

Key Points on USAID

February 13, 2025

Today's Key Messages

The current process DOGE has undertaken to dismantle USAID is messy, wasteful, and breaking the broader foreign assistance apparatus. Foreign assistance is a good thing when done right.

- An effort from the Trump administration and Congress to reform and streamline U.S. foreign assistance is welcome, but the current approach is not a serious reform effort: it is an ineffective sloppy exercise that is – unintentionally or not – destroying the U.S. foreign assistance apparatus and depriving the us of a critical soft-power tool.
- The clearest example of this is the **faulty waiver process, where even those life-saving and critical national security projects that have been waived by Secretary Rubio are not able to receive funding** because hurried and careless efforts to alter USAID's financial system (Phoenix) have left it non-operational, putting these critical activities at risk. This includes efforts to stem an Ebola outbreak that has already infected Americans, HIV prevention and treatment, and sensitive work in conflict zones.
- If the current efforts continue, **the United States will be left without the systems, experienced personnel, or partners necessary to responsibly and strategically implement foreign assistance.**
- During the House Foreign Affairs Committee hearing on Thursday, there was broad consensus that foreign assistance is a powerful U.S. soft-power tool. For this reason, **Congress must halt these illegal actions by DOGE and instead implement a more strategic, sensible reform effort that restores its important oversight function.**

The Global Fragility Act: A Proven, Bipartisan Framework for U.S. Foreign Policy

- The Global Fragility Act (GFA), signed into law by President Trump in 2019, is a proven, bipartisan strategy for using foreign assistance alongside other tools to help make America safer. This law set forth clear expectations for what U.S. assistance should look like and how it should be coordinated with the Department of State and Department of Defense.
- **As highlighted by Reps McCaul (R-TX 10th) and Jacobs (D-CA 51st) during the HFAC hearing on USAID Thursday, GFA provides an example of what smart, Congressionally driven reform of U.S. foreign assistance could look like to improve alignment with U.S. national security priorities.**
- The GFA provides **important lessons that underscore why a hurried, unilateral approach to dismantle the U.S. foreign assistance apparatus is dangerous:**
 - The success of the GFA depends on experienced foreign assistance professionals who understand how aid can be used to promote stability and prevent conflict, and who are on the ground, forging partnerships with local officials – this expertise and presence is currently in jeopardy.
 - An opaque waiver process has failed to allow most GFA programs to continue, including projects that work in partnership with DoD to stem the spread of

terrorist groups in West Africa that have already destabilized US partners and account for 43% of global deaths from terrorism.

USAID has robust oversight and vetting requirements and processes to protect American taxpayer dollars and safeguard U.S. national security.

- As part of an extremely thorough and lengthy application process, USAID vets partner organizations who receive U.S. taxpayer dollars to ensure USAID assistance does not support or benefit terrorists in high risk environments including in places such as Afghanistan, Gaza and the West Bank, Syria, and Yemen.
 - For example, vetting is used to prevent Taliban government officials from receiving taxpayer funds as a recipient or vendor of USAID partners.
- The Trump Administration and DOGE are crippling USAID's ability to conduct adequate oversight and vetting by furloughing, firing, or placing on leave the staff who manage these critical functions, including the USAID Inspector General who was fired after issuing a report detailing the risks to U.S. national security and increased risk of fraud posed in the absence of vetting.

Overhead costs are high in conflict zones, but it is not USAID's decision.

- A Negotiated Indirect Cost Rate Agreement (NICRA) is a document published to reflect an estimate of indirect cost rates negotiated between the Federal Government and a Grantee's organization which reflects the indirect costs (facilities and administrative costs) and fringe benefit expenses incurred by the organization. In the absence of a NICRA, the grantee can use the de minimis rate of 10% of modified total direct costs.
- NICRAs are typically set by OMB for the entire Executive branch, requiring USAID's NICRAs to be largely in line with other Agencies and Departments. **USAID's overhead costs are high because USAID is following the law, adhering to the standard negotiated by other government agencies like the Department of Defense. Congress should help USAID cut overhead by granting USAID the power to renegotiate these rates as appropriate for USAID's context and comparatively limited budget.**
- In conflict zones, NICRAs are typically higher than in other contexts because operating in these areas requires additional costly security measures to address risks. For example, contractors are required by the [Defense Base Act](#) to purchase insurance coverage to be able to pay death benefits to the children of USAID contractors if they are killed in the line of duty. In the absence of the military, USAID's partners on the ground are risking their lives and paying for private security to ensure people in need receive assistance.

USAID does not fund abortion.

- USAID does not fund abortions. The agency has strict oversight mechanisms to ensure compliance with the [1973 Helms Amendment](#) that bans U.S. assistance being used to fund abortions.

Leaders rally to block destruction of USAID as crucial national security capability

- Rep. Sara Jacobs (CA-51) introduced the [Protect U.S. National Security Act](#), which reiterates that any USAID reform should abide by existing laws and not harm American

soft power, prohibits the use of funds to eliminate USAID as an independent agency, and requires annual certification of this prohibition by the Secretary of State.

