

The FY 2025 Budget Request for the Bureau of European and Eurasian Affairs

**TESTIMONY**

**JAMES C. O'BRIEN, ASSISTANT SECRETARY  
BUREAU OF EUROPEAN AND EURASIAN AFFAIRS**

**THE HOUSE FOREIGN AFFAIRS COMMITTEE:  
SUBCOMMITTEE ON EUROPE**

**WASHINGTON, DC**

**JUNE 26, 2024**

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 – on the President’s Fiscal Year 2025 budget request for Europe and Eurasia.

Let me also take this opportunity to thank this Subcommittee for your support for the President’s National Security Supplemental Budget Request. No one understands better than this Subcommittee that what is happening in Ukraine – what Russia is doing, what Ukraine is doing, what the United States and our partners are doing – represents an inflection point. As President Biden stated in Normandy on June 6, we know that “the struggle between a dictatorship and freedom is unending,” and that we, “NATO and a coalition of more than 50 countries standing strong with Ukraine... will not walk away – because if we do, Ukraine will be subjugated,...all of Europe will be threatened...and the autocrats of the world are watching closely to see what happens in Ukraine, to see if we let this illegal aggression go unchecked.”

Thanks to your support for the Supplemental, we are equipping Ukraine’s military; keeping Ukraine’s government functioning; helping Ukraine bolster its economy despite Russia’s attacks; and repairing and protecting Ukraine’s critical energy infrastructure and strengthening its energy security. We are quickly moving this emergency funding to where it is needed; for example, the Department has already notified \$1.6 billion in new FY 2024 supplemental security assistance for the Ukraine Defense Enterprise

Program, and at the Ukraine Recovery Conference earlier this month, mobilized \$824 million in new and prior supplemental energy resources to support Ukraine's energy sector in the face of sustained Russian attacks on the power grid and generation assets.

Just as your support for the Supplement was critical, your support for the President's Fiscal Year 2025 budget for Europe and Eurasia will be critical. With \$1.26 billion for EUR foreign assistance, \$581.2 million for diplomatic engagement, and \$102.3 million for public diplomacy, the President's Fiscal Year 2025 request seeks to shore up freedom, sovereignty, and prosperity in a region challenged by a third year of Russia's war in Ukraine and intensified Russian and PRC malign influence and economic coercion campaigns.

Here is what we aim to achieve with this funding:

First – we aim to enable Ukraine not only to win the war imposed by Russia, but to strengthen the basis for a strong democracy, capable defense, and resilient economy. In other words, we aim to help Ukraine win the future. To do that, we will need to ensure continued progress on reforms necessary for Ukraine's recovery and EU accession, support the resilience of Ukraine's economy and people, and support the security and civilian defense of Ukraine, including helping to build Ukraine's future force. This funding will support resilience in Ukraine's critical sectors – in agriculture, mineral resources, manufacturing, 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. The net result will be a Ukraine that is capable of defending itself and increasingly carrying its own weight as it moves toward full integration into the Euro-Atlantic community, including eventual membership in the EU and NATO.

Second – to counter malign influences, our assistance request will support efforts and tools that enable our Allies and partners to become more resilient to PRC investment overtures, to develop more modern and sustainable military capacities, to combat foreign information manipulation, interference, and cyber-attacks, and to increase the diversity of energy

supplies and trading partners. These efforts and tools include technical assistance on cyber capacity development and critical infrastructure protection, investment transparency and screening, supply chain diversification, and new energy technologies. The request also provides English-language education, business skill building for independent media, workforce development, technology upgrades, advice on regulatory reform, and digitalization efforts.

Third – our request would advance the Euro-Atlantic and democratic aspirations of our frontline partners. This request will support Belarusians and Russians who work to sustain civic engagement and access to objective media, despite increasing government repression. In Moldova, our request will help a reform-minded government move forward with decentralization and counter corruption measures, manage transparent and fair elections without interference, deepen trade with the EU, and integrate with Europe’s electricity grid. It will also support Moldovan civil society and independent media. In the South Caucasus, we will strengthen our support for Georgian civil society organizations in their efforts to improve democratic governance, ensure free and fair elections, support equity and transparency in the application of the rule of law, and enhance their capacity to resist malign influences. We are also supporting regional stability by promoting a durable peace between Azerbaijan and Armenia and facilitating Armenia’s outreach to the West and diversification of its economy, particularly on trade, energy, and digitalization.

In the Western Balkans, U.S. assistance supports the countries of the region to advance the reforms necessary to realize their strategic goals of EU accession, including those necessary to qualify for funding under the EU Western Balkans Growth Plan, expand energy diversification and connectivity, and strengthen the rule of law and anti-corruption efforts. Their success will depend also on strong, consistent, and coordinated pushback against destabilizing actors, such as those spreading escalatory, dangerous rhetoric and secessionist threats in Bosnia and Herzegovina. It also requires sustained engagement with Kosovo and Serbia to implement

all their EU-facilitated Dialogue commitments on the path to normalization of their relations and mutual recognition.

Fourth – our assistance helps us rally our allies and partners – in the G7, in the EU, in NATO, at the OSCE, in the United Nations and elsewhere – to confront our shared challenges. We’ve already seen significant results of our leveraging efforts. For example, every dollar that we've spent in Ukraine on economic and development assistance, other donors have collectively invested three more. To strengthen Armenia’s resilience and economic growth, we participated in a joint high-level meeting with the EU last April, at which we agreed to provide more than \$65 million and the EU more than €270 million toward Armenian efforts to enhance governance, trade, connectivity, food security, energy diversification and digitalization. At the OSCE, U.S. contributions help ensure that the OSCE remains a valuable forum where we hold Russia accountable, advance peaceful resolution of protracted conflicts, and promote regional integration.

Last but certainly not least – our diplomatic engagement budget is what allows us to staff a growing Embassy Kyiv and funds our efforts to confront Russian and PRC maligned influence in the region and the world. It allows us to pay our utility bills, which have increased over 78 percent in literally every U.S. Embassy and Consulate in Europe due to Russia’s invasion of Ukraine. Perhaps most importantly the budget enables us to pay our locally employed staff a fair wage that keeps us an employer of choice and ensures we can recruit and retain the level of talent we need to implement our priorities in the region.

With your continued support, our Fiscal Year 2025 budget will defend America’s strategic interests and preserve freedom in the face of autocracy and aggression in Europe. Thank you for inviting me to testify today. I look forward to your questions.