

Congress of the United States
Washington, DC 20515

December 7, 2022

The Honorable Gene L. Dodaro
United States Government Accountability Office
441 G Street NW
Washington, D.C. 20226

Dear Comptroller Dodaro,

On February 24, 2022, Russia launched a full-scale and unprovoked war against Ukraine that has had catastrophic effects. The war has killed thousands of civilians and displaced millions more, including over 6.5 million persons internally displaced in Ukraine and at least 7.8 million refugees in Europe alone as of October 2022. Russia's aggression has caused massive disruption to Ukraine's economy and damage to its civilian infrastructure. Specifically, in October 2022, the World Bank estimated that the Ukrainian economy would shrink by 35 percent this year. Moreover, the Government of Ukraine has estimated that up to 40 percent of Ukrainian energy infrastructure has been seriously damaged by Russian strikes.

In response, the United States Agency for International Development (USAID) alone has committed over \$14.9 billion in assistance to Ukraine. This includes \$13 billion in direct budget support to the Government of Ukraine, \$667 million in economic and food security assistance, and \$1.3 billion in humanitarian assistance. It is imperative that USAID and the Department of State continue to work with haste to use these funds to address the dire needs of the people of Ukraine. In doing so, it will be important that the agencies coordinate with the international donor community, allied and partner governments, the Government of Ukraine, and local Ukrainian organizations to ensure that U.S. assistance does not duplicate other efforts, but instead is well targeted to where the need is greatest.

To help understand the assistance provided to date, existing oversight mechanisms as well as the agencies' plans for future assistance, we request that GAO review the following:

1. How much funding have USAID and State obligated and disbursed and at what pace? What activities have USAID and State funded?
2. What portion of the funding went toward internally displaced persons, refugees, the Government of Ukraine, or other types of beneficiaries?
3. What portion of the funding went to Ukraine versus countries in the region impacted by the situation in Ukraine?
4. To what extent have USAID and State provided U.S. assistance to new or existing UN and international NGO mechanisms compared to local Ukrainian organizations or Ukrainian government entities?

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5. Who are the implementing partners State and USAID are using to accomplish assistance objectives? To what extent are State and USAID relying on the same implementing partners they used before the war? Is the number of implementers adequate to the scope and scale of the work required?
6. What mechanisms could be used to provide direct budgetary support to the Government of Ukraine via a cash transfer rather than through the World Bank, and what are the pros and cons of each potential mechanism?
7. To what extent do USAID agreements with the World Bank under the Public Expenditures for Administrative Capacity Endurance in Ukraine (PEACE) Project and with third party monitors provide transparency and accountability of how U.S. direct budgetary support is being spent?
8. What portion of U.S. direct budgetary support through the World Bank went to cover social payments, healthcare services, pensions or other core functions of the Government of Ukraine at the national and regional levels?
9. What mechanisms are in place to assess whether assistance is reaching its intended beneficiaries in Ukraine and countries in the region impacted by the situation in Ukraine?
10. To what extent are USAID and State factoring Ukraine reconstruction and recovery needs into current programming and plans for future resource allocations? To what extent have USAID and State factored in the need to increase attention on reforms, transparency, and governance as Ukraine prepares for a transition to post-war recovery?
11. To what extent are USAID and State coordinating with the international donor community and other entities in the planning and delivery of humanitarian and economic assistance?
12. How is security for implementing partners in Ukraine being coordinated among the international donor community? What portion of U.S. government assistance went towards security for implementing partners, and to what extent were implementing partners pursuing export license applications for dual use or U.S. munitions list-controlled defense articles or services as part of these partners' efforts to provide adequate security to staff and Ukrainian citizens seeking assistance?

13. To what extent is supplemental Ukraine funding being used to support U.S. programs that pre-date the war or fund priorities not directly related to the war or its socio-economic impact?
14. To what extent are U.S. assistance priorities determined through consultations with the Ukrainian government? Are there areas of disagreement or divergence when it comes to identifying Ukraine's most pressing humanitarian, economic and development needs and priorities?
15. How effective are newly created oversight mechanisms such as the Ukraine Oversight Interagency Working Group and the Deloitte oversight and accountability contract? Are there any gaps in the oversight of U.S. humanitarian, economic and development assistance to Ukraine that would benefit from an independent inspector general? Is the U.S. working effectively with international oversight partners on areas of mutual interest?

Sincerely,



MICHAEL T. McCAUL
Ranking Member
House Foreign Affairs Committee



JAMES E. RISCH
Ranking Member
Senate Foreign Relations Committee