

# Issue Insight

## Washington DC

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**This May Seem Harsh. That's The Intention.**

**Not All USAID Projects Relating To Ukraine- All Of Which Increase United States Taxpayer Debt, Are Vital Now.**

**President Putin Absolutely Endorses USAID Funding US\$455 Million For Non-Military Projects Facing Westward. Why Wouldn't He?**

**President Zelensky Must Learn To Say *"Thank You, But No Thank You. This Is Not Imperative. Nice, But Not Needed Now. Can It Wait Or Can We Spend Now On Something Else?"***

**Funding For Ukraine From The United States And Other Countries Will Continue To Decrease. Now Is Past The Moment To Focus On What Is Critical And Jettison Everything Else.**

***"All Politics Is Local"* And This Statement Will Mean Further Questioning For Funding Relating To Ukraine. The Nearer Ukraine Is (And Believes Itself To Be) To Membership In The European Union (EU), The Further It May Actually Become. Macro Gestures And Themes Easy For Politicians To Be Orgasmic About. Micro Decisions Impacting Voters Mean Self-Preservation Comes First. Ukraine Will Lessen In Importance. Negotiations In Some Format With The Government Of The Russian Federation May Become Non-Negotiable.**

The political bureaucracy and professional bureaucracy that manages the United States Agency for International Development (USAID) needs activity to survive, to justify its operations and legitimacy.

Relating to USAID activities in Ukraine since 24 February 2022, a very much female-led managerial public cabal has increasingly and stridently defended funding allocations.

- On 24 February 2022, the armed forces of the Russian Federation invaded and further invaded the territory of Ukraine in what Vladimir Putin, President of the Russian Federation (2000-2008 and 2012- ), defined as a Special Military Operation [SMO] then on 22 December 2022 he redefined as a war. The initial invasion of Ukraine by the armed forces of the Russian Federation was in part from the territory of Belarus.
- The war between the Russian Federation and Ukraine did not commence on 24 February 2022. The roots began their trajectories on 20 February 2014 when the armed forces of the Russian Federation invaded the Crimean Peninsula and the area known as the Donbas Region (Donetsk Oblast and Luhansk Oblast).

In conversations with USAID officials, there is no acceptance that any funding allocation might not be necessary, and particularly not necessary now.

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USAID officials are defiant in their responses, they were indignant and intolerant to any dissent-defending each United States Dollar spend as critical, essential, and necessary. Debate is afforded the imperial wave-off. The bureaucracy knows best.

The question: What is more critical to Ukraine *today*? **US\$455 million** for ammunition and weapons to be used by the armed forces of Ukraine or **US\$230 million** to help Ukraine-based companies market themselves to the twenty-seven country European Union (EU) and **US\$225 million** to help develop a non-essential today 47-mile railway line near the Ukraine border with Poland.

- **European Union (EU):** Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

These are precisely the types of non-critical funding decisions that provide *political cannon fodder* for those elected politicians and appointment politicians, those who question and those who oppose providing commercial, economic, financial, military, and political support for Ukraine.

For members of the United States Congress, there becomes a logical question: *Why should United States taxpayers borrow more, incur additional debt, to help the EU whose Gross Domestic Product (GDP) is nearly equal to that of the United States? Isn't that the job of the EU? Another example of countries taking advantage of United States taxpayers.*

**Vladimir Putin**, President of the Russian Federation (2000-2008 and 2012- ), and leadership of the armed forces of the Russian Federation are absolutely supportive of US\$455 million directed away from ammunition and weapons. Focus west; leave the east to us.

**Volodymyr Zelensky**, President of Ukraine (2019- ), wants more of everything- funding, weapons, and ammunition. If he had to make a choice, however, he would be required to look to the leadership of the Brussels, Belgium-based European Commission (EC), the operational vortex for the EU, to provide funding for the commercial, economic, financial, and political engagement by Ukraine with the EU. Why? Because Ukraine wants to become a member of the EU and the EU has invited Ukraine to become a member.

**Ursula von der Leyen**, President (2019- ) of the EC, who is seeking this year another five-year term, shared the EU, collectively, as a “*special responsibility*” for Ukraine.

- “*Can we imagine the EU without Ukraine, Moldova, or the Western Balkans? Do we want to see these parts of Europe influenced by Russia or China? It is impossible. So, the direction of movement is clear.*” **Ursula von der Leyen**

**USAID**  
**Washington DC**  
**19 July 2023**

“Today in Kyiv, Administrator Samantha Power announced that the United States, through the U.S. Agency for International Development, will work with Congress to provide an additional

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\$230 million to support Ukraine's economy and reconstruction, by bolstering private sector productivity, job creation, and exports.

