the peace process. The Secretary hosted the two foreign ministers in early May to work out—work through some of the most contentious issues including, for example, the distancing of forces along the border and dispute resolution mechanism in the treaty that we are trying to facilitate agreement on, the rights insecurities of the ethnic Armenians in Nagorno-Karabakh.

These are a lot of the issues that we were working through. We put forward a number of proposals that gave the two sides, perhaps, some bridging language there. So they have been taking that back and studying it.

Since then we have been working very closely with the European Union. They hosted—Charles Michel hosted the leaders actually in Brussels just a couple of weeks after we hosted the foreign ministers and then they will be meeting again, the two leaders—Azerbaijani and Armenian leaders—with the presidents of Germany—sorry, the chancellor of Germany, the president of France, as well as EU President Charles Michel to again focus on what needs to be done to actually get this across the finish line.

We still have a long ways to go, and when it comes to Lachin corridor that's something that the Secretary—that's something we have been pushing very hard on, particularly when it comes to the opening up of commercial as well as private vehicles.

Ms. DEAN. And I realize I've gone way over. I thank you, Mr. Chairman. Thank you very much for your focus on that.

Mr. WILSON. Thank you, Ms. Dean.

We now proceed to Congressman Self of Texas.

Mr. SELF. Thank you, Mr. Chairman. I want to read one sentence from what you've provided to us. It's on page 16. I do not know the document. It's probably your request.

Failure to preserve a free and fair economic environment would not only limit economic growth and exclude economically disadvantaged groups but would also create more permissive environments for corruption and transnational crime, threatening U.S. national security as well as that of its allies and partners.

You have described the United States in our debt ceiling negotiations. I know you do not work for the Treasury Department but I couldn't have stated it better.

I agree with the ranking member who just said so much is at stake. We have a republic to save in this debt ceiling negotiation. We are \$32 trillion in debt. We're going to \$50 trillion.

Under this president we have inflation because \$10 trillion has been pumped into the economy. So this sentence I really appreciate you giving it to us, Ambassador Hogan, because I intend to use it.

Turning to your—in your testimoneys you tend to—and I just appreciated Congresswoman Dean's discussion because you—in your testimoneys you tend to treat nations as in—as isolated nations. They're not, in this part of the world.

With over a decade in Europe and the Middle East to include an embassy, NATO, European Command, Central Command, so forth. Azerbaijan, Armenia, and Georgia are probably the toughest neighborhood in this region. They sit between Russia, Iran, Turkey.

This is a tough neighborhood. We talk about many tough neighborhoods around the world. This is probably the toughest, and it's also complicated. Azerbaijan aligns itself with the West, Armenia with the East.

Yet, Azerbaijan has the Chinese Belt and Road projects in it. Armenia does not, and the railroad went through Georgia, bypassed Armenia. Armenia gets from the Freedom House a 55 out of 100 ranking and, again, they're aligned with the East. Azerbaijan gets a 10 out of 100 ranking from Freedom House.

So this is a complex situation. I hope you can move forward with not only Azerbaijan, Armenia, and Georgia but it is a complex situation.

And then I wanted to go to Kosovo and Serbia. What is your position on the territorial swap that's been suggested and, I think, dismissed a U.N. seat for Kosovo and Serbia recognition of Kosovo? What is the State Department's position in those former Republic of Yugoslavia nations?

Mr. HOGAN. Thank you, Congressman. The U.S. position is that we very much support the EU's normalization process between Kosovo and Serbia and so in that set of agreements both countries commit to taking certain action and as a result moving into the EU through the normal process.

And so when it comes to the territorial swap that's not contemplated in this agreement. What is contemplated is that, for example, Kosovo would have to create an association of Serbian municipalities for northern Kosovo and which sort of provides local governance mechanisms for that community. Serbia would have to agree not to oppose Kosovo's membership in international organization among many other provisions in each of these agreements.

So as they move forward down this path we consider it to be legally binding, these agreements. We hope to see very much normalization of ties between those two countries.

Mr. SELF. OK. I think that's sanguine but I understand. I will tell you in terms of the cuts you're paying the price of the Afghanistan withdrawal. Let's just be honest. This Administration made a strategic blunder of epic proportions with the Afghanistan withdrawal.

We can talk all day about giving you money for doing all these noble things. But I feel for you because you are paying the price for an epic strategic blunder.

My time is up. Mr. Chairman, I yield back.

Mr. WILSON. Thank you very much, Congressman Self.

We now proceed to the former chairman of the Transatlantic Dialogue, Congressman Jim Costa of California.

Mr. COSTA. Thank you very much, Mr. Chairman.

I want to cover some of the areas that have been touched upon here.

But, Ambassador Hogan, Armenia, Azerbaijan, clearly, as been noted, a tough, tough challenge here. I, for one, am believing that Azerbaijan has not lived up to their agreements that had been a part of this peace effort and I'm wondering—two quick questions.

The demining or the funding for demining in the controlled areas in Karabakh from the 2020 war, sir, obviously, presents a clear and present danger. Are we going to continue to provide support to demine those areas?

Mr. HOGAN. Sir, I'm going to have to get back to you on that particular question, unless Ms. Maria Longi—

Ms. LONGI. We do have continued humanitarian demining in Azerbaijan and I—we will have to get back to you on—within Nagorno-Karabakh on the demining. But—

Mr. COSTA. Yes. And an extension of that, the blockade that Azerbaijan had put in place earlier this year in the corridor to provide support for food and other humanitarian aid, what is the Administration's efforts to ensure that that corridor remains open so that the people in Nagorno-Karabakh, or as the Armenians refer to as Artsakh, is able to be used?

Mr. HOGAN. Congressman, a robust diplomatic engagement at the highest levels. The Secretary raises this repeatedly with the president of Azerbaijan, Aliyev, speaking about the importance of a free and open corridor, particularly when it comes to commercial and private track—private traffic.

Mr. COSTA. It's essential. I mean, If Azerbaijan is going to live up to their agreements this has got to be a part of the deal.

Mr. HOGAN. That's right. That's right. That's what we're working on, sir.

Mr. COSTA. Let me move over to Ukraine. And I do not know If, Madam McKee, If you'd care to respond. What was the amount of the grain exports that were produced in Ukraine last year that we were able to get out of the country? What numbers are you using?

Ms. MCKEE. So the latest numbers that we have on our agricultural resilience initiative, which we plussed up under the supplemental resources, the numbers that we're using are based on what we see on the various routes of the overland and littoral routes. I will have to get back to you with the specific—

Mr. COSTA. All right. Well, I mean, I'm looking at percentages. I mean, 80 percent of the grain production—I mean, clearly, Putin has weaponized—

Ms. MCKEE. Yes.

Mr. COSTA [continuing]. This effort and there have been negotiations. Now he's seemingly to go on a short-term initiative extensions of the—of what has been agreed upon. But it's blatant. It's an attempt to weaponize grain. It impacts not only Ukraine but the other people that that grain provides sustenance for.

Mr. HOGAN. So, sir, the Black Sea grain initiative was able to facilitate the exports of 30 million metric tons and then the EU solidarity lanes—that's the overland route—I think is about 23 million metric tons.

Ms. MCKEE. But they're down. The latest numbers—at least for the last season the levels that they've been able to export are down anywhere between 50 and 30 percent.

