

What is USAID and why is Trump poised to 'close it down'?



REUTERS

Seven-year-old Sajad - whose family were displaced after flooding in Pakistan - is among the millions who have been helped by USAID

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BBC News 3 February 2025

The future of the US government's main overseas aid agency has been cast into doubt, with employees locked out and the Trump administration planning to merge it with the US Department of State.

The United States Agency for International Development (USAID) said **thousands of employees would be put on leave** shortly after President Donald Trump returned to office. The agency then recalled its workers from missions across the world.

Trump has made it clear he wants overseas spending to be closely aligned with his "America First" approach and the international development sector is braced for a profound effect on humanitarian programmes around the world.

Trump posted on his Truth Social page on Friday that USAID's spending "IS TOTALLY UNEXPLAINABLE... CLOSE IT DOWN!"

Elon Musk, the tech billionaire **working on the White House's effort to shrink the federal government**, has previously claimed that the aid agency is "a criminal organization" and that Trump has agreed to "shut it down".

Neither Trump or Musk provided clear evidence to support their claims, and the president's effort to shutter the agency is expected to face legal challenges.

What is USAID and what does it do?

The United States Agency for International Development (USAID) was set up in the early 1960s to administer humanitarian aid programmes on behalf of the US government.

It employs around 10,000 people, two-thirds of whom work overseas, according to the Congressional Research Service. It has bases in more than 60 countries and works in dozens of others. However, most of the work on the ground is carried out by other organisations that are contracted and funded by USAID.

The range of activities it undertakes is vast. For example, not only does USAID provide food in countries where people are starving, it also operates the world's gold-standard famine detection system, which uses data analysis to try to predict where food shortages are emerging.

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Trump considers merging USAID into US State Department

Much of USAID's budget is spent on health programmes, such as offering polio vaccinations in countries where the disease still circulates and helping to stop the spread of viruses which have the potential to cause a pandemic.

The BBC's charity BBC Media Action - an international development organisation that is completely separate from BBC News and funded by external grants and voluntary contributions - receives funding from USAID. **According to a 2024 report**, USAID donated \$3.23m (£2.6m), making it the charity's second-largest donor that financial year.

How much does USAID cost the US government?

According to government data, the US spent \$68bn (£55bn) on international aid in 2023.

That total is spread across several departments and agencies, but USAID's budget constitutes more than half of it at around \$40bn - that's about 0.6% of total US annual government spending of \$6.75tn.

The vast majority of USAID money is spent in Asia, sub-Saharan Africa and Europe - primarily on humanitarian efforts in Ukraine.

The US is the world's biggest spender on international development - and by some margin.

To put it into context, the UK is the world's fourth-largest aid spender. In 2023, it **spent £15.3bn** - around a quarter of what the US provided.

Why do Donald Trump and Elon Musk want to overhaul USAID?

Trump is a long-term critic of overseas spending and has said it is not a valuable use of taxpayer money. He has singled out USAID for particularly strong criticism.

The White House has published a list of USAID projects which it said were evidence of "waste and abuse", including a grant of \$1.5m to an LGBTQ group in Serbia, \$2.5m for electric vehicles in Vietnam and \$6m for tourism in Egypt.

Critics have disputed how the administration has framed this spending. For example, the Egypt project - which began in 2019 under Trump - lists water, education and transportation aid projects for the North Sinai region.

After returning to office, Trump signed an executive order that put almost all international spending on pause for a 90-day review.

Waivers were later issued for humanitarian programmes, but the announcement upended the world of international development and

disrupted services.

White House officials and Musk have falsely shared information regarding some of USAID's contracts.

Musk, for example, shared a false video promoting a debunked claim that USAID paid for Hollywood stars to visit Ukraine.

Programmes including those providing medication to the world's poorest and installing clean water supplies had to stop overnight. One veteran humanitarian worker told the BBC the pause was "like an earthquake across the aid sector".

Tensions between the White House and USAID escalated when Musk's representatives were blocked by senior security officials - who were later placed on leave - from accessing secure data at USAID headquarters.

Secretary of State Rubio, who was put in charge of the agency by the White House, has maintained that "a lot of functions" carried out by the organisation would continue but that spending "has to be in alignment with the national interest".

Abolishing USAID would likely enjoy popular support. According to the Chicago Council on Global Affairs, US polling data going back to the 1970s has indicated broad support for foreign aid spending cuts.

Can Donald Trump shut USAID down?

While it is clear the White House wields significant influence over USAID, that power is theoretically limited.

USAID was created via Congress's Foreign Assistance Act in 1961. That law mandated for a government agency to be set up and tasked with administering overseas spending.

Then-President John F Kennedy then created USAID via executive order. The agency's status as an executive agency was enshrined by US law in 1998.

In short, that means Trump cannot necessarily simply abolish USAID by signing an executive order, and any attempt to do so would almost certainly face strong challenges in the courts and Congress.

Closing USAID altogether would likely require an act of Congress - where Trump's Republican Party holds slim majorities in both chambers. Trump's allies in Congress are beginning hearings to aid his effort there, however.

The Trump administration reportedly aims to make USAID a branch of the State Department, as opposed to it being a government agency in its own right.

This could be similar to when UK Prime Minister Boris Johnson **merged the Department for International Development with the Foreign Office** in 2020.

Ministers at the time said it would align international spending with the government's foreign policy goals. Critics warned it may reduce aid sector expertise and damage the UK's overseas standing and influence.

What would the effect of closing USAID be?

Give the size of US international aid, any changes to how that money is spent will be felt globally.

USAID's activities range from providing prosthetic limbs to soldiers injured in Ukraine, to clearing landmines and containing the spread of Ebola in Africa.

After the 90-day overseas spending freeze was announced