

A bleak future for Ukraine aid in Washington?

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Negotiations are ongoing in Congress concerning US assistance for Ukraine in 2024. They have so far failed to produce an agreement. In the House of Representatives and subsequently in the Senate, Republicans have begun to demand that the adoption of the next aid package for Kyiv be made conditional on enhancing US-Mexico border protection and changes to the immigration law.

Discussions on these issues continue in the context of an intensifying election campaign ahead of the US presidential and congressional elections in November. However, with deep divisions on the US political scene and in society, an agreement on immigration issues may be difficult to achieve. Failure to do so will make it impossible to pass a support package for Ukraine in Congress despite a declared cross-party majority in support of Kyiv. This would mean the White House will be forced to seek creative solutions in order to continue at least limited support, in particular regarding military aid. Should US military aid cease or become significantly reduced, this will put the European allies under pressure to increase arms supplies, and Ukraine will be faced with the prospect of a military defeat against Russia.

Negotiations on continued support for Ukraine

Negotiations over funding assistance for Kyiv for 2024 have been ongoing since mid-August. The White House's request to Congress submitted at that time envisaged the allocation of approximately \$24bn in military, economic, social and humanitarian assistance for the first quarter of the 2024 fiscal year, which in the US began on 1 October 2023. However, Congress did not proceed with the proposal due to the resistance from the conservative wing of the Republican Party (GOP) in the House of Representatives and later due to the chaos following the ouster of the Republican Speaker Kevin McCarthy after a mutiny by a handful of the GOP's most radical lawmakers. A legislative deadlock of several weeks then began, culminating in the election of a new Speaker at the end of October last year.

However, the White House's August request became obsolete once the new fiscal year began. In addition to this, other needs emerged, such as support for Israel following the 7 October Hamas attack. Anticipating that in an election year, further requests to provide Ukraine with aid might not be approved by the Republican-dominated House of Representatives, the White House decided in October to submit a request to fund a much larger package for Ukraine, amounting to approximately \$61bn (see Appendix 1) to cover Ukraine's needs until the presidential election in the autumn of 2024. At the same time, support for Ukraine was linked in the proposal to US-Mexico border protection and military aid to Israel.

Support for Ukraine and the dispute over immigration policy

Linking aid for Ukraine with border protection funds and increasing the latter from \$4bn to \$14bn, was a move aimed at winning the favour of the conservative part of the Republican Party – especially in the House of Representatives – for whom tightening immigration laws is a priority. However, this opened the door to a deep dispute not only over the immediate protection of the border, but also over immigration policy in general. The Republicans are making their support for agreeing to provide further assistance to Kyiv contingent on finding a favourable solution for themselves on immigration policy. However, while their approach in the Senate is more constructive, their counterparts in the House of Representatives insist on the implementation of all their demands and are showing little inclination to make concessions.

As part of a compromise on immigration policy, the Biden administration is proposing increased funding to hire additional staff to manage the influx of immigrants, while Republicans insist that the problem lies in flawed immigration policy. There has been no comprehensive reform of the immigration law in the US since the 1980s, and the crisis at the southern border has been under way for several years. Last September alone, the authorities registered almost 220,000 illegal immigrants apprehended between the US-Mexico border crossings. Republicans are therefore pushing for, among other things, limits on the right to apply for asylum, as well as for the resumption of construction of the border wall. The dispute over the border crisis is not new, but the fact that the Biden administration is set on continuing its support for Ukraine has prompted the Republicans to use the window of opportunity in the ongoing election campaign.

Negotiations in the Senate on changes to the immigration policy began in December. Their participants regularly declare progress, emphasising that the issue is so complex that it will take time to reach an agreement that will be adopted in both chambers. Members of the House of Representatives are not involved in the talks. The Republican Party there is deeply divided, and House Speaker Mike Johnson will be wary of any future negotiations with the Democrats, as his predecessor was removed from office for reaching a stopgap spending agreement with them. For both the most conservative Republicans and the progressive wing of the Democratic Party, it will be difficult to accept a negotiated compromise.

An additional challenge: negotiations on the 2024 federal budget

In addition to the dispute over immigration policy and support for Ukraine, negotiations on the federal budget for 2024 are ongoing. On November 12 spending bills were extended on the basis of a two-part continuing resolution, which envisages the extension of funding for some agencies and programmes until 19 January and for others (including defence) until 2 February 2024. The adoption of another short-term spending bill or – ideally – of the full federal budget for 2024 is a priority both for the White House and for Congress. Aware of this, the most conservative Republicans in the House of Representatives began escalating their demands in January this year, making their approval of the budget contingent on reaching an agreement on immigration.

