



Defunding USAID

Global and Strategic Consequences

Issue No.2

TRENDS 360

Welcome to the second edition of Trends 360, the bimonthly newsletter from Trends Research & Advisory. Each issue unpacks critical global developments shaping the international landscape, from shifting alliances and great power rivalries to emerging policy disruptions. This month, we turn our attention to the defunding of USAID and its far-reaching consequences. As the United States reconsiders its role in global development, we explore the strategic, humanitarian, and geopolitical costs of dismantling one of its most influential soft power tools. The implications of this move extend well beyond Washington, affecting vulnerable populations, destabilizing aid-dependent regions, and opening new geopolitical space for U.S. rivals. In a moment where global crises demand collaboration, the rollback of American foreign aid may redefine not only how the U.S. is perceived, but how global leadership itself is contested.

The Dismantling of USAID

The now famous 'Make America Great Again' tagline, symbolic of President Trump's first and second presidential campaigns, was strategically designed to evoke a sense of American decline and stir public emotion. Trump has long campaigned on the belief that the U.S. was overextended in its global responsibilities, its allies were not contributing their fair share to defense spending, and its economic and global influence was weakening, all the while pledging to pursue a protectionist foreign policy more aligned with his nationalist agenda.

This stance, however, is not entirely new. As the Cold War drew to a close, nearly half of Americans polled believed the U.S. was in decline and favored a more protectionist stance, including scaling back its "overextended international commitments."¹ In an article for Foreign Policy in 1990, the renowned political scientist Joseph Nye, who coined the concept of "soft power," warned that a protectionist U.S. foreign policy moving forward would be counterproductive. Nye cautioned that turning inward could accelerate America's decline, stating, "If the most powerful country fails to lead, the consequences for international stability could be disastrous."²

¹ Joseph S. Nye, "Soft Power," Foreign Policy, no. 171-153 : (1990) 80, <https://doi.org/1148580/10.2307>.

² Ibid.



A central point of contention for President Trump, both during his previous administration and in his current term, has been the distribution of American foreign aid. The United States Agency for International Development (USAID), in particular, has been a frequent target of Trump's criticism, as he has accused the agency of being influenced by the "radical left" and plagued with "tremendous fraud," though there remains little evidence to support such allegations.³ This stance aligns with Trump's broader "America First" agenda, which seeks to reduce U.S. involvement in global development and prioritize domestic interests.

On January 20, 2025 —the first day of his second administration—President Trump ordered a review of all U.S. foreign aid programs, followed days later by a temporary pause in funding, stating his administration would conduct a 90-day review to ensure U.S. foreign assistance aligned with his 'America First' foreign policy agenda—with the exception of military aid to Israel and Egypt, which both received exemption waivers following the announcement.⁴

³ Stephanie Saul, "Trump Cuts Lead to Johns Hopkins University Layoffs," The New York Times, March 2025, 13, <https://www.nytimes.com/13/03/2025/us/trump-cuts-johns-hopkins-university-layoffs.html>.

⁴ Humeyra Pamuk and Daphne Psaledakis, "US Issues Broad Freeze on Foreign Aid After Trump Orders Review," Reuters, January, 25 2025, <https://www.reuters.com/world/us/trump-pause-applies-all-foreign-aid-israel-egypt-get-waiver-says-state-dept-memo-24-01-2025/>

The review and subsequent recommendations were to be overseen by the newly created Department of Government Efficiency (DOGE), led by tech billionaire Elon Musk. In an Executive Order (EO) outlining his objectives to reevaluate U.S. foreign aid, President Trump asserted that in many cases, U.S. aid contradicts American values and contributes to global instability by promoting ideas in foreign countries that are “directly inverse to harmonious and stable relations internal to and among countries”⁵—essentially arguing that foreign aid may inadvertently fund initiatives that go against U.S. interests, which may be counterproductive and contribute to instability, rather than fostering cooperation.

Since its establishment in the early 1960s, USAID was intended to function as an independent, non-partisan agency designed to streamline the administration of foreign aid and avoid bureaucratic inefficiencies. In the past, USAID has delivered humanitarian aid to countries without formal U.S. diplomatic ties, including Iran and North Korea, serving as a conduit for engagement and a potential bridge to adversaries.⁶ However, under President Trump, control over the agency will become centralized, with Secretary of State, Marco Rubio now playing a key role in its oversight, serving as USAID’s new acting administrator. As a result, what remains of USAID will operate under the authority of the State Department.