Mr. COSTA. Well, then how does the overall strategy by the Administration would you best describe with USAID and the State's overall efforts to provide nonsecurity assistance to Ukraine?

I mean, does—we're not going to do a supplemental? Is that my understanding? And does this assistance—continued assistance mean Ukraine is going to have what they need in terms of nonsecurity needs?

Mr. HOGAN. So our fiscal year—our current assistance we believe is covering what we need for the end of this fiscal year. We're, of course, constantly assessing the situation on the ground. But we believe we have what we need to go through the end of this fiscal year.

Mr. COSTA. OK. And so, finally, you know, many of us have accused Russia for what they've done. President Putin's actions are that of a war criminal in terms of their violation of human rights and it's also resulted in forced adoptions of Ukrainian children, better termed, in my view, kidnaping.

It's critical that the—as the war continues and its aftermath that humanitarian assistance supports the efforts to reunite these Ukrainian children. What are these efforts to hold Russia accountable for their outrageous activities in this effort?

Mr. HOGAN. Sir, we have a variety of mechanisms. So when it comes to the OSCE we have the Moscow Mechanism, which goes in and reports on all of the atrocities of the war crimes.

We have the U.N. Commission of Inquiry. We have just—what was just inaugurated last week at the Council of Europe Summit that I mentioned earlier in Reykjavik, Iceland.

We established the creation of a register of damages committed by Russian forces in Ukraine. So these are all tools to be able to establish claims for when adjudicative bodies are set up, for example, including the special tribunal on the—

Mr. COSTA. Well, we are going to need to do this at the close of this war. My time has expired. But we do not have any numbers, do we, of the amount of children that have been kidnaped?

Ms. MCKEE. Yes, we do. The Ukrainian government currently puts that number at over 16,000.

Mr. COSTA. All right. Well, thank you very much, Mr. Chairman, and you'll provide that information that you indicated to me that you earlier did not have at your—OK. Thank you.

Mr. WILSON. Thank you, Mr. Costa. We now proceed to Congressman Bill Huizenga of Michigan.

Mr. HUIZENGA. Thank you, Mr. Chairman. I appreciate that. And I, too, had some questions regarding the Balkans but I believe that was mostly asked and answered by my colleague, Representative Wagner.

So I'm going to move on to another issue that has, frankly, not gotten a lot of attention, which is the Arctic. I asked Secretary Blinken about this when he was here last.

I come from Michigan. I chair the U.S.-Canada IPG, the Inter Parliamentary Group. There's quite a bit of concern and, I think, rightfully so with some of the actions in the Arctic with Russia and, as you may know or recall, in April of this year the Russian coast guard signed a memorandum of understanding with the Chinese coast guard to strengthen maritime cooperation and ostensibly combat terrorism, illegal migration, smuggling of drugs and weapons, and illegal fishing.

However, I think experience speaks loudly to this and that scope of the portfolio really provides China with leverage, potentially, to utilize its standard practice of harassing vessels from other countries with aggressive and even illegal actions.

Furthermore, as China partners with Russia they continue to try to establish and exploit their, quote/unquote, "the Polar Silk Road" and promote their baseless near Arctic State claim.

So, Assistant Secretary, I'm curious how is the State Department engaged with our European partners and especially those within the Arctic coalition to combat the influence in the Arctic region?

After years of trying to keep China out, obviously, it looks like they got a side door in to the Arctic area. So please help me understand what State is doing about this.

Mr. HOGAN. Congressman, you are right to be concerned about this issue and, frankly, the Russia-PRC "no limits partnership," quote/unquote, extends to the Arctic. So I think you called it exactly right.

What we're doing the Secretary outlined in October of last year our strategy—our U.S.-Arctic strategy—which is based on four pillars—security, climate change and environmental protection, sustainable economic development, as well as international cooperation and governance.

And so we very much see Russia as well as the PRC looking to establish dominance in this region.

What we have been doing, sir, is, first of all, focus on our bilateral partnerships with the countries in the Arctic, particularly in the security realm a number of—

Mr. HUIZENGA. But we walked away from the official organization.

Mr. HOGAN. No. The Arctic Council we're still there, sir.

What the Arctic Council has done, and this is one of the areas that we sort of referenced earlier, is that it has suspended participation with Russia in any activity. And so the council still very much is working.

It is moving forward with projects that we support. These are not security focused projects but we are able to focus on things such as climate change, maritime biodiversity, et cetera.

Mr. HUIZENGA. Sure. OK. Hold on. Let's stop right there, though. But this is a military threat. It's not a climate threat. It's not a sustainable development threat. This is a military threat. We know that China—sorry, Canada—found Chinese listening buoys in the Arctic.

Mr. HOGAN. So that's—

Mr. HUIZENGA. —and so—just a second. I understand your report was very loaded up on the climate-related priorities and the sustainable economic development priorities. But I want to know what the lasting impact is going to be on the encroachment into a growing vital economic and especially military and security zone.

So and should NATO be playing a role in this? What else should be happening?

Mr. HOGAN. No, that's exactly where I was going, sir. When it comes to NATO it very much views the High North as part of its area of responsibility.

So when you include now Finland as being the thirty-first member of the alliance—we're looking to make Sweden, hopefully, by the Vilnius summit in July the thirty-second member—when you think about as well the security arrangements that we have established with all of the countries in the Arctic—you know, 88 F-35s for Canada, for example, that's a \$14 billion upgrade—we are moving forward with this, a defense cooperation agreement—

Mr. HUIZENGA. But it's also icebreakers and it's other things outside of State Department. I understand that.

Mr. HOGAN. Right.

Mr. HUIZENGA. My time is expiring. But I want to make sure that there is an eye not just to the important issue of climate change and development—sustainable development, whatever that amorphous phrase might be—to understand that we are vulnerable at the North and we have seen this with the Chinese spy balloon that came over.

We're seeing them with incursions in and this agreement with Russia is one that needs to have attention and we should be concerned about.

So I look forward to working with you on a tougher line on that. Mr. Chairman, I yield back. Thank you.

Mr. KEAN [presiding]. Thank you. I recognize myself for 5 minutes of questions.

Ambassador Hogan, in your written testimony you State that U.S. assistance to Ukraine aims to give Ukraine the tools necessary to help defend its sovereignty, consolidate its democracy, move into the EU and global markets.

I am concerned, however, that neither you nor our other witnesses mention the goal to restore Ukraine's territorial integrity.

Mr. Hogan, for the record, does the U.S. support the Ukraine aim to also help restore territorial integrity as defined by its 1991 borders?

Mr. HOGAN. Sir, that is very much our policy, consistent with U.N. Charter principles as well—territorial integrity.

Mr. KEAN. OK. And why was that not in your written testimony as part of your stated goals?

Mr. HOGAN. Sir, I believe there must have been an oversight then. It very much is our policy.

Mr. KEAN. And thank you. Ambassador Hogan, I am concerned that the value of weapons being transferred per month to Ukraine from the U.S. stocks using drawdown authority is decreasing ahead of Ukraine's critical counter offensive.

I'm even more troubled after the recent announcement that due to an accounting error which overvalued weapons being transferred

to Ukraine from U.S. stocks that there is an additional \$3 billion in Presidential authority available.