The prospect that a full 2024 federal budget will not be passed in the coming weeks is realistic, although it is possible that another stopgap bill will be adopted. One of the flagship demands of the most principled conservatives in the GOP is ‘fiscal responsibility’ and spending cuts. Congress can decide to increase spending at any time, but conservatives

can insist that any further funds for Ukraine should be accompanied by further budget savings. The maximum level of all federal spending for 2024 negotiated by Democrats and Republicans in recent days includes budget cuts, but their total value is not high enough to offset the proposed aid package for Kyiv.

Conclusions

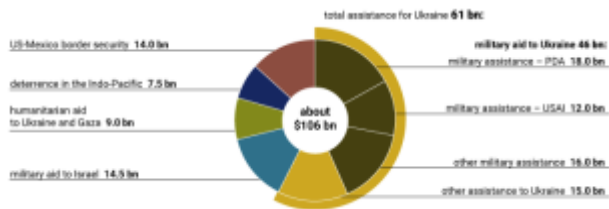
The adoption in Congress of the support package for Ukraine has become a hostage to the domestic situation and the multi-dimensional political dispute in an election year in the US. Further US support for Kyiv depends on finding an agreement on immigration policy. Reaching a compromise will be very difficult, as it cannot be ruled out that the most conservative Republicans, particularly in the House of Representatives, will escalate their demands and may again demand a clear strategy for the war in Ukraine from the White House. Republicans are also aware that President Biden has made supporting the Ukrainian war effort one of the priorities of his presidency and his failure in this area a few months before the presidential election would be to their advantage.

Declaratively, there has been a cross-party majority in Congress all along in support of Kyiv, which includes leaders of both parties in both chambers. The problem, however, consists in the position of the small, very conservative wing of the GOP in the House of Representatives, which exerts a disproportionate influence over the policies of the fragile Republican majority in the House (the GOP currently controls 220 out of 435 seats). While the US election campaign is gathering pace, the GOP hardliners have managed to bring about a situation where their party in both chambers is withholding aid for Ukraine. On 15 January, the first Republican primary in Iowa will take place. Congressmen seeking re-election in 2024 know that their electoral chances will depend, among other things, on their stance on the border crisis and support for Kyiv. Donald Trump is the clear Republican favourite in the presidential election, and he is sceptical of assistance to Ukraine, which means that the Republicans may adopt a tougher course over time.

There is a growing risk that Congress will not pass the 2024 support package for Ukraine. If this happens, the ammunition, equipment and spare parts provided so far could run out within two to three months. The ammunition shortage, which the Ukrainian army has already started to feel, should be considered the most acute issue and it directly affects the situation on the frontline. In this scenario, the White House will be forced to look for creative options to support Ukraine. These are limited, however, and include, for example, accelerating the production of arms and military equipment already ordered from the industry (but still undelivered) under the USAI, the use of the remaining \$4bn under the PDA mechanism (see Appendix 2) or the small sum of approximately \$300m under the USAI, which is provided for in the 2024 National Defense Authorization Act (NDAA) adopted in December. If Kyiv's other Western partners, particularly in Europe, do not replace US supplies, especially ammunition, Ukraine could be faced with military defeat against Russia.

APPENDIX 1

Chart. The breakdown of the White House request to Congress of 20 October 2023



Source: White House.

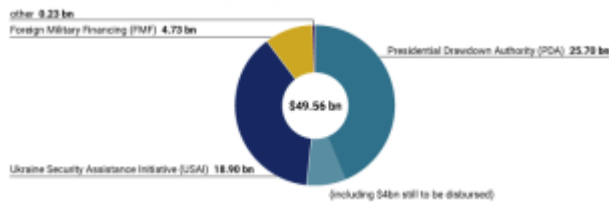
APPENDIX 2. US support to Ukraine to date since the start of the Russian full-scale invasion

Chart 1. Overall US support for Ukraine



Source: CSIS.

Chart 2. US military support for Ukraine



Source: US Department of Defense and US Congress.

To date, Congress has approved four support packages for Ukraine with a total value of more than \$110bn, of which nearly \$50bn is direct military aid to the Ukrainian Armed Forces provided through various procedures and programmes.

The first is the **Presidential Drawdown Authority (PDA)** mechanism, which allows for direct transfers of arms and military equipment from Department of Defense stockpiles. There is still approximately \$4bn left in the PDA pool to be used, but the Biden administration will release these funds reluctantly as it no longer has congressional authorization to replenish its own stockpiles.

The second is the **Ukraine Security Assistance Initiative (USAI)**. This covers the supply of arms and military equipment yet to be produced and delivered in the medium to long term. Almost \$19bn has been used under this mechanism.

The third instrument is the **Foreign Military Financing (FMF)** mechanism, which allows the US to finance arms contracts which Ukraine has signed with US companies. From this mechanism \$4.73bn has been used.