⁵ The White House, “Reevaluating and Realigning United States Foreign Aid,” January 2025, 20, <https://www.whitehouse.gov/presidential-actions/01/2025/reevaluating-and-realigning-united-states-foreign-aid/>.

⁶ The Guardian, “What Is USAID? Donald Trump, Elon Musk, and Foreign Aid Freezes,” February 2025, 4, <https://www.theguardian.com/us-news/2025/feb/04/what-is-usaid-donald-trump-elon-musk-foreign-aid-freezes>.

In early March 2025, six weeks into the 90-day assessment, Secretary Rubio announced on the social media platform X, owned by Musk, that the U.S. would be canceling 83% of all programs that USAID oversees, equivalent to 5,200 contracts, while the State Department would administer the remaining 18%.⁷ Prior to its dismantling, USAID remained the primary U.S. agency responsible for administering civilian foreign aid and development assistance, focusing on improving global health and education while combating poverty and hunger. Nonetheless, Secretary Rubio cited that the cut programs do not serve the core interests of the United States.

The result has been the agency's global workforce—nearly 13,000 staff—being reduced to a few hundred, with local USAID employees in Washington, DC, unable to access USAID headquarters, which will soon be taken over by U.S. Customs and Border Protection.⁸ Similarly, the original USAID.gov website and its social media channels are no longer accessible,⁹ leaving decades of data and reports unaccounted for. Currently, the State Department website hosts a limited selection of USAID-related content, including press briefings, statements, and interviews, all of which were created following the issuance of the EO.¹⁰

In what may have been a response to global outcry over the EO, Secretary Rubio issued additional limited waivers during the 90-day review, allowing emergency food and life-saving humanitarian assistance. The State Department described these exemptions as essential support, including critical medical care, food, shelter, and subsistence aid, along with the administrative costs required for their delivery.¹¹ However, despite these assurances, weeks later, sources within USAID—including staffers, nonprofit organizations, and business partners—report that funding remains halted due to the agency's payment system being disabled by Musk's DOGE.¹²

⁷ Marco Rubio (@marcorubio), "After a 6 Week Review We Are Officially Cancelling %83 of the Programs at USAID. The 5200 Contracts That Are Now ...," X, March 2025 ,10, <https://x.com/marcorubio/status/1899021361797816325>.

⁸ Brad Pierson, "USAID Employees Ordered to Shred Records, Court Filing Says," Reuters, March 2025 ,12, <https://www.reuters.com/world/us/usaaid-employees-ordered-shred-records-court-filing-says-11-03-2025/>.

⁹ U.S. Agency for International Development, "USAID," accessed April 2025 ,4, <https://www.usaid.gov/>.

¹⁰ U.S. Department of State, "U.S. Agency for International Development (USAID)," accessed April 2025 ,4, <https://www.state.gov/policy-issues/u-s-agency-for-international-development-usaid/>.

¹¹ U.S. Department of State, "Emergency Humanitarian Waiver to Foreign Assistance Pause," January 2025 ,28, <https://www.state.gov/emergency-humanitarian-waiver-to-foreign-assistance-pause/>.

¹² Ellen Knickmeyer, "Trump Overstepped His Constitutional Authority in Freezing Congress' Funding for USAID, Judge Says," Associated Press, March 2025 ,10, <https://apnews.com/article/usaaid-trump-foreign-aid-rubio-judge-ali-60ef55de60a36c61eb563b5982298385>.

Criticisms of USAID



USAID's areas of focus have long faced scrutiny from Trump, both during his campaign and his previous administration, particularly programs related to equity, inclusion, and development aid that he views as misaligned with U.S. interests. On his first day back in office, President Trump signed another EO restricting diversity, equity, and inclusion (DEI) programs within the federal government,¹³ in tandem with freezing USAID funding. His administration's efforts to reduce USAID's budget reflect a broader agenda that includes rolling back DEI initiatives, climate policies, and government-backed LGBTQ programs. By portraying USAID's activities as inconsistent with his administration's domestic and foreign policy priorities, Trump justified the agency's defunding and a shift in oversight to the State Department.