As a result of Russia's full-scale military invasion, Ukraine's economy contracted by an estimated 31 percent in 2022 and faced significant unemployment challenges. With this funding, USAID will provide technical assistance to Ukrainian businesses to help scale their operations, meet EU regulations to export more of their products and services into Europe, and ultimately create jobs for more Ukrainians. USAID will also work with financial institutions to offer grants and technical assistance to provide the financing these businesses need to grow and build Ukraine's future.

USAID will also advance a strong, diverse, and open Ukrainian economy by strengthening the business support ecosystem and helping small, medium, and large Ukrainian enterprises become more competitive and sustainable. Small businesses are the primary source of economic activity and employment in Ukraine. USAID will support workforce development, including training, aimed at providing approximately 100,000 new jobs which will contribute to bolstering the economy and increasing public revenue, which can help reduce the need for external assistance.

This new funding reaffirms the United States' commitment to the people of Ukraine. Since Putin's full-scale invasion in February 2022, the United States, through USAID, has provided more than \$23 billion in humanitarian, economic, and development assistance to Ukraine."

- **Ukraine Business News (20 July 2023):** "USAID plans to invest \$230M in Ukrainian business. The US Agency for International Development will work with Congress to accomplish this goal. USAID head Samantha Paver [sic] said that the money should help companies comply with EU rules and export more goods and services to Europe, USAID head Samantha Paver [sic] said. It will also help enterprises scale and expand their activities and create more jobs. In addition, according to Paver [sic], USAID will help attract investors to the Ukrainian market. "We will expand the use of tools such as low-interest loans or business grants and guarantees in case of first loss, reducing the risk of investing in Ukraine. And we will work together to attract more investment and participation from the private sector here in Ukraine. This is again an investment in the sustainability of today, as well as in the economy of tomorrow," Paver [sic] emphasized."

## USAID

Washington DC

4 December 2023

"The United States, through USAID, and JSC Ukrainian Railways (UZ) signed a Memorandum of Understanding to mutually support the development of a 75-kilometer (47-mile) segment of dually gauged rail which will connect Lviv, a planned transportation hub in western Ukraine, to the Trans European Network for Transport. This partnership, which will result in \$225 million in funding for this rail segment, underscores the United States' commitment to investing in alternative export routes for Ukraine's agricultural products, and emphasizes the critical importance of infrastructure such as rail to Ukraine's recovery.

Supported by a planned \$225 million investment of USAID funding for this rail segment, the agreement underscores the United States' commitment to investing in alternative export routes for Ukraine's agricultural products, and emphasizes the critical importance of infrastructure like rail to advance Ukraine's recovery. By investing to improve land and rail border crossing points, grain export capacity could be increased by an estimated 2.5 million metric tons per year, boosting

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exports by up to \$425 million. This project will help bolster Ukraine's connectivity to Europe, while enabling Ukraine's economic resiliency and helping to ultimately reduce its reliance on donor budget support. Ukraine's railway uses wide-gauge tracks. The European rail network, on the other hand, uses standard-gauge, narrower tracks, which requires cargo wagons to be unloaded and reloaded at border checkpoints, a process that often takes more than 5 hours per train and thereby limiting the number of trains that can pass from Ukraine into Europe each day.

This time consuming process often leads to inefficient transportation of grain and other agricultural products. USAID's technical support will enable UZ to develop this dually gauged rail segment, which will help speed up the transport of Ukraine's goods to the European Union and provide faster routes for displaced Ukrainian citizens to return home. By connecting European rail corridors to Lviv, agricultural products can be directly loaded onto narrow narrow gauge hoppers or rail cars, and fast tracked to European ports and markets.

On November 8, 2023, Secretary of Transportation Pete Buttigieg and Ambassador Bridget A. Brink met with UZ Chairman of the Board Yevhen Lyashchenko and Deputy Prime Minister Oleksandr Kubrakov to discuss UZ's wartime successes and challenges, the importance of American/Ukrainian collaboration, and the importance of USAID's support in developing the Mostyska-Lviv Rail Segment.

- **Ukraine Business News (6 December 2023):** “The US allocated \$225M to construct the Eurotrack to accelerate Ukrainian exports. The USAID and Ukrainian Railways (UZ) signed a memorandum to build a two-track railway section 75 km long. It will connect Lviv with the Trans-European transport network of the EU. Ukrainian railways use a wide gauge, while railways in European countries have a standard, smaller gauge. This makes it necessary to overload wagons at border railway crossings. Overloading one train can last more than five hours, limiting the number of trains crossing Ukraine's borders with European countries daily. This time-consuming process reduces the transportation efficiency of grain and other agricultural products. USAID will provide UZ with technical support in constructing a two-track section to speed up the transportation of Ukrainian goods to the EU. The connection of the railway hub in Lviv with European railway corridors will allow the loading of agricultural products directly into wagons designed for the standard European gauge, which will speed up the delivery of these goods to EU ports.”