It's disappointing that these funds weren't used to surge additional weapons to Ukraine ahead of its counter offensive. Can you pledge to us here today that the State Department will do everything in its power to make up for precious time and rectify that mistake by immediately preparing for large drawdown packages to Ukraine?

Ms. LONGI. We will continue to work with the Department of Defense. They are doing the recalculations now, and so that does—that valuation has not hindered us from giving what we think we need to give to the Ukrainians.

And so we will keep apace and we will keep engaging with the Department of Defense and the interagency to make sure that we give Ukraine what they need with the authorities that we have.

Mr. KEAN. What is the current level of funding remaining in the supplemental accounts that are overseen and implemented by the State Department and USAID?

Ms. LONGI. I do not have those numbers with me but we will get those—we will get those to you.

Mr. KEAN. Do you expect that all of these funds will last until the end of the fiscal year?

Ms. LONGI. That is our estimate right now and we are continuing—we are continuing to assess these as we—on a daily basis and so we will—at this point we do think that we have sufficient resources through the end of the Fiscal Year but we will come to you if and when we think otherwise.

Mr. KEAN. And so, therefore, it won't last until the end of the calendar year?

Ms. LONGI. I cannot answer that right now. I do not know.

Mr. KEAN. OK. One other point. The conflict between Armenia and Azerbaijan—I was glad to see Secretary Blinken convene Armenian and Azeri leaders several weeks ago to engage in negotiations. But it remains to be seen if these talks will actually lead to any lasting peace.

Ambassador Hogan or anybody on this panel, can you please give us a status update on the negotiations, please?

Mr. HOGAN. Sure, Mr. Chairman.

We are—following 3 weeks of intense diplomatic engagement with the two sides here, we're now looking to see what can be done in the most contentious areas. As I mentioned earlier, they include the dispensing of forces—Azerbaijani-Armenian forces.

It also includes the border delimitation and recognizing both sides of what is the common border. It also includes, Mr. Chairman, the rights and securities of ethnic Armenians in Nagorno-Karabakh.

We have put forward a number of ideas to help the two sides come together on these particular issues and so they are looking at reviewing our ideas. We have been following up.

I just had a meeting with the foreign minister of Azerbaijan as well as the foreign minister of Armenia just last week to see where we can move forward.

The EU is also playing a very helpful role. They convened the two leaders just 2 weeks ago and they will be meeting with them

again 2 weeks from now, and so we have been very much doing a tag team effort here.

Ms. MCKEE. Mr. Chairman, If I may.

Late-breaking news out of the region as of yesterday morning the Armenian Prime Minister Pashinyan, in a 4-hour press conference asserted and it was the first time sort of very publicly asserted Armenia's recognition of Azerbaijan's territorial integrity, which was an important first step that the team had put on the table and this assertion is inclusive of Nagorno-Karabakh, returned to highlighting the importance of the 1975 Soviet general staff map. We're waiting on Azerbaijan's response. But that is progress.

Mr. KEAN. OK. Thank you.

Mr. Lawler from New York for 5 minutes.

Mr. LAWLER. Thank you, Mr. Chairman.

Ambassador McKee, good to see you again. Enjoyed getting to speak with you in Chicago for the Moldovan-American convention 2 weeks ago.

I'm pleased that the Administration appointed a special envoy for Northern Ireland at the end of last year. This position is critically important to strengthen ties with Northern Ireland, fully implement the Good Friday Agreement, and further develop trade relations.

Mr. Hogan, can you please provide a general update on the U.S. mission to Northern Ireland specifically as it relates to the Windsor agreement and greater trade relations?

Mr. HOGAN. Thank you, Congressman.

As you know, the President was just in Belfast to celebrate the 25th anniversary of the Good Friday Agreement. The Special Envoy, Joe Kennedy III, was with the President. Actually stayed behind to work on what the President had laid out to be a very important trade delegation mission that we hope to be able to pull off with American companies going to Belfast some time in the fall.

So we have been having ongoing discussions with His Majesty's government as well as with our consulate in Belfast to make sure that we're all on the same page there.

Mr. LAWLER. OK. I was in Taiwan with Chairman McCaul just about—almost 2 months ago and I was deeply concerned about French President Emmanuel Macron's trip to China as well as his statements subsequently in which he said that Europe should not follow, quote, "The American rhythm," unquote, on Taiwan.

What does that even mean? I do not know. But do you believe France's relationship with the Chinese Communist Party and President Xi is compromising their position on Taiwan?

Is it a sentiment being shared by other European countries and do you believe President Macron's statements compromise or in any way hinder U.S. policy toward Taiwan?

Mr. HOGAN. Congressman, we have had a number of conversations both privately and bilaterally as well as in a collective format—the Quad, G-7, including most recently the G-7 Leaders Summit in Hiroshima—that—

Mr. LAWLER. Did the President speak to President Macron specifically about this?

Mr. HOGAN. These are—this is very much part of our ongoing conversation with President Macron as well as, of course, his leadership team, the foreign minister, et cetera.

When it comes to a where we stand on PRC, we see ourselves as essentially on the same page. We see the cross-Strait tensions as being something that's not only a problem for that—

Mr. LAWLER. Sorry. Just to be clear, you see who on the same page? France and the United States?

Mr. HOGAN. France, the United States, as well as the rest of the G-7 as outlined in the G-7 leaders statement. There it made clear the challenges, the problems, that we see with the PRC, particularly when it comes to Taiwan as well as when it comes to everything else that the PRC is doing—economic coercion, disinformation, et cetera.

Ms. MCKEE. The statement also refuted the South China Sea claims, which I think was not welcome in the PRC.

Mr. LAWLER. OK. What is the Administration doing to ramp up cybersecurity cooperation in Europe to strengthening resilience across the region and push back against increased Russian cyber campaigns?

Ms. LONGI. I can start and then you can definitely do the specifics.

So we have been working in the—on cybersecurity for several years in the region, even before the—Russia invaded Ukraine. In Ukraine we have got a very substantial program. We also received supplemental funding in December, \$50 million, to do more cybersecurity in the Western Balkans.

We are working on programming about \$25 million of that in Albania in response to some very targeted and damaging cyber attacks from Iran and we are in the process of planning out how the rest of those funds will be used.

I've made a number of trips to the region and a lot of the engagements with government officials are them asking for our assistance to help them set up frameworks and do cybersecurity.

So we do see receptivity on the civilian and as well the Department of Defense is also working with several countries in the region on cybersecurity.

Ms. MCKEE. Part of the whole of—whole of government effort, if you will, what we have done in Ukraine and across the region is actually anchored in our anti-corruption efforts as we move e-governance and more transparent and agile service delivery systems.

The other side of the equation—protecting those systems and that information—has been a top priority and so the—with the State-sponsored attacks and, obviously, straight out of Putin's playbook for the asymmetric tools of cyber attacks, the wake-up call and the response and the demand signals for that work has only increased and, luckily, we have programs in place to be able to expand and respond to those requests.

Mr. LAWLER. Great. Thank you.

Mr. KEAN. Mr. Lawler yields back.

Mr. MORAN from Texas?

Mr. MORAN. Thank you, Mr. Chairman.

Ambassador Hogan, I'd like to start with you. I want to revisit a little bit about this discussion about Mr.—President Macron's dis-

cussion of China and his comments after coming back from China. In particular, he really suggested that any crisis regarding Taiwan would not be a concern to Europe generally.