The more vocal critics of USAID—including Musk—cited unfounded claims that the agency is “a criminal organization”¹⁴ and that USAID in the past supported “radically left causes throughout the world, including things that are anti-American.”¹⁵ Nonetheless, the administration has yet to provide clear guidance on which programs are deemed misaligned with the President's foreign policy. State Department spokeswoman Tammy Bruce addressed the issue on X following the EO, stating that the pause in foreign assistance is intended to ensure taxpayer dollars benefit Americans and to prevent “unjustified and non-emergency planning.” She cited several examples, including funding for contraceptives, gender programs, climate initiatives, and unspecified “learning programs,” without elaborating on their purpose or whom they serve.¹⁶

¹³ The White House, “Ending Radical and Wasteful Government DEI Programs and Preferencing,” January 2025 ,20, <https://www.whitehouse.gov/presidential-actions/01/2025/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>.

¹⁴ France 24, “Musk Brands USAID 'Criminal' as Civil Service Scrutiny Grows,” February 2025 ,2, <https://www.france24.com/en/live-news/20250202-musk-brands-usaid-criminal-as-civil-service-scrutiny-grows>.

¹⁵ Durkee, A. (2025, February 3). Why is Elon Musk attacking USAID? How partisan politics made foreign aid agency suddenly so controversial. Forbes. <https://www.forbes.com/sites/alisondurkee/03/02/2025/why-is-elon-musk-attacking-usaid-how-partisan-politics-made-foreign-aid-agency-suddenly-so-controversial/>

¹⁶ Tammy Bruce (@statedeptspox), “American Taxpayer Dollars Spent Overseas Should Be Spent Wisely, and for the Benefit of Americans...,” X, January 2025 ,21, <https://x.com/statedeptspox/status/1884403944719626282>.

Unchecked power



The executive branch remains an equal but separate branch of government and does not have unchecked authority to override the U.S. Constitution, regardless of a president's political agenda. This principle was reinforced in a recent lawsuit filed by 26 former USAID employees against DOGE, arguing that Elon Musk's authority was illegitimate since he was never formally confirmed by the U.S. Senate for a government position.

The presiding judge ruled in the plaintiffs' favor, stating that DOGE's efforts under Musk's leadership to dismantle USAID "likely violated the U.S. Constitution in multiple ways." The court ordered DOGE to reinstate USAID's payroll system for both active employees and those on administrative leave, while also halting further dismissals of staff and contractors. However, the judge declined to mandate the rehiring of employees who had already been terminated.

Additionally, the ruling determined that Musk had "violated the Appointments Clause of the Constitution by effectively acting with the far-reaching powers of an 'officer of the United States,'" a role that requires Senate confirmation.¹⁷

¹⁷ Hayden Lowell and Jasmine Gedeon, "Musk and Doge's USAID Shutdown Likely Violated US Constitution, Judge Rules," The Guardian, March 2025, 18, <https://www.theguardian.com/us-news/2025/mar/18/elon-musk-doge-usaid-shutdown-ruling>.

USAID Origins and Recent Funding



In 1961, President John F. Kennedy signed the Foreign Assistance Act, establishing USAID as an umbrella organization to serve as a mechanism to better coordinate international, non-military U.S. aid. Established during the height of the Cold War, USAID sought to counter Soviet influence while advancing U.S. national security interests. Likewise, as the world's wealthiest nation, President Kennedy viewed administering aid to the world's neediest as a moral obligation that aligned with American values. The agency operated on the principle that promoting global stability and economic prosperity would, in turn, strengthen America's own security.¹⁸

Traditionally, the U.S. government's approach to international engagement has been guided by three key pillars, known as the Three D's: development, diplomacy, and defense. Before President Trump's Executive Order, USAID oversaw the development pillar, while the Department of State (DOS) and the Department of Defense (DOD) managed diplomacy and defense, respectively.¹⁹ As USAID operations now fall under the umbrella of the State Department, the once-independent agency will likely see its mission redefined with a reduced scope, diminished autonomy, and a shift in priorities to align more closely with the administration's foreign policy objectives

¹⁸ Elisha Chuck, "What Is USAID? Trump and Musk Move to Shut Down Agency, Sparking Controversy," NBC News, February 2025, <https://www.nbcnews.com/news/us-news/what-is-usaid-trump-musk-shut-down-budget-funding-doge-rcna190441>.

