

Written Statement
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“Europe and Eurasia: Ensuring Resources Match Objectives”
Hearing before the
House Foreign Affairs Committee
Subcommittee on Europe, Eurasia and Emerging Threats
September 27, 2018

Chairman Rohrabacher, Ranking Member Meeks, and members of the Subcommittee, thank you for the opportunity to testify today on the President’s FY 2019 budget request for Europe and Eurasia. I deeply appreciate your interest, commitment, and strong bipartisan support for our region, and the work we are doing to protect our national interests.

As reflected in the President’s National Security Strategy, the principal goal of U.S. engagement with Europe is to preserve the West as a community of nations united by shared sacrifice and a commitment to common defense, democratic values, fair trade, and shared interests. America and Europe are the West and the heart of the free world. While making America more prosperous and secure is work that starts at home, preserving the West cannot happen without our Allies and partners in Europe. With more than \$5.5 trillion in annual commerce, Europe is the central pillar of our international alliances, and by far our largest economic partner. There is no major foreign policy challenge in which America and Europe can hope to succeed without each other. A strong and free Europe is vital to American interests.

Our strategy in Europe is based on the recognition that Europe is a theater of geopolitical competition, and that the United States and Europe must confront our shared threats together. The President’s FY 2019 foreign assistance request of **\$424.2 million for Europe and Eurasia** supports the President’s priority of enhancing the safety and security of the American people, which includes advancing our vision of a Europe that is strong and free. To this end, we will marshal both our foreign assistance resources and our diplomatic engagement with the sovereign nations of Europe to make progress on six main goals.

First, we will strive to strengthen the Western alliance and compete effectively for positive influence by working with our NATO Allies to ensure that the alliance is ready and willing to defend itself. This means NATO Allies meeting their defense spending commitments. It means strengthening our collective capacity to counter the range of threats, including conventional, nuclear, hybrid, and cyber. It means ensuring the lasting defeat of ISIS and other transnational terrorist organizations. Finally, it means working with our Allies and partners to apply decisive pressure to convince the DPRK and Iran to abandon their current threatening and destabilizing paths.

Second, we will strengthen and balance the transatlantic trade and investment relationship between the United States and Europe. Competing successfully in this new era of Great Power Competition depends on keeping our economy strong and securing our Allies' and partners' energy sources. The President's FY 2019 foreign assistance request supports this goal with **over \$117 million in economic growth assistance**. We must work with our European partners to eliminate inequities and imbalances in our trade relations, and use both our diplomatic tools and foreign assistance to establish a level playing field that allows American companies to compete and create jobs, spurring growth on both sides of the Atlantic. Energy security for our European Allies and partners is also vital. To that end, we will support projects that strengthen European energy security, such as the Southern Gas Corridor, and oppose those like Nord Stream 2, or the second line of TurkStream, that weaken it. We will promote fuel diversification, new delivery routes, and alternative sources. We will find ways to reduce energy demand and encourage a transparent regulatory environment in Europe that promotes investment. Taking these steps is vital to making our Allies and partners less susceptible to pressure from outside powers that only seek their own benefit, rather than furthering mutual interests and values.

Third, we must secure the Eastern frontier of Europe where Russia and others increasingly seek to sow and exploit division, destabilize Europe, and weaken Western cohesion. From the Caucasus and Ukraine through the Balkans and up through the Danube Basin to the Baltics, Europe's Eastern frontier is a renewed geopolitical focus for Russia and a new destination for strategically motivated investment from China. To defend this frontier we must build up the means of self-defense for nations most directly affected, including Ukraine, Georgia, and Moldova, while also helping our increasingly vulnerable partners in the Western Balkans put to rest regional and internal conflicts and further integrate with the West. **Our foreign assistance request reflects these priorities, with over \$252 million going towards supporting the frontline states of Ukraine, Georgia and Moldova, where Russia's aggression and pressure are the greatest, and nearly \$78 million to support stability in the Western Balkans, and advance their Western integration.**

Through our diplomacy and assistance to these states, we are helping them become more resilient in the face of malign activities. Our efforts include fortifying their political systems to foster fair and transparent competition among the full range of democratic parties, countering disinformation and supporting independent media, diversifying energy grids, improving the readiness of their military and cyber defenses, and encouraging regional coordination to confront shared challenges. Similarly, through our public engagement, we provide viable alternatives to Russian and Chinese malign activities. This includes strengthening the bonds of friendship and common values with the peoples of Europe and Eurasia, including those generations for whom the memory of 1989 and NATO enlargement is distant, or nonexistent.

Ukraine is engaged in an internal struggle to implement a broad range of economic, anti-corruption, judicial, and governance reforms, even as it faces continued Russian aggression and pressure. Our FY 2019 foreign assistance request of \$204 million for Ukraine is a tangible sign of our steadfast resolve to stand with Ukrainians and their democratic aspirations. While the government has put in place many considerable reforms over the last four years, it has much still to do. Ukraine's passage of laws on an anti-corruption court and foundational Law on National Security earlier this year were steps in the right direction, but implementation will be key. We are hopeful there will soon be an agreement with the IMF to adjust gas tariffs and budget deficits, thereby unlocking the next round of IMF funding. Similarly, free and fair 2019 elections in Ukraine are a litmus test of Ukrainian officials' commitment to the

people's demand for democratic reform, rule of law, and accountability. Our assistance will support free, fair, and inclusive election processes, enhance public confidence in the next Ukrainian government, build national unity, counter Russian propaganda and cyber-attacks, and sustain momentum for key reforms.

