

# **US support for Ukraine: A critical lifeline for Ukraine, an opportunity for US business**

Grow | Protect | Operate | Finance

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# Introduction

As the current administration winds down and accelerates aid to Ukraine, questions loom about the future of US support under the incoming administration. For Ukraine, US assistance has been a cornerstone of its defense and rebuilding efforts since the onset of Russia's full-scale invasion in 2022. This article explores the scope of US aid to Ukraine, its impact to date, the opportunities that Ukraine presents for American investors and how a potential shift in US policy can be potentially mitigated.





# Financial Commitments

Since the start of the war, the US Congress has passed five bills on aid to Ukraine, with a total budget authority of roughly US\$175 billion. This comprehensive support includes military aid, economic support and humanitarian assistance, each playing a crucial role in Ukraine's resilience and recovery. Of that amount, approximately US\$106 billion directly aids the Ukrainian government, of which US\$70 billion is for weapons, equipment and other military support. A large share of those funds (roughly 86 percent) is being spent in the US, subsidizing weapons production in at least 31 states and 71 cities.

While the overall amount committed by the US in Ukraine aid is generally far larger than that of any other country, when measured by share of GDP, countries in Eastern Europe and Scandinavia are providing more aid to Ukraine, with Estonia and Denmark in the lead. Notably, some of the US assistance has actually been provided as a loan to Ukraine (that can, under certain circumstances, be forgiven by the president unless Congress takes specific action to disagree).

**As noted above, aid from the US has been focused on three main directions:**

- 1 Military assistance**
- 2 Economic support**
- 3 Humanitarian aid**

# Military assistance

The US Department of Defense continues to lead in providing security aid to Ukraine. Recently, the US announced a nearly US\$2.5 billion security assistance package, which includes a US\$1.25 billion drawdown of US military equipment and a US\$1.22 billion Ukraine Security Assistance Initiative (USAI) package. This package includes advanced air defense systems, ammunition and equipment critical for Ukraine's counteroffensive efforts. Additionally, the US announced a US\$988 million package, which is part of a broader strategy to ensure Ukraine has the necessary resources to defend itself.





# Economic support

Economic support has been a cornerstone of US aid, aimed at rebuilding and modernizing Ukraine's infrastructure and enhancing energy security. Just recently (in December 2024), a US\$20 billion loan through the US Economic Resilience Agreement (ERA) was finalized, which represents the US portion of a US\$50 billion multinational loan to Ukraine, backed by Russia's frozen central bank assets. Administered by the US Agency for International Development (USAID), this loan targets key sectors for Ukraine's recovery, including rebuilding and modernizing damaged critical infrastructure, enhancing energy security and modernizing the energy grid and agricultural modernization.



**Read more:** [Dentons - Rebuilding Ukraine's energy sector: International support and investment opportunities](#)



# Humanitarian aid

The United States has provided extensive humanitarian relief to address the needs of millions displaced by the war. USAID and the State Department have focused on several key areas, including food security for displaced populations, healthcare (including emergency medical assistance), shelter and winterization assistance and psychosocial support for survivors of gender-based violence.



# Recent address by Deputy Secretary Richard Verma

In a recent address at the Center for International and Strategic Studies in Washington, D.C., Deputy Secretary of State Richard Verma emphasized the crucial role of private sector engagement in Ukraine's economic recovery.

He announced four new critical initiatives to support Ukraine's wartime economy, recovery and reconstruction:

## Agriculture support



An additional US\$74.7 million to support export-oriented agriculture, enabling Ukrainian farmers and food processors to play a greater role in the economic comeback. Verma highlighted the involvement of US companies like ADM, Bunge, Cargill and Louis-Dreyfus.

## Logistics and infrastructure



Over US\$223 million to rebuild Ukraine's transportation, infrastructure, and logistics, ensuring the functionality of ports, railways and other critical communication channels.

## Project preparation facility



A US\$35 million contribution to the Ukraine Recovery Trust Fund to support the Ukrainian government's Project Preparation Facility, co-developed with the World Bank.

## Workforce training



More than US\$105 million in new funding to train and equip Ukrainians for jobs in reconstruction and industry.