¹⁹ D. K. Skoric, *The Application of USAID and the Department of Defense in a Comprehensive Government Approach* (Monograph, School of Advanced Military Studies, United States Army Command and General Staff College, 2012), <https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=20e01b9eb7a51b82551f5d9cf452f2c63ba99da7>.

The administration of foreign aid serves three primary objectives:²⁰

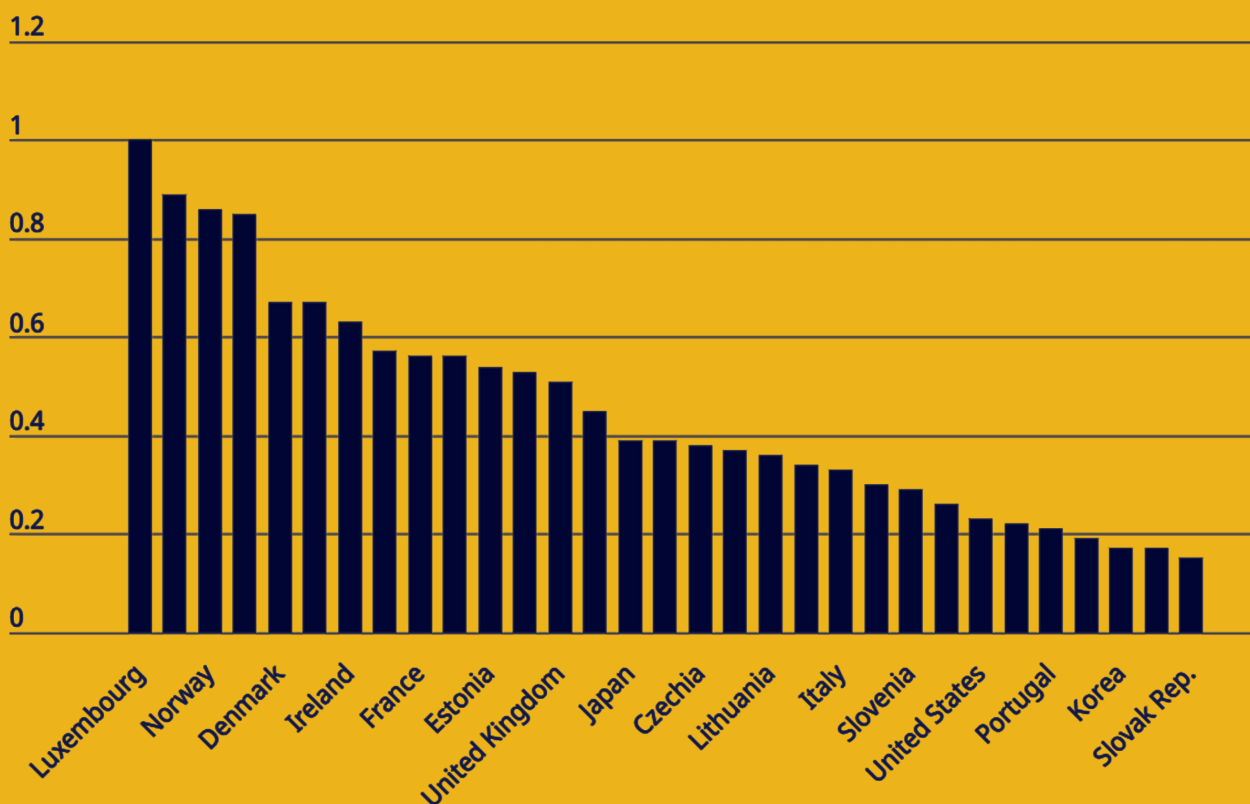
Advancing U.S. National Security	Foreign aid promotes stability, counters threats, and strengthens global prosperity, health, environmental protection, democracy, and military readiness among U.S. allies.
Economic Interests	Economic aid fosters trade, expands markets for U.S. exports, and creates job opportunities, benefiting the U.S. economy.
A Reflection of American Values and Goodwill	Providing food, shelter, medicine, and poverty relief reflects U.S. values, strengthens goodwill, and reinforces America's global leadership.

