

## Ukraine Shows How US Foreign Aid Can Deliver

Blog Post by Charles Kenny, July 24, 2024, Center for Global Development

As of Dec. 31, 2023, the US had allocated nearly [\\$28 billion](#) to civilian assistance in Ukraine. This has been vital in supporting the country's war effort and ensuring the conflict does not spiral into a worse humanitarian catastrophe. But the work of USAID in Ukraine is also a sign of what foreign aid can accomplish when it uses the right tools to deliver. It is time that far more overseas assistance was allocated through recipient governments rather than Beltway contractors.

For all of the horrors of the Ukraine war, the humanitarian crisis has been contained. About [\\$9 billion](#) of US humanitarian assistance to Ukraine and other countries affected helped limit its impact. US assistance has also [better integrated Ukraine's energy infrastructure](#) with Europe and reduced reliance on Russian energy. And USAID has also supported both civilian and military communications through [5,000 satellite internet terminals](#) delivered early in the conflict.

But the largest part of US assistance has flowed through Ukraine's digital public infrastructure to deliver transparent and effective support to its people. USAID has long backed Prozorro, Ukraine's world-leading e-procurement platform, as well as its sister sites Diia (a portal for government/private services) and Trembita (a national interoperability system). And a [suite of new public digital delivery systems](#) have been launched during the war including an online social assistance payment site that has reached nearly five million citizens, services for internal refugees including financial assistance that has reached to [2.6 million beneficiaries](#), and a compensation system for people who need to rebuild their house thanks to shelling and bombing. Ukraine is [hardly corruption-free](#), but the sites are part of a [broader effort](#) to increase efficiency and [reduce both fraud and abuse](#).

In part thanks to the reliability of Ukraine's digital systems, fully [\\$23 billion](#) of US economic assistance could safely be provided to the country as budget support through the World Bank. The accounting firm PWC has tracked that money through the levels of Ukraine's government. Looking at the funds that were being paid to first responders, for example, the results of comparing the data from regional territorial subunits to the data on cash payments processed by the Treasury of Ukraine suggest [no discrepancies](#) beyond rounding differences. Nearly five hundred USAID spot-checks on the last leg of payments, to verify that direct budget support was received by intended individual beneficiaries, found no [significant issues](#).

I hope the lessons learned in Ukraine encourage US policymakers to rethink how assistance is delivered more broadly. It provides an exciting and more effective alternative to the [standard approach](#) of relying on US-based firms and NGOs to deliver goods and services. When we can monitor competitive procurements and outcomes, and track financial payments and target beneficiaries down to the individual level all through transparent digital public infrastructure, there's little reason to use a complex network of consultants and intermediaries to deliver assistance. Localization—trying to increase aid spend through recipient country institutions—has been a bipartisan priority in the US for a

decade or more, and Ukraine provides the ultimate example of success. It is past time to adopt the model in more places.

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