I did not understand why he would say such a thing. I'm curious about a couple of things. First, do you know has there been any reaction from other European leaders as to his comments about Taiwan and China?

Mr. HOGAN. Yes. There have been a number of reactions, all very much aligning with the U.S. position on this issue. So there have been clear, clear messages given on that regard.

Mr. MORAN. Have we seen any other countries align with his comments to side on his side of the equation?

Mr. HOGAN. I would, sir, say that since those comments we have had a number of engagements with France including at the head of State level where we have found ourselves to be very much on the same page when it comes to Taiwan.

So I would respectfully not say that we're on different pages there. We think we're on the same side and pursuing this very serious global threat that we have.

Mr. MORAN. Well, I'm glad to hear that. Unfortunately, the language he used coming back from China actually indicated he was on an opposite side from American foreign policy.

I'm curious If we have been able to uncover or discover whether or not there's something motivating his action on behalf of France to side with China.

Are there economic agreements that we're not aware of yet or other partnership opportunities that he's pursuing with China that are driving his foreign policy?

Mr. HOGAN. Sir, I do not want to go too far in terms of getting into his thinking but I would say that managing the relationship with the PRC is very difficult for countries because of the complex economic relationships that these countries have, including, quite frankly, that the United States has as well with the PRC.

So what—the term that we have all been using is something that European Commission President von der Leyen had said in her March 30th speech. This is really not so much about decoupling from China but more about derisking from China.

And so all of us including—made very clearly at the G-7 Leaders Summit have focused on ways that we can do that in a coordinated manner.

Mr. MORAN. OK. Thank you.

Ambassador McKee, let me turn to a different topic. Could you go into more detail about the State Department and USAID programming in Central Europe to strengthen democracy and the civil society there? What are the metrics that are used to evaluate the successes of that programming?

Ms. MCKEE. Congressman, thank you for the question. As a result of the recognition and concerns around democratic backsliding in 2021 we received the directive and started programming and launched in several countries, primarily Hungary and Poland but also targeting in the Czech Republic, Slovenia, Slovakia, Romania, Bulgaria as well with building out and strengthening civil society, independent voices, working on both sides of the information equation by, you know, countering propaganda or providing fact-based

information but also working on citizen literacy and critical thinking so that they can make better choices about the types of information that they receive.

Mr. MORAN. And how are you determining whether or not you're being successful in those efforts?

Ms. MCKEE. So the hits, the outreach, and the numbers trained. We just started rolling out the programs in December and so we have only got about 5 months under our belt. I'm happy to provide those, both the metrics and how we're monitoring and evaluating and how we're doing once we have some of those—a bit more time under our belt.

Mr. MORAN. OK. Ambassador Hogan, I want to come back to you on the same topic. How does State ensure this programming increases the resiliency of democratic institutions, including the foreign malign influence in the critical part of the EU and NATO without antagonizing allied governments?

Mr. HOGAN. Thank you on that. I would say, Congressman, that we can look at how these countries vote with us, for example, in U.N. or other multilateral fora. That's one good metric. We, of course, also look at polling data to see, you know, favorability ratings, for example, of the United States, of NATO, of the EU.

We also want to make sure that our programs when it comes to media literacy so that the—so that the average citizen in a particular country is able to disentangle misinformation and disinformation from accurate information.

And so our embassies are working hand in hand with our assistance efforts here in the State Department as well as USAID to make sure that we are increasing the media literacy in these countries.

Mr. MORAN. OK.

Ambassador McKee, you want to add one comment? I know I'm out of time but quick—

Ms. MCKEE. Just really quickly. The conversation I had with the Polish government counterparts last fall in 2022 were probably very different than the conversations they would have had in 2021 when the intent was first provided to us from Congress.

There is receptivity because they—there's an existential threat at their doorstep and, you know, we're fighting for democracy on the continent. And so, hopefully, it won't translate into reduced votes or other areas of challenge as we implement these programs.

Mr. MORAN. Ms. Longi, I'm sorry I left you out completely on the conversation. I appreciate the work that all three of you do and I know it's very difficult work and very challenging work and I do appreciate it.

Thank you. I yield back.

Mr. KEAN. Mr. Moran yields back his time.

Mr. Schneider from Illinois?

Mr. SCHNEIDER. Thank you, and I want to thank the witnesses for your patience, and been here a long time and, hopefully, bringing it to a close. A lot of questions have already been touched on that we have talked about.

But I think some of the overarching things—Ambassador Hogan, you mentioned it's complex. The issues we're facing is complex. We

have talked today geographically from the Arctic Ocean down to the Mediterranean.

If you looked at Europe from just—and I just took a look at the map from the standpoint of bodies of water. It's not just those two. It's the Aegean Sea, the Black Sea, Caspian.

There's so many different bodies of water that determine to a great extent the geopolitics of that specific area and we have to be thinking about it.

We have these incredibly complex issues, some existential, as you just mentioned. They realize that Russia's illegal invasion of Ukraine is without question an issue of immediate urgency with existential ramifications.

But also there are strategic long-term things we need to be thinking about, how are we going to deal with relations with China very much one of those. China has an agenda, a set of priorities and intentions that are in stark contrast with what we need to accomplish and work with our allies.

So I had a lot of questions. I had a meeting today with the Ambassador from Moldova. He had just met—he was at USAID this morning talking about the role of technology in fighting corruption and in Ukraine, of all things. I have a book—a Ukrainian book on my coffee table and he was commenting on that.

We have to make sure Ukraine wins the war but we also have to make sure, as they say, Ukraine wins the peace and cannot only rebuild economically, politically, secure it from a security standpoint but that it does it in a way that protects the integrity of its government.

So there's so many things I do want to talk about and maybe I'll start with you, Ambassador Hogan. As we sit here at the end of this hearing, you mentioned we have funding through the end of the fiscal year. That's only a few months away.

What do we need to be thinking about long term beyond the end of this Fiscal Year and preparing for next year so that we are in the best position to achieve our goals into the next decade?

Mr. HOGAN. Thank you, sir, and I realize the time is limited but I would say, first and foremost, we have got to get Ukraine right given the stakes involved there.

When you have a permanent member of the U.N. Security Council engaged in nuclear saber rattling and then this no limits partnership with the PRC it's something that we need to make sure that beyond this Fiscal Year Ukraine is able to preserve the territorial integrity that it hopes to be able to maintain as it goes through this counter offensive that we should be expecting to see soon and we also need to make sure that it has the assistance it needs for security, economic, humanitarian, to be able to revive its economy, to be able to bring back and attract private sector investment.

So I say, first and foremost, Ukraine. But we also need to look at the strategic opportunities that this war, as disastrous as it has been, has brought when it comes to Europe.

We mentioned a number of these already: Azerbaijan and Armenia closer than ever before to real peace; when we talk about Serbia and Kosovo now on a real normalization path; Ukraine and Moldova being granted EU candidate status that we hope to see by

the end of the year, perhaps they having checked all the boxes when it comes to the recommendations; NATO expanding to the 31st, potentially a 32d. I could go on. But these are opportunities that we need to seize in the years ahead.

Mr. SCHNEIDER. Administrator McKee, thoughts?

Ms. MCKEE. So I couldn't agree more. What Ukraine and our support to Ukraine represents is the future of a stable rules-based international order grounded in the values that we share.