USAID played a crucial role in strengthening global health and development, directly fortifying the national security of the U.S. and its allies. The agency funded a wide range of health programs, including efforts to combat HIV/AIDS, as well as initiatives targeting tuberculosis, malaria, and emerging viral threats such as influenza and coronaviruses, which have the potential to spread globally and escalate into pandemics.

²⁰ Emily M. McCabe and Natalie M. Brown, U.S. Foreign Assistance (CRS Report No. IF10183, Congressional Research Service, November 2024 ,1), <https://www.congress.gov/crs-product/IF10183>.

In 2023, the U.S. government provided \$71.9 billion in foreign assistance, with \$40 billion allocated by Congress for USAID—equivalent to less than 1% of federal spending.^{21, 22} While the U.S. provides more in total dollar amounts than any other country, its official development assistance (ODA)—which refers to financial aid allocated for economic and welfare support to developing nations—ranks among the lowest among wealthy countries when measured as a percentage of gross national income (GNI). ODA can be provided bilaterally or through multilateral banks and is typically delivered as grants, concessional loans, or technical assistance.²³

ODA grant equivalent
% of gross national income, 2022



Source: OECD

²¹ Drew DeSilver, "What the Data Says About U.S. Foreign Aid," Pew Research Center, February 2025 ,6, <https://www.pewresearch.org/short-reads/06/02/2025/what-the-data-says-about-us-foreign-aid/>.

²² Note: these figures do not include arms sales or the transfer of military equipment to foreign nations.

²³ Organisation for Economic Co-operation and Development, "Net Official Development Assistance (ODA)," accessed April 2025 ,4, <https://www.oecd.org/en/data/indicators/net-oda.html?oecdcontrol-03506f24e9-chartId=b9cc9bd503>.

Potential Global Impacts

The global implications of slashing funding to USAID are significant, particularly for public health across Africa. In addition to supporting healthcare and medicine, USAID has played a crucial role in funding disease surveillance systems, including inspections at airports, border checkpoints, and livestock crossings. In 2023, USAID contributed \$900 million to fund laboratories and strengthen disease detection systems across 30 at-risk nations, enabling them to better prepare for and respond to outbreaks.²⁴ These systems are crucial for detecting and containing highly contagious diseases, such as Mpox, Ebola, and Marburg, before they spread internationally. Without these vital early warning mechanisms, countries with weak infrastructure or those vulnerable to political instability—such as the Democratic Republic of the Congo, which is currently experiencing its deadliest Mpox outbreak—are at greater risk. Current outbreaks of Ebola in Uganda, Marburg in Tanzania, and Lassa fever in Nigeria and Sierra Leone further underscore the ongoing threat.²⁵

The list of defunded USAID programs is extensive, and the full scope of both short- and long-term consequences remains uncertain. However, as Dr. Catherine Kyobutungi, Executive Director of the African Population and Health Research Center, warns, many lives will be lost, yet "we will never know, because even the programs to count the dead are cut."²⁶

²⁴ Apoorva Mandavilli, "How Foreign Aid Cuts Are Setting the Stage for Disease Outbreaks," The New York Times, March 2025 ,8, <https://www.nytimes.com/07/03/2025/health/usaaid-funding-disease-outbreaks.html>.

²⁵ Ibid.

²⁶ Stephanie Nolen, "U.S. Terminates Funding for Polio, H.I.V., Malaria and Nutrition Programs around the World," The New York Times, February 2025 ,27, <https://www.nytimes.com/27/02/2025/health/usaaid-contract-terminations.html>.