Furthermore, in response to Russian aggression, the United States has committed over \$1 billion in training and equipment since 2014 to help Ukraine defend its sovereignty and territorial integrity, better monitor and secure its borders, and deploy its forces more safely and effectively. The goal of U.S. security assistance in Ukraine is to support its sovereignty and territorial integrity through train, equip, and advise efforts that make Ukraine's Armed Forces more capable and professional, and support defense institutional reform. Our FY 2019 request supports these aims, including **\$20 million in Foreign Military Financing assistance** for Ukraine.

In Georgia, we have a steadfast partner whose efforts to reform are one of the good news stories in a tough neighborhood. Our **FY 2019 assistance request of just over \$31 million** will help Georgia counter Russian aggression by diversifying its economy, fostering a business environment that is grounded in rule of law and friendly to American businesses, and gives rural communities susceptible to Russian malign activities new economic opportunities. U.S. assistance will also strengthen the rule of law by helping to make Georgia's laws and courts fair and independent. Our support will improve Georgia's energy security by developing renewable energy sources, connecting it with the European energy market, and optimizing distribution networks. Our security assistance from prior year appropriations enables Georgian forces to work more seamlessly and effectively alongside American and NATO troops in NATO missions, improve their territorial defense capacity, and protect Georgia's borders. Finally, U.S. support will bolster civil society, enabling it to act as a constructive monitor of government actions and policies; to advance peace and stability through non-violent resolution of conflicts; and to help Georgian journalists to report ethically and accurately.

In Moldova, we are working to help the country become democratic and prosperous, secure within its internationally recognized borders, governed by effective, transparent, and accountable institutions, and guided by the Western-oriented aspirations of its people. Our **FY 2019 assistance request of just over \$17 million** reflects these objectives. In the face of entrenched corruption and pervasive Russian malign activities, the challenges are great. Nevertheless, we continue to push for hard reforms, including those needed to decisively repair Moldova's financial system, improve its economic governance and business climate, and attract domestic and foreign investment, including opportunities for American businesses.

Our continuing support to our Western Balkan partners prioritizes advancing the normalization of Kosovo-Serbia relations and their integration into the Western community of nations; facilitating political reform and reconciliation in Bosnia and Herzegovina; implementing the Prespa Agreement resolving the name dispute between Macedonia and Greece and unblocking the path to Macedonia's Euro-Atlantic integration; and enhancing the region's capabilities to fight organized crime, corruption, and terrorism. Corruption is the currency of Russian malign activities in the Balkans, and it is a serious threat to democratic systems and stability. To root it out, we are working with national governments to improve transparency and accountability; and with civil society and independent media, to lead the charge for reforms and root out corrupt actors. Exposing corruption through investigative journalism has become a key mechanism for ensuring the stability and legitimacy of democracies throughout the region.

Finally, pursuing this goal also means supporting the democratic aspirations of the people of Armenia, including support to ensure that the upcoming elections are free and fair; and preserving their freedom to choose further integration with the West. It means staying in the game in places where the challenges are tough and peoples' democratic aspirations are under pressure, like Azerbaijan and Belarus. In such countries, we will continue to compete for positive influence and seek to preserve the possibility of a democratic future.

Our fourth strategic goal is to work with our Allies, the EU, and partners to stabilize the Southern frontier, where recent migration flows have sent ripples through the heart of Europe, even as Russian competition in the Eastern Mediterranean is increasing. This includes working with nations like Italy to build a shared, multi-prong initiative on migration that addresses all aspects of the challenge, from onshore North Africa/Middle East stability, to better coordination of NATO, EU, and bilateral aid to boost maritime and border security, to building the capacity of our southern partners to fight terrorism and deny terrorists safe haven. We must also establish a stronger, long-term U.S. strategic presence in the Eastern Mediterranean. To do so, our diplomatic priorities include stabilizing the U.S.-Turkey relationship and keeping Turkey anchored in the West, which will require the release of our unjustly detained U.S. citizens and three locally employed staff.

Beyond Turkey, we also prioritize cultivating Greece as an anchor of stability in the region; cementing the integration of the Western Balkans' within Western institutions; and supporting a process in Cyprus to establish a bizonal, bicommunal federation.

Fifth, we will uphold Western democratic principles and institutions, which are key to our security and prosperity. Preserving the West is not just a material undertaking. The cause of democracy increases America's security and prosperity as well. Yet these values are under threat in a way we did not foresee in 1989. To counter this threat, we will continue to defend fundamental individual liberties, such as freedom of speech and the press, and religion, against abuses by state power and other threats. While we will not impose our values on others, we will offer our partnership to those who share them. In line with this goal, our **FY 2019 foreign assistance request includes over \$150 million to support democracy and governance** reforms in the region.

Finally, our success in achieving all of these goals depends heavily on maintaining the confidence of the American people, who have entrusted to the Department of State and USAID their taxpayer dollars in support of our national security. To this end, we will innovate in our management and use of information technology to centralize services and reduce costs. We will also seek to strengthen country self-reliance through our assistance programs so that our aid is ultimately no longer needed, and recipients become full members of the Western community of nations, working with us to uphold Western democratic principles and institutions around the world.