- The US military relies on USAID to create post-conflict stability and prevent future conflicts, says retired US Navy admiral: “If you want to try to save money by cutting USAID, you will only end up spending more on costly Pentagon programs.” ([Bloomberg](#))

Media Review

- The Guardian: [USAID cuts sow feeling of betrayal among Yazidis, 10 years after IS genocide](#)
- The New York Times: [USAID Lifesaving Aid Remains Halted Despite Rubio’s Promise](#)
- The Atlantic: [At USAID, I Prioritized the Wrong Argument](#)
- CNN: [USAID Employees Detail Harrowing Exits from DR Congo Amid Violence as Trump Administration Dismantles Agency](#)
- Devex: [Devex Newswire: Mass Cancellation of USAID contracts Raises Legal Questions](#)
- USA Today: [USAID’s foreign aid comes from US farms. Now \\$450 million of food is left to rot.](#)
- Bloomberg: [USAID Really Does Protect Americans and Save Money](#)

Current Impact

Fatalities

- A 71 year old woman, Pe Kha Lau, a refugee from Myanmar living in a displacement camp in neighbouring Thailand, died four days after she was discharged from a USAID-funded healthcare facility operated by the International Rescue Committee following the stop work order. ([Telegraph UK](#))
- In Umpiem Mai camp in Thailand, which is home to more than 10,000 people who fled the brutal civil war in neighbouring Myanmar, a resident and a health worker told ABC that multiple patients who were reliant on oxygen have now died. ([Telegraph UK](#))
- After the USAID funding freeze suspended work on their U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) orphans and vulnerable children program, one employee of the “Family Matters” subprogram committed suicide. ([Zambian Observer](#))

American Economy and Jobs

- In just three weeks, 11,521 Americans across 43 states have lost their jobs, with the estimated potential job loss to come likely to be over 52,000. Globally, 54,575 have been confirmed lost so far with the total likely to be over 100,000.
- From farmers in Kansas to NGO workers in North Carolina, the Foreign Assistance Stop Work order is hurting American workers and the U.S. economy. The loss of USAID means U.S. states will lose an estimated \$3.34b in direct economic benefit.
- American farmers supply over 40% of the food aid USAID delivers, and on average, the U.S. government purchases \$2.1 billion in crops from American farmers each year. This is now completely in jeopardy.

Health

- **Women's Health:** As a result of the stop work order, it is estimated that 130,390 women each day will be denied access to contraception, with 11.7 million women denied after the 90-day pause. That could result in as many as 4.2 million unintended pregnancies and more than 8,340 maternal deaths ([The Guardian](#))

Humanitarian Assistance

- **The waivers are not working.** On January 29 Secretary Rubio notified USAID that the stop work order would be waived for lifesaving programs. Despite this notice, implementation of the waiver has been stymied by inconsistent communication, lack of access to systems for staff managing those programs, and lack of clarity on how to request a waiver.
 - When programs are told to abruptly stop working, they do not restart easily. Stop work orders force organizations to make decisions like firing staff, breaking leases, and turning away people who rely on them for medicine or food. In many cases, starting again means finding new expert staff and rebuilding trust with communities.
- Through USAID, the first Trump Administration supported the provision of humanitarian aid to help religious minorities persecuted by the Islamic State, including for the Yazidis in Iraq who suffered a genocide. The second Trump Administration is now abandoning them, freezing much needed aid, sowing feelings of betrayal among vulnerable people, and contributing to a risk of increased Islamic State influence in the region. In Sinjar, Iraq where thousands of Yazidis were massacred by the Islamic State, the U.S. freeze on foreign aid has halted operations to provide water and electricity, primary healthcare centres, the construction of schools, community centers and other basic infrastructure at a time when thousands of Yazidis are returning home after more than a decade in Syrian refugee camps. In one case, electricity transformers already delivered had to be put into storage because of the stop-work order, leaving a community without reliable electricity. ([The Guardian](#))
- Catholic Relief Services, the U.S. Catholic Church's overseas relief and development agency and USAID partner, warned that with USAID programs paused, the effect is dire ([Detroit Catholic](#)):
 - Families in Ukraine will lose safe housing as home repairs and heating will stop amid Russia's continued attacks. Amid freezing winter temperatures, without heat or safe housing, children, older adults and people with disabilities are especially vulnerable to severe illness or even death.
 - In Sudan, a country ravaged by war and ongoing famine, 18,000 families will face increasing hunger due to losing farming support ahead of the critical planting season.
 - In Vietnam, nearly 8,000 people with disabilities and their caregivers will not receive therapy, equipment and support, endangering their health and directly impairing their ability to lead independent lives.
 - In Guatemala, the stoppage of aid will prevent 10,000 families in Guatemala from receiving the tools, seeds and cash to prepare crops for the beginning of the April

planting season. The aid suspension also stood to drive residents to migrate in the face of worsening food security and malnutrition.

National Security

- With the foreign assistance freeze, in just three weeks, [U.S. adversaries like China have stepped in to fill the void of USAID](#), this is often done through exploitative and dangerous loans versus grants that can lead to increased instability and economic collapse in the longer term:
 - China provided a grant to help a Cambodian project clearing unexploded bombs days after the freeze on payments by USAID had forced it to suspend work, per the head of Cambodian Mine Action Centre. ([Newsweek](#))
 - In Nepal, Chinese officials have reportedly signaled to the Nepalese government that Beijing is willing to step in to replace USAID's void with development funding of its own.
 - Despite its strategic importance to the United States in the Indo-Pacific, officials in the Cook Islands have said they expect the withdrawal of USAID from the region to provide an opening for China.
 - In Colombia, which received around \$385 million in USAID funding in 2024, non-governmental organizations that received USAID funding say the Chinese government is interested in putting up money to help fill the void.
- The dangerous rhetoric and misinformation spread by President Trump, members of his administration, and Elon Musk are putting USAID staff, USAID partners, and communities who have received USAID assistance in danger, at the exact time that USAID staff are working in locations where terrorist groups use the same type of language to threaten USAID staff, partners, and recipient communities.