Among the affected initiatives is UNICEF's polio immunization program, which relied on \$131 million in funding to vaccinate children against a disease that remains a threat in vulnerable regions. Likewise, efforts to combat malaria—which relied on a \$90 million contract supplying test kits, bed nets, and treatments to protect 53 million people—have also been defunded. In Nepal, the termination of pre- and post-natal care programs threatens the health of 3.9 million children and 5.7 million women by cutting off access to essential maternal and infant care. Similarly, the United Nations agency UNAIDS, which facilitates HIV treatment in developing countries, faces the loss of \$80 million, endangering vital medical support for those living with the virus. The funding cuts extend beyond healthcare to gender-based violence services, as 87 shelters in South Africa that provided support for 33,000 women experiencing domestic abuse are now at risk of closure.²⁷



In addition to supporting disease prevention, USAID funding has been critical in providing food assistance to Sudan amid its ongoing civil war. Currently, 24.6 million people in Sudan face acute hunger, with famine confirmed in ten regions.²⁸ The recent freeze in USAID funding has affected 80% of the emergency food kitchens established to support those impacted by the conflict.²⁹ Before these cuts, USAID accounted for 29% of all development assistance in Sudan, playing a crucial role in humanitarian relief efforts on the ground.³⁰

Deepening this challenge, the Trump administration's withdrawal from the World Health Organization on his first day in office in 2025 limits U.S. influence on global health initiatives, further straining efforts to manage global health risks. The recent pandemic has underscored that in an increasingly interconnected world, the lack of robust disease surveillance and response systems significantly heightens the risk of infectious diseases spreading beyond their regions of origin, with the potential to affect the United States and its allies.

These cuts threaten to reverse years of progress in global health, disease prevention, and humanitarian aid, disproportionately affecting vulnerable populations that relied heavily on U.S. assistance for survival. Without these programs, the health crises they were designed to prevent could resurface or escalate, undermining decades of international development efforts.

²⁸ World Food Programme, "Sudan Emergency," accessed April 2025 ,4, <https://www.wfp.org/emergencies/sudan-emergency>.
Barbara Plett Usher and Anne Soy, "'People Will Starve' Because of US Aid Cut to Sudan," BBC News, February 2025 ,25, <https://www.bbc.com/news/articles/cy7x87ev5jyo>.

²⁹ Ian Mitchell and Sophie Hughes, "Which Countries Are Most Exposed to US Aid Cuts, and What Other Providers Can Do," Center for

³⁰ Global Development, February 2025 ,11, <https://www.cgdev.org/blog/which-countries-are-most-exposed-us-aid-cuts-and-what-other-providers-can-do>.

USAID and Afghanistan: Women's Scholarship Endowment

Beyond life-saving aid and emergency response, USAID has supported a wide range of development programs, including governance and civil society initiatives, agriculture and clean energy projects, water supply and sanitation efforts, and education programs. Following the U.S. withdrawal from Afghanistan and the subsequent Taliban takeover, Afghan women were banned from pursuing higher education, severely restricting their access to learning opportunities. In response, USAID's Women's Scholarship Endowment (WSE) provided scholarships for 82 Afghan women to study science, technology, engineering, and mathematics (STEM) in Oman after fleeing Taliban rule. However, with the recent decision to cut USAID funding, these scholarships have been discontinued, leaving the women at risk of deportation back to Afghanistan, where they face significant threats to their education and safety.³¹



³¹ Yogita Limaye, "Afghan Women Who Fled Taliban to Study Abroad Face Imminent Return after USAID Cuts," BBC News, March 2025 ,8, <https://www.bbc.com/news/articles/cg4k25wlw21o>.

The decision to cut USAID funding, particularly for initiatives like the WSE, will likely have serious consequences for America's soft power, especially in Afghanistan, where perceptions of the U.S. were already damaged following the chaotic withdrawal in 2021. This loss in credibility is particularly damaging given that the U.S. has long positioned itself as a champion of women's rights and education in Afghanistan. One such effort implemented under the Obama Administration in 2013 was the Afghan Women's Leadership Initiative (AWLI), a government program that invested \$10 million across seven provinces to empower Afghan women and girls by expanding their access to education, promoting economic participation, delaying early marriage, providing training for survivors of gender-based violence, and supporting women's shelters in achieving financial sustainability.³²

The abrupt withdrawal of funding from such initiatives reinforces growing narratives that Washington remains an unreliable partner, abandoning the very commitments it once upheld. This inconsistency not only weakens U.S. credibility in Afghanistan but also exposes a broader hypocrisy: while the U.S. has historically advocated for the advancement of education for women and girls globally, its actions undermine these very principles, sending mixed signals to allies and adversaries alike.



³² U.S. Department of State, "Programs," Office of Global Women's Issues, accessed April 2025, 4, <https://2017-2009.state.gov/s/gwi/programs/index.htm>.