And so I couldn't agree more with Assistant Secretary Hogan that we have got to get it right in Ukraine and I think we are.

I'm confident that the security assistance and the pace at which it's being provided has—by all of the allies but, first and foremost, by the United States is definitively helping them advance and, hopefully, win the war.

But at the same time we have got to win the peace and secure the peace and make sure it's enduring and that means helping Ukraine build the Nation that they are fighting so hard for, you know, and using that example and the tectonic shift that we're seeing across the region as a moment for—to revitalize and restore and demonstrate how democracy can deliver and what it means to have freedom and not just words but actually the demonstrative effect of choice, opportunity, the job that you want to have, the school that you want to go to, the language you want to speak, the information you want to read.

These are fundamental, I would say, almost human rights that in democratic—you know, in places where the democratic space is closing, et cetera, the wake-up call that Putin has provided us for the free world is an opportunity that we must seize and if we're successful in Ukraine it will be that beacon of demonstrable proof that might does not make right.

Mr. SCHNEIDER. Thank you. And, Ms. Longi, I'm over time, but if the chair will indulge.

Ms. LONGI. Yes, I'll be—I'll be quick. But I think Ukraine is the crux of the resource issue, I think, for us, looking forward, and if you just look at the 10-year needs assessment done by the World Bank they estimated it will be at least \$411 billion to rebuild and reconstruct Ukraine.

We are not going to do that as a—as the United States of America nor are all the other bilateral donors and so we are putting a good bit of effort with this—with other donor countries.

The G-7 donor coordination platform is just getting kicked off. The private sector is anxious to get back in there and I think that as we are coming to you with the Fiscal Year 2024 budget request and the next—in the following years that is all going to be shaped in the context of how Europe and the private sector rebuild and address the issues in Ukraine.

So it's a complex one on that front, too. But I think that's—those are other places where we are putting our time when it comes to how our resources are used with other countries' resources.

Mr. SCHNEIDER. Great. Thank you.

Mr. Chairman, I appreciate the extended time and the witnesses, I appreciate your testimony. I yield back.

Mr. KEAN. Thank you, Mr. Schneider. It was a pleasure to have you on the committee today.

With no further questions from the members I want to thank our witnesses. I'm sorry. Mr. Self? Yes, certainly. Mr. Self for 5 minutes.

Mr. SELF. Thank you.

Ms. Longi, last time we were together we talked about audits going through the World Bank and at that time we hadn't completed any audits. You promised that the audits were ongoing.

What's the progress so far in Ukraine? Sorry. We're talking about Ukraine. Audits in Ukraine. Last time we spoke you had provided one report, I believe, but had not completed any audits. What's the progress?

Ms. LONGI. Yes. Erin will do that one.

Mr. SELF. OK.

Ms. MCKEE. Sure. I'll take that. So thank you, Congressman.

Just to refresh, the various measures that we have in place for accountability and oversight, remember the World Bank mechanism is on a reimbursement basis.

Mr. SELF. That was my second question. Go ahead.

Ms. MCKEE. Right. And so the third party monitoring that we have in place by Deloitte is not an audit. It is to monitor the basis upon which those receipts, if you will, or the validation of the expenditures from the various line ministries are provided through the ministry of finance for reimbursement.

Mr. SELF. But that's only one of the—we also had three other audits, I believe.

Ms. MCKEE. So we—

Mr. SELF. What's the progress on those?

Ms. MCKEE. We have not conducted a full audit yet. We're putting in place a third party auditing mechanism out of the four supplemental funds. But we—what we have in addition to the third party oversight, the reimbursement mechanism, the systems in place, as well as a partnership with the GAO to help build the Ukrainian supreme audit authority, their capability to do a better job and support independent and objective auditing of their own books.

We hope to have the third party audit team in place as soon as we have finished scoping what is critical and where some of the gaps, if any, are determined that require that auditing oversight.

Last and most importantly, I would like to mention our Office of Inspectors General, both DOD, State, and AID. They've been on a few TDYs—temporary oversight to check on things.

We have five—we have agreement for six positions for the—permanent positions at the embassy in Kyiv. How that distributes between State, AID, and DOD will be seen but the OIG is keenly focused on providing that additional oversight.

So far, based on the site visits and trips that they've made, they have—and I believe they testified to the House Oversight Committee—they have not found any substantial instances of fraud, waste, or abuse to date.

Mr. SELF. Thank you, Mr. Chairman. I yield back.

Mr. KEAN. Thank you. Now, with no further questions from the members, I want to thank our witnesses for their valuable testimony and the members for their questions.

I personally am glad that this panel has reconfirmed that the Biden Administration is prepared to help Ukraine restore its territorial integrity to its 1991 borders when all of Ukraine, including Crimea, voted for independence from the Soviet Union.

The members of this subcommittee may have some additional written questions for the witnesses and we ask you to respond to these promptly in writing.

Pursuant to the committee rules, all members may have 5 days to submit statements, questions, and extraneous materials for the record, subject to the length limitations.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 3:49 p.m., the subcommittee was adjourned.]

APPENDIX



**COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE HEARING NOTICE**
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Europe
Thomas H. Kean, Jr (R-NJ), Chairman

May 16, 2023

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held by the Subcommittee on Europe on May 23, 2023 at 2:00 p.m. in Room 210 of the House Visitor's Center. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

DATE: Tuesday, May 23, 2023

TIME: 2:00 p.m.

LOCATION: HVC-210

SUBJECT: Examining the Fiscal Year 24 State and Foreign Operations Budget Request for Europe

WITNESSES: The Honorable Dereck J. Hogan
Principal Deputy Assistant Secretary,
Bureau of European and Eurasian Affairs
U.S. Department of State

The Honorable Erin Elizabeth McKee
Assistant Administrator, Bureau for Europe
and Eurasia
United States Agency for International
Development

Ms. Maria A. Longi
Coordinator, Office of the Coordinator of
U.S. Assistance to Europe and Eurasia
U.S. Department of State

*NOTE: Witnesses may be added.

By Direction of the Chair

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-226-8467 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

Subcommittee on Europe

118th Congress

ATTENDANCE

Meeting on: Examining the Fiscal Year 24 State and Foreign Operations Budget Request for Europe

Date: 23 May 2023

Convened: 2:15 PM

Adjourned: 3:49 PM

[illegible]

COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day Tuesday Date 05/23/2023 Room HVC-210

Starting Time 2:15 p.m. Ending Time 3:49 p.m.

Recesses 0 (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Chairman Thomas H. Kean, Jr; Rep. William Keating

Check all of the following that apply:

Open Session ☒

Electronically Recorded (taped) ☒

Executive (closed) Session ☐

Stenographic Record ☒

Televised ☒

TITLE OF HEARING:

Examining the Fiscal Year 24 State and Foreign Operations Budget Request for Europe

COMMITTEE MEMBERS PRESENT:

See attached

NON-COMMITTEE MEMBERS PRESENT:

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

QFRs attached from: Kean, Moran, Costa, Titus

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 3:49 p.m.