# Institutional Efforts

Various US agencies have played critical roles in supporting Ukraine's economy as well as US companies doing business in Ukraine, among them:

**US International Development Finance Corporation (DFC)**

**Export-Import Bank of the United States (ExIm)**

**USAID**

# DFC

**The DFC has been instrumental in backing private sector investments. Before the war, DFC had more than US\$800 million in investments across a range of sectors.**

Since the full-scale invasion in 2022, DFC has surged its efforts to mobilize private capital and support Ukrainian businesses in agriculture, small business, energy and healthcare.



**Read more: Dentons - Developments in war risk insurance products for investments in Ukraine**

## Notable initiatives include:



**Renewable energy projects:** Investments in renewable energy infrastructure, which are essential for Ukraine's sustainable recovery and future growth.



**War-risk reinsurance facility:** A US\$50 million war-risk reinsurance facility, brokered by Aon, to fill a critical market gap for companies operating in Ukraine amidst the ongoing conflict



**Political risk insurance:** Over US\$350 million in approved transactions for political risk insurance to support sectors like agriculture, pharmaceuticals and education.



**Loan portfolio guarantee:** A US\$28 million loan portfolio guarantee for small and medium-sized enterprises (SMEs), co-sponsored by USAID, to support lending in the agricultural sector.



**Local mortgage lending:** Signing a memorandum of understanding (MOU) with Citi and Ukraine's Ministry of Economy to identify opportunities to support local currency residential mortgage financing in Ukraine.

# ExIm

**The ExIm has issued guarantees to facilitate US-Ukraine trade, particularly in heavy machinery and renewable energy sectors.**

This support has been crucial in maintaining trade relations and ensuring that US businesses can continue to operate in the Ukrainian market.

## **Key efforts include:**

**Trade financing:** Collaborating with the European Bank for Reconstruction and Development (EBRD) to explore opportunities for sharing trade-finance risk on trade instruments guaranteed by approved local issuing banks.

**Support for exporters:** Ensuring that US exporters have the necessary financial backing to engage in the Ukrainian market, thereby strengthening economic ties between the two countries.

**ECA Memorandum of Cooperation (MOC):** ExIm signed an MOC together with export credit agencies (ECAs) of Germany, Italy, Japan, the UK, France and Poland, among others, in which the signatories will continue to explore ways to support exporters and investors interested in partnering with Ukrainian companies for Ukraine's economic, social, infrastructure and environmental reconstruction and development.

**Velta Holding and the Titanium Market:** A significant recent development involves ExIm's support for Velta Holding US Inc., the parent company of Ukrainian titanium producer Velta. ExIm has issued a letter of intent to provide US\$60 million in financing with a 20-year maturity to help build a US\$100 million titanium powder and alloy plant in the United States. This project is part of EXIM's China and Transformational Exports Program (CTEP) banking program, which aims to strengthen the US role in key industries, including titanium production, and to counter China's global influence. This development highlights ExIm's role in facilitating significant industrial projects that not only support US-Ukraine trade but also contribute to strategic economic goals.



# USAID

Since the war began, USAID has provided **US\$3.1 billion in humanitarian aid, US\$3.4 billion in development assistance, and US\$28.1 billion in direct budget support.**

It has managed significant grants and programs aimed at stabilizing the Ukrainian economy and supporting long-term recovery.

## Key initiatives include:

**Decentralization reforms:** USAID has invested in decentralization reforms to enhance local governance and improve public service delivery.

**Anti-corruption initiatives:** USAID supports the institutionalization of Ukraine's anti-corruption architecture, working at both national and local levels to strengthen judicial accountability, parliamentary oversight and public service transparency.

**Economic resilience:** The US\$20 billion loan through ERA targets infrastructure rebuilding, energy resilience and agricultural modernization.

**Rule of law and human rights:** USAID programs support the adjudication of war crimes, assist with legal aid for vulnerable groups and help combat human trafficking.

**Digital transformation:** USAID's Digitalization Unit works to enhance digital governance, support transparent recovery processes and promote good governance through technology.

# Notable investments by US companies

While many businesses have hesitated to enter Ukraine during active hostilities, several US companies have made significant contributions to the country's recovery and growth.

Notable examples include:

## General Electric (GE)

GE has partnered with Ukraine's energy sector to deliver turbines and bolster grid resilience.

## Pfizer

Pfizer has provided significant support in the healthcare sector, including the donation of medical supplies and vaccines.

## Cargill

Cargill has made substantial investments in agricultural storage and logistics. Recognizing Ukraine's role as a global agricultural powerhouse, Cargill's investments aim to improve the efficiency and capacity of Ukraine's grain storage and export facilities.