China and the Global South

The freezing of USAID funding could have significant ripple effects, particularly in the Global South, where much of its aid was directed. This shift may indirectly impact China's strategic and economic interests, as Beijing has made substantial investments in these regions through its Belt and Road Initiative (BRI). Many of these recipient nations already face economic and social instability, and the sudden loss of U.S. assistance in critical areas such as humanitarian aid, healthcare, education, and food security could exacerbate existing challenges. While USAID's withdrawal does not directly trigger loan defaults, prolonged instability could weaken economic productivity, reduce government revenue, and, in some cases, heighten the risk of political unrest—factors that could make it more difficult for nations to meet their financial obligations to China.

Unlike the United States, China's foreign assistance strategy places less emphasis on large-scale investments in global public goods such as humanitarian relief or poverty alleviation. Between 2013 and 2018, the U.S. allocated an average of \$47.7 billion annually to foreign aid, while China spent approximately \$7 billion per year during the same period—around 14.6% of the U.S. total.³³ China's aid is primarily delivered through state-controlled banks and bilateral agreements, with a focus on infrastructure development, trade partnerships, and resource access, reflecting China's emphasis on state-to-state cooperation and infrastructure-led development, rather than traditional multilateral aid frameworks.

Although China may not fully replace the role the U.S. played in global aid, it has a vested interest in maintaining stability in nations where it has made significant economic commitments. In strategic regions where unrest threatens its financial and geopolitical foothold, Beijing could increase its targeted assistance, whether through debt relief, emergency food aid, or infrastructure support to protect its long-term investments. However, this would likely be a selective, interest-driven approach rather than an effort to fill the wider humanitarian vacuum left by the United States.³⁴

³³ Yun Sun, "Can China Fill the Void in Foreign Aid?" Brookings Institution, March 2025, 11, <https://www.brookings.edu/articles/can-china-fill-the-void-in-foreign-aid/>.

³⁴ DW News, "The Impact of Cutting USAID on America's Soft Power: How China Looks to React," YouTube Video, March 2025, 14, <https://www.youtube.com/watch?v=y5jMVlf-aAQ>.

What's at Stake for Europe?



Following the Cold War, USAID's agenda in Europe focused on integrating former Soviet states into the Western political and economic framework. Today, as the war between Russia and Ukraine continues, it remains in the EU's interest to at least partially fill the void left by USAID in Europe, as the agency was previously funding governance and anti-corruption efforts in Romania, as well as training and assistance to Poland's independent media, —both critical in countering Russian influence.³⁵

³⁵ Arthur Van Rensbergen, "US Aid Cuts Leave EU Member Hopefuls in the Lurch," The Parliament Magazine, March 2025 ,13, <https://www.theparliamentmagazine.eu/news/article/us-aid-cuts-leave-eu-member-hopefuls-in-the-lurch>.

More broadly, USAID has played a pivotal role in supporting democratic reforms and regional stability across Europe. From 1998 to 2004, USAID allocated \$60.5 million to Cyprus through the Bi-Communal Development Programme to facilitate reconciliation efforts during the Annan Plan negotiations, a United Nations-led initiative aimed at resolving the long-standing division between Greek Cypriots and Turkish Cypriots.

Since 1993, the agency has also provided over 830\$ million to North Macedonia to support political and institutional reforms, as well as broader development projects.³⁶ In the Balkans, USAID funded the Joint History and Reconciliation Project,³⁷ which sought to create shared history textbooks as part of a larger effort to foster regional stability and mitigate long-standing ethnic tensions.

More recently, in 2023, 40% of USAID's budget was allocated to Eastern Europe, with the majority directed toward Ukraine, while Moldova, Georgia, and Armenia received funding to strengthen democratic institutions, improve infrastructure, and support independent media.³⁸ With USAID's withdrawal, it now falls on the EU to determine how swiftly and effectively it can fill the resulting gaps in strengthening democratic institutions, regional development, and stability.

³⁶ Despina Petrushevska, "USAID to Grant up to 8.2 mln Annually to N. Macedonia over 5 Yrs," SeeNews, May 2021 ,7, <https://seenews.com/news/usaid-to-grant-up-to-2-8-mln-annually-to-n-macedonia-over-5-yrs-1189514>.