Full Committee Hearing Coordinator

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

**Questions for the Record Submitted to
USAID Assistant Administrator for Europe and Eurasia Erin E. McKee
by Representative Kean
House Foreign Affairs Committee Subcommittee on Europe
“Examining the Fiscal Year 24 State and Foreign Operations Budget Request for Europe”
May 23, 2023**

Question:

Across four supplemental funding bills, Congress has provided the Administration with over \$113 billion in assistance for Ukraine since the start of Russia’s full-scale invasion in February 2022. For each funding account for USAID included in those four supplementals, please list the following:

1. Total funding made available for such account, by fiscal year
2. How much funding remains unobligated for such account;
3. How much funding remains obligated but unexpended for such account; and
4. How much funding remains committed, but not yet notified for such account

Answer:

USAID received funding for Ukraine assistance through four supplemental appropriations bills passed by Congress: the Ukraine Supplemental Appropriations Act, 2022 (USAA FY22, P.L. 117-103); the Additional Ukraine Supplemental Appropriations Act, 2022 (AUSAA FY22, P.L. 117-128); the Ukraine Supplemental Appropriations Act, 2023 (USAA FY23, P.L. 117-180); and the Additional Ukraine Supplemental Appropriations Act 2023 (AUSAA FY23, P.L. 117-328). Funding was provided through the following accounts: Assistance to Europe, Eurasia, and Central Asia (AEECA), Economic Support Fund (ESF), Food for Peace (FFP), International Disaster Assistance (IDA), and Transition Initiatives (TI). Please see the chart below for funding broken out by account.

Ukraine Supplemental Funding for USAID

USAID Ukraine Supplemental Funding (as of 5.23.2023)				
Account	Allocated to USAID	Obligated Level	Unobligated Level	Outlayed/Disbursed
AEECA Supplemental 1 (USAA FY22)	\$877,934,000	\$815,988,996	\$61,935,004	\$473,149,675
ESF Supplemental 1 (USAA FY22)	\$621,000,000	\$621,000,000	\$0	\$621,000,000
IDA Supplemental 1 (USAA FY22)	\$2,650,000,000	\$2,477,157,690	\$172,842,310	N/A
FFP Supplemental 1 (USAA FY22)	\$100,000,000	\$83,203,901	\$16,796,099	N/A
TI Supplemental 1 (USAA FY22)	\$120,000,000	\$116,920,000	\$3,080,000	\$73,045,308
ESF Supplemental 2 (AUSAA FY22)	**\$8,592,655,000	\$8,560,515,000	\$32,140,000	\$7,656,143,743
IDA Supplemental 2 (AUSAA FY22)	4,348,000,000	4,348,000,000	\$0	N/A
ESF Supplemental 3 (USAA FY23)	\$4,500,000,000	\$4,500,000,000	\$0	\$4,500,000,000
AEECA Supplemental 4 (AUSAA FY23)	\$350,000,000	\$0	\$350,000,000	N/A
ESF Supplemental 4 (AUSAA FY23)	\$10,595,000,000	\$6,379,000,000	*\$4,216,000,000	\$5,000,903,478
IDA Supplemental 4 (AUSAA FY23)	\$937,902,000	\$537,178,058	\$400,723,942	N/A
FFP Supplemental 4 (AUSAA FY23)	\$50,000,000	\$0	\$50,000,000	N/A
TI Supplemental 4 (AUSAA FY23)	\$50,000,000	\$26,917,151	\$23,082,849	946,018
Total Funding for USAID	\$33,792,491,000	\$28,465,880,796	\$5,326,600,204	\$18,325,188,222

Not reflected in the development assistance funding above are USAID-Operating Expenses (\$47m) and USAID-Office of Inspector General (\$13m).

*Figure includes the remaining \$3.65 billion for direct budget support (DBS) to be disbursed to the Government of Ukraine July through September 2023 and ESF resources currently allocated to USAID. This number will change as additional resources are allocated and notified.

**Figure includes \$7.5 billion in DBS, \$506 million in economic assistance, and \$655 million in global food security programming.

**Questions for the Record Submitted to
Coordinator of U.S. Assistance to Europe and Eurasia Maria A. Longi by
Representative Kean (Numbers 1-4)
House Foreign Affairs Committee, Subcommittee on Europe
May 23, 2023**

Questions 1-4:

Across four supplemental funding bills, Congress has provided the Administration with over \$113 billion in assistance for Ukraine since the start of Russia's full-scale invasion in February 2022. For each funding account for State included in those four supplementals, please list the following:

1. Total funding made available for such account, by fiscal year
2. How much funding remains unobligated for such account;
3. How much funding remains obligated but unexpended for such account;
and
4. How much funding remains committed, but not yet notified for such account

Answer1-4:

Please see the attached table for the \$46 billion appropriated to the Department of State and U.S. Agency for International Development (USAID) by the four Ukraine supplemental funding bills, including funds for purposes other than assistance for Ukraine.

State/USAID Ukraine Supplemental Appropriations by Account (as of May 2023, USD in millions)	Appropriated	Obligated	Disbursed	Unobligated
FY 2022 USAA	\$6,875.0	\$6,465.1	\$1,286.7	\$410.0
Assistance	\$6,691.0	\$6,340.5	\$1,194.7	\$350.5
AEECA	\$1,113.8	\$1,004.1	\$482.0	\$109.7
ESF	\$621.0	\$621.0	\$621.0	\$0.0
FMF	\$650.0	\$650.0	\$13.2	\$0.0
IDA	\$2,650.0	\$2,472.9	\$0.0	\$177.2
INCLE	\$30.0	\$30.0	\$5.4	\$0.0
MRA	\$1,400.0	\$1,360.0	\$0.0	\$40.0
NADR	\$6.2	\$2.7	\$0.4	\$3.5
TI	\$120.0	\$116.9	\$72.7	\$3.1
Food for Peace/Title II (appropriated to USDA)	\$100.0	\$82.9		\$17.1
OIG	\$8.0	\$6.3	\$5.7	\$1.7
State-OIG	\$4.0	\$2.8	\$2.3	\$1.3
USAID-OIG	\$4.0	\$3.5	\$3.3	\$0.5
Operations	\$176.0	\$118.3	\$86.4	\$57.7
Capital Investment Fund	\$24.2	\$24.2	\$22.2	\$0.0
Diplomatic Programs	\$121.8	\$77.6	\$55.6	\$44.2
Emergencies in the Diplomatic and Consular Service	\$5.0	\$0.0	\$0.0	\$5.0
USAID-OE	\$25.0	\$16.6	\$8.6	\$8.5
FY 2022 AUSAA	\$18,296.0	\$16,950.5	\$7,756.1	\$1,345.5
Assistance	\$17,964.0	\$16,905.1	\$7,742.8	\$1,058.9
ESF	\$8,766.0	\$8,665.5	\$7,728.9	\$100.5
FMF	\$4,000.0	\$3,126.0	\$0.0	\$874.0
IDA	\$4,348.0	\$4,348.0	\$0.0	\$0.0
INCLE	\$400.0	\$393.1	\$0.0	\$6.9
MRA	\$350.0	\$297.5	\$0.0	\$52.5
NADR	\$100.0	\$74.9	\$13.8	\$25.1
OIG	\$5.0	\$0.1	\$0.0	\$5.0
State-OIG	\$4.0	\$0.1	\$0.0	\$4.0
USAID-OIG	\$1.0	\$0.0	\$0.0	\$1.0
Operations	\$327.0	\$45.4	\$13.3	\$281.6
Capital Investment Fund	\$10.0	\$10.0	\$1.3	\$0.0
Diplomatic Programs	\$177.3	\$21.6	\$8.4	\$155.6
ECE	\$12.7	\$0.4	\$0.0	\$12.3
ESCM	\$110.0	\$11.2	\$3.4	\$98.8
USAID-OE	\$17.0	\$2.2	\$0.3	\$14.8
FY 2023 USAA	\$4,500.0	\$4,500.0	\$4,500.0	\$0.0
Assistance	\$4,500.0	\$4,500.0	\$4,500.0	\$0.0
ESF	\$4,500.0	\$4,500.0	\$4,500.0	\$0.0
FY 2023 AUSAA	\$16,615.0	\$5,697.4	\$5,002.9	\$10,917.6
Assistance	\$16,449.4	\$5,697.4	\$5,002.9	\$10,752.1
AEECA	\$350.0	\$5.3	\$0.3	\$344.7
ESF	\$12,966.5	\$5,129.0	\$5,000.8	\$7,837.5
FMF	\$80.0	\$0.0	\$0.0	\$80.0
IDA	\$937.9	\$536.3	\$0.0	\$401.6
INCLE	\$375.0	\$0.0	\$0.0	\$375.0
MRA	\$1,535.0	\$0.0	\$0.0	\$1,535.1
NADR	\$105.0	\$0.0	\$0.0	\$105.0
TI	\$50.0	\$26.8	\$1.8	\$23.2
Food for Peace/Title II (appropriated to USDA)	\$50.0	\$0.0	\$0.0	\$50.0
OIG	\$13.5	\$0.0	\$0.0	\$13.5
State-OIG	\$5.5	\$0.0	\$0.0	\$5.5
USAID-OIG	\$8.0	\$0.0	\$0.0	\$8.0
Operations	\$152.1	\$0.0	\$0.0	\$152.1
Diplomatic Programs	\$147.1	\$0.0	\$0.0	\$147.1
USAID-OE	\$5.0	\$0.0	\$0.0	\$5.0
Grand Total	\$46,286.0	\$33,613.0	\$18,545.7	\$12,673.0