## Honeywell

Honeywell has invested in smart grid technology and energy efficiency projects in Ukraine. These initiatives are designed to modernize Ukraine's energy infrastructure, reduce energy losses, and improve overall grid management.

## Westinghouse Electric Company

Westinghouse Electric Company has been involved in supplying nuclear fuel and technology to Ukraine's nuclear power plants. This partnership is critical for diversifying Ukraine's energy sources and reducing its dependence on Russian nuclear fuel.

## Microsoft

Microsoft has expanded its cloud and cybersecurity services for Ukrainian businesses and government entities. This expansion includes providing advanced cybersecurity solutions to protect critical infrastructure and sensitive data from cyber threats. Additionally, Microsoft's cloud services support the digital transformation of Ukrainian businesses, enabling them to operate more efficiently and securely in a challenging environment.



# Opportunities for US businesses

## Ukraine's transformation and rebuilding effort represents significant opportunities for American companies across various sectors.

During her recent visit to the US, Ukraine's Deputy Prime Minister and Minister of Economy, Yulia Svyrydenko, emphasized Ukraine's commitment to creating favorable conditions for US investors and businesses. In high-level meetings with US policymakers and executives, she highlighted opportunities for American companies in key sectors like defense technology, critical minerals, energy, and infrastructure. She also underscored Ukraine's strategic importance in global supply chains and its untapped economic potential.

**Infrastructure development:** With substantial damage to roads, bridges and housing, Ukraine's recovery will require extensive engineering and construction expertise. US companies specializing in infrastructure development can play a pivotal role in rebuilding critical transportation networks and residential areas.

**Energy:** Ukraine is pivoting towards renewable energy and energy independence, creating significant opportunities for US companies specializing in solar, wind and grid modernization.

**Technology:** With strong IT capabilities, Ukraine is poised to become a tech outsourcing hub. US firms can benefit from partnerships in software development, cybersecurity, and artificial intelligence.

**Military/defense technology:** Ukraine has demonstrated significant potential in the military technology sector, driven by the urgent needs of the ongoing war. US companies can explore opportunities in drone technology, cyber warfare and advanced weaponry.

**Agriculture:** Investment in Ukraine's agribusiness sector offers mutually beneficial prospects. US companies can contribute to and benefit from

advancements in precision farming technologies that enhance agricultural productivity and in logistics to improve Ukraine's agricultural supply chains.

**Mining and natural resources exploration:** Ukraine's wealth of natural resources and critical minerals presents significant opportunities for US companies in the mining sector. NEQSOL Holding's recent privatization of United Mining and Chemical Company (UMCC), Ukraine's largest titanium ore producer, is set to create significant opportunities for companies from outside Ukraine, including those in the US, to participate in exploration and mining activities. NEQSOL has initiated discussions with specialized companies from the United States, Australia, the UK and Canada to bring in global expertise for developing a new strategy for UMCC.

**Trade.gov initiative: "United with Ukraine":** The US government's Trade.gov initiative, "United with Ukraine," provides valuable resources for businesses exploring entry into the Ukrainian market. This initiative supports US companies by:

- **Facilitating market entry:** Offering guidance on navigating the Ukrainian business environment and regulatory landscape.
- **Connecting partners:** Helping US businesses find local partners and opportunities for collaboration.
- **Providing insights:** Delivering market intelligence and updates on economic conditions and sector-specific opportunities.



See: [Ukraine Insights: Top 10 reasons to invest in Ukraine](#)



Read more: [Rebuilding Ukraine's energy sector: International support and investment opportunities](#)



See: [Ukraine Insights: A talk with Anna Ryzhova, Ciklum](#)



Read more: [Dentons - Ukraine's critical minerals: A strategic asset for global supply chains](#)



# Challenges and the Road Ahead

The coming months will be pivotal for Ukraine. As the current administration fast-tracks aid, Ukraine must prepare for potential shifts in policy and the possibility that future US aid to Ukraine may be reduced. Strengthening ties with US businesses and promoting bilateral trade will be crucial to maintaining momentum. Despite the uncertainty inherent in the evolving political landscape and the extent of future US support, Ukraine remains a compelling destination for American investment.

Keep up to date with news regarding the latest legal developments in relation to Ukraine as well as our analysis and insights around the current business environment and the opportunities for international investors keen to be part of Ukraine's transformation and rebuild at **Dentons - Ukraine transformation and rebuild**.



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