³⁷ Nikos Anadiotis, "Question for Written Answer E-2025/000749 to the Commission: USAID Funding for Projects That Have Shaped

³⁸ Political Developments in Europe," European Parliament, February 2025 ,14, https://www.europarl.europa.eu/doceo/document/E-000749-2025-10_EN.html.
Van Rensbergen, "US Aid Cuts Leave EU Member Hopefuls in the Lurch."

The USAID Void: What Comes Next, and at What Cost to U.S. Global Influence?



Dr. Joshua Sharfstein, Vice Dean for Public Health Practice and Community Engagement at Johns Hopkins Bloomberg School of Public Health, warns that cutting funding for USAID programs creates an opening for U.S. adversaries to expand their influence in recipient countries, often aligning aid with their own political and economic interests. Weakening USAID's presence not only risks losing strategic ground but also undermines the U.S.'s long-term investments in strengthening partnerships with the developing world and bridging ties with nations where it lacks formal diplomatic relations.³⁹

³⁹ Johns Hopkins Bloomberg School of Public Health, "Halting U.S. Foreign Aid Puts American Health and Security at Risk," March 2025, 5, <https://publichealth.jhu.edu/2025/what-foreign-aid-means-for-national-security>.

Beyond advancing national security and supporting millions in need, foreign aid also serves as a vital tool of U.S. soft power. The distribution of food, medicine, and humanitarian assistance bearing USAID's American flag-emblazoned logo and the phrase "From the American People" has long been a powerful symbol of U.S. goodwill and American values. The dismantling of USAID and the freeze on international aid will significantly weaken this soft power tool, making it difficult to rebuild trust and project influence as the U.S. once did through global humanitarian efforts. Moreover, an immediate challenge the administration will face is that Congress passed a continuing resolution funding foreign assistance at existing levels through the 2025 fiscal year, which will require Secretary Rubio and the administration to persuade Congress to dismantle USAID.⁴⁰

As the largest single donor to the United Nations, the U.S. contributed over 40% of the organization's total funding in 2024—approximately \$14 billion. In comparison, Germany, the second-largest contributor, provided just 8%, or \$2.7 billion.⁴¹ With such a significant gap, a critical question arises: Who will step in to fill the void? What motivations will drive their involvement? And will these efforts ultimately erode the decades of funding, relationship-building, and credibility that the U.S. has established?

On March 28, 2025, the Trump administration formally disbanded USAID, informing remaining staff that their jobs would cease to exist and that the State Department would assume any remaining activities.⁴² The move indicates President Trump's continued efforts against the USAID, which he described as a "tremendous fraud" and a waste of taxpayer dollars.⁴³ Trump's approach to dismantling USAID may reflect a strategic effort to exploit legal and institutional loopholes, much like how generative AI identifies patterns and weaknesses in complex systems. By first targeting USAID, he could be testing the boundaries of executive authority and judicial resistance before moving on to other federal agencies that have long been in his crosshairs, such as the Department of Education and the Environmental Protection Agency (EPA). This pattern suggests a broader attempt to weaken or dismantle federal institutions that do not align with his 'America First' agenda. What remains uncertain, however, is the extent to which this policy shift will erode the decades of global influence that USAID has worked to establish.

⁴⁰ Charles Kenny and Justin Sandefur, "New Estimates of the USAID Cuts," Center for Global Development, March 2025 ,20, <https://www.cgdev.org/blog/new-estimates-usaid-cuts>.

⁴¹ Margaret Besheer, "UN Chief Urges US to Reverse 'Severe' Aid Cuts to Humanitarian Programs," Voice of America, February 2025 ,28, <https://www.voanews.com/a/un-chief-urges-us-to-reverse-severe-aid-cuts-to-humanitarian-programs/7993125.html>.

⁴² Emily Davies et al., "Trump Administration Moves to Formally Collapse USAID," The Washington Post, March 2025 ,28, <https://www.washingtonpost.com/politics/28/03/2025/trump-usaid-abolish-earthquake-congress/>.

⁴³ Ibid.



تريندز للبحوث والاستشارات
TRENDS RESEARCH & ADVISORY

TRENDS

TRENDS DUBAI