NOTE: All committed funds have been notified.

**Questions for the Record Submitted to
Acting Assistant Secretary Dereck Hogan
by Representative Jim Costa (No. 1)
House Foreign Affairs Committee
May 23, 2023**

Question 1:

At least 3,700 acres of land in the Armenian-controlled areas of Karabakh contain unexploded ordnance from the 2020 war, continuing to present a danger to families. Given the importance of removing these lethal devices, does the Administration plan to continue supporting humanitarian demining programs in Nagorno Karabakh? You committed during the hearing to get back to me with this information, please share it at your earliest convenience.

Answer 1:

Munitions in this region continue to kill and maim civilians, block economic development, and impede the safe return of displaced communities. The United States has funded humanitarian demining operations in areas affected by the fall 2020 intensive fighting, including the announcement in September 2022 of an additional \$2 million for these activities. This is built on \$500,000 obligated in 2021 and is aimed to help remove landmines and unexploded ordnance across the affected area. The Department continues to work with relevant agencies to evaluate the needs of the region, including continuing existing programs with a new tranche of \$2 million in FY 2023 funding, pending Congressional notification.

**Questions for the Record Submitted to
Coordinator of U.S. Assistance to Europe and Eurasia Maria A. Longi by
Representative Nathaniel Moran (No. 1)
House Foreign Affairs Committee
May 23, 2023**

Question 1:

I am concerned about potential programming that had been notified to Congress last year that planned to use U.S. assistance to fund musicals, comics, and graphic novels in Poland that - I quote - aim to 'shape the cultural narrative on inclusivity and identity, and emphasize the values of a pluralistic, diverse society'. Was U.S. assistance used in this way? If so, can State provide more details, including on how it is doing oversight of these programs?

Answer 1:

Starting in fiscal year 2021, the annual appropriations legislation for the Department of State, Foreign Operations and Related Programs has earmarked \$20 million in Assistance for Europe, Eurasia and Central Asia (AEECA) funds annually "to strengthen democracy and civil society in Central Europe, including for transparency, independent media, rule of law, minority rights, and programs to combat anti-Semitism."

The programming is directly responsive to the portion of the Congressional directive regarding minority rights, is consistent with Mission Poland's Integrated Country Strategy, and is aimed at empowering groups

that have been traditionally discriminated against because of their race, nationality, gender, gender identity, religious affiliation, disability status, ethnicity, socioeconomic status, or sexual orientation.

The Public Diplomacy Sections at Embassy Warsaw and Consulate Krakow oversee, closely monitor, and attend these activities, which are focused on meeting the earmark definition by promoting pluralism, tolerance, and acceptance.

**Questions for the Record Submitted to
 USAID Assistant Administrator for Europe and Eurasia Erin E. McKee
 by Representative Titus
 House Foreign Affairs Committee Subcommittee on Europe
 “Examining the Fiscal Year 24 State and Foreign Operations Budget Request for Europe”
 May 23, 2023**

Question:

As part of their extreme budget plan, House Republicans have proposed funding cuts as steep as 22% below the FY23 enacted levels. I think we can agree that such a dramatic plan would have devastating impacts on our capacity to effectively compete on the global stage and protect our national security. But to drive this point home, I'd like to explore just how devastating a 22% cut would be.

- USAID has supported the World Food Program and various International NGOs to provide food assistance in Ukraine. This past April alone, USAID's support of the World Food Program reached more than 1.7 million people in Ukraine with in-kind food distributions. How would a 22% decrease in funding for USAID impact these efforts?
- How would a 22% cut impact multilateral and bilateral climate programming to address adaptation and the clean energy transition in Europe?
- How would a 22% cut impact our economic and security assistance to Ukraine, but also to countries like Moldova, Georgia, Albania, and Bosnia and Herzegovina, particularly in how we facilitate energy security and diversification in the region?

Answer:

Ukraine's budget is increasingly strained, as the war and the associated economic fallout have forced the government to increase spending at the same time as a collapse in tax revenue. Ukraine has been cut off from private debt markets and is entirely dependent on economic assistance. Any reduction in aid would lead to further financial instability and cause the economy to stagnate significantly. Ukraine received the vast majority of its development, economic, and security assistance through supplemental appropriations in Fiscal Year (FY) 2022 and FY 2023. Absent additional supplemental appropriations, a straight-line to the FY 2022 enacted level – let alone a 22% reduction – would effectively zero out all State Department and United States Agency for International Development (USAID) development and economic assistance, as well as security sector programming, in Ukraine.

Cuts of this size would lead to an almost incalculable loss in terms of outcomes for the region. At perhaps the most critical juncture for Europe and Eurasia since the Cold War, we would be pulling back

resources that will help Ukraine win the war and win the peace. This would also jeopardize critical reform efforts and hamstring our ability to stabilize local economies, not to mention the human toll that would result from reducing funding necessary for mid- and long-term energy security and heating. Humanitarian needs, and reliance on humanitarian assistance, would likely increase. Neighboring economies would grapple with disrupted trade, supply chains, and remittances as well as an historic surge in refugee flows. Reduced business confidence and higher investor uncertainty would weigh on asset prices, tightening financial conditions and potentially spurring movement of assets out of countries.

This is also a critical time for energy security across Europe. While we continue to support shifts to renewable and diversified energy sources, as well as more integrated markets, in line with partner country goals, this transition is ongoing and these sectoral shocks come at a time when many countries are still reliant on Russian fuel supplies, particularly Moldova. Europe finds itself having to balance climate goals with energy security needs. U.S. support has been critical in helping to ensure that energy security does not come at the cost of climate resilience. Cuts to energy sector support could result in a significantly worse energy outlook, leading to humanitarian, economic, and political crises that could endanger the security of allies.

Beyond economic assistance, civilian security assistance is also crucial to our foreign policy objectives in Europe. In Ukraine, assistance targeting de-mining and the clearing of unexploded ordinances is important to support the country's long-term reconstruction. Assistance to border security and law enforcement is critical to ensuring crucial services are sustained in liberated and border areas. Beyond Ukraine, de-mining activities are buttressing the recovery of war-torn countries including Bosnia and Herzegovina. Border security assistance in Moldova and Georgia plays a key role in countering illicit trafficking that extends far beyond Europe, and in providing capacity building and equipment to help Moldova counter hybrid threats along the Ukraine border and Transnistria administrative line. Looking more broadly at security assistance to include cybersecurity, recent efforts to support Ukraine and Albania in the face of an onslaught of cyberattacks have enhanced both countries' digital services and increased overall resiliency.

International Disaster Assistance (IDA) funding appropriated through the four Ukraine supplementals in FY 2022 and FY 2023 allowed USAID to maintain robust levels of humanitarian assistance in Ukraine this fiscal year. To date, the entirety of USAID's humanitarian response in Ukraine – over \$1.4 billion – has been thanks to the bipartisan supplemental funding appropriated over the past two years. However, all supplemental funding will be obligated by the end of this fiscal year. Ukraine will continue to face monumental challenges in funding its requirements to meet the needs of its people, and ultimately, recovering from the conflict's devastation. USAID anticipates programming over \$8 billion in IDA funding this fiscal year globally, with nearly \$1 billion for support toward humanitarian operations inside Ukraine. In response to an overall 22% cut, any humanitarian assistance inside Ukraine would be weighed carefully against the need to provide lifesaving humanitarian assistance in other countries. Assistance inside Ukraine would likely decrease by significantly more than 22%. A critical portion of USAID humanitarian funding is provided to the Ukrainian people through the UN World Food Program

(WFP), which reached 10 million people last year, including 3 million people per month from December 2022 through March 2023, and 1.8 million people in April 2023. A dramatic cut in USAID humanitarian funding would force a budget resource trade-off, including a dramatic reduction to WFP's budget, at a time when continuing hostilities, critical risks, and a looming winter require a predictable, consistent approach to USAID's humanitarian response.

Question:

Since February 2022 and because of Russia's invasion, over 8,500 civilians have died and roughly 8.1 million refugees have been displaced across Europe, including in Russia and Belarus. In Ukraine, an estimated 17.6 million people are in need of humanitarian assistance, 5.4 million of whom have been internally displaced. To support these acute humanitarian needs in Ukraine and the region since February 2022, USAID has provided over \$1.4 billion in humanitarian assistance and the State Department has provided \$500 million through the Bureau of Population, Refugees, and Migration to meet the needs of Ukrainian refugees in the region and displaced and conflict-affected persons in Ukraine. Without humanitarian assistance from the United States and our allies, what would the situation in Ukraine be like today?

Answer:

Humanitarian assistance has been vital in ensuring that Ukrainians impacted by the conflict have access to lifesaving food, clean water, medical supplies, and humanitarian protection support. For example, with humanitarian assistance from the United States and our allies, UNICEF has been able to help more than 5.6 million people access safe drinking water. The UN World Food Program was able to reach more than 3 million people per month with emergency food assistance in the winter months from December to March 2023. With our humanitarian assistance, relief actors were able to reach more than 5.9 million people in 2022 with emergency assistance so they could purchase food, shelter, fuel, and other essential items – even if they were displaced from jobs and homes. Humanitarian assistance has enabled UNICEF to provide enough medical supplies to treat more than 1.5 million people so far this year, and it has allowed the World Health Organization to provide substantial medical supplies plus more than 160 generators to keep critical power flowing even if infrastructure was damaged. Finally, U.S. humanitarian assistance has allowed relief actors to help more than 400,000 children and caregivers cope with the psychological effects of conflict and displacement through services provided.

Moreover, humanitarian assistance has ensured the Government of Ukraine (GOU) was able to provide the most critical support to its citizens, thereby demonstrating its ability to deliver services to citizens, reinforcing the legitimacy of the government among its citizens.

Question:

ILGA-Europe recently released its 2023 Rainbow Europe Map which provides an overview of the current state of LGBTQI+ rights across Europe. The report found that “despite intense anti-LGBTQI+ attacks in several countries, equality is still advancing across Europe.” The report went on to state that “while the public discourse is becoming more polarized and violent, particularly against trans people, political determination to advance LGBTQI+ rights is paying off. Unfortunately, in some countries, actions that

negatively affect the rights of LGBTQI+ individuals have been more acute. For example, in 2019 municipal governments in Poland enacted so-called “LGBTQ zones,” which were later ruled illegal by top Polish appeals courts. In addition, at a Tbilisi Pride event in 2021, far-right protesters participated in a violent counter-demonstration which resulted in the death of a journalist. What actions does USAID take to support the rights of LGBTQI+ individuals?

Answer:

The Biden-Harris Administration supports the promotion and protection of human rights of LGBTQI+ persons globally. USAID has a central and important role to play in helping support conditions so that LGBTQI+ people are respected, live with dignity, and are free from violence, discrimination, stigmatization, and criminalization. During her visit to Hungary in October 2022, Administrator Power emphasized that the United States will continue to stand as an ally with LGBTQI+ people and all marginalized groups in their struggle for equality. USAID programs across Europe and Eurasia advance the human rights and social inclusion of LGBTQI+ people; support efforts to protect against anti-LGBTQI+ violence, discrimination, stigma, and criminalization; and ensure LGBTQI+ people are meaningfully included in USAID’s development and humanitarian policies, programming, and training.

As one example, in Georgia, through the USAID Civil Society Engagement Program, USAID provides LGBTQI+ groups with strategic communications, advocacy, and fundraising support. Assistance to these groups aims to build their capacity to develop effective outreach and advocacy strategies and campaigns, address challenges at the local, regional, and national level, and mobilize resources to support their operations.

Question:

Accession of Western Balkans countries to the European Union remains a top priority for both the current U.S. administration and the European Union. The European Union has repeatedly reaffirmed the bloc’s commitment to the accession of Albania, Bosnia-Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. While some of these countries are further along in the EU accession process than others, joining the EU typically takes many years or even decades. How is U.S. assistance to the region supporting political and economic reforms required by the EU for eventual accession? To what extent are the State Department and USAID coordinating aid to the region?

Answer:

U.S. assistance equips Western Balkan countries with the tools and training to undertake and cement democratic processes and spur progress on the path to EU accession. The State Department and USAID work closely together to develop, implement, and oversee programs that provide citizens educational opportunities, create new jobs in emerging sectors, facilitate access to financing to integrate small and medium-size businesses into the regional economy, reduce corruption, and build stronger democratic institutions, all in support of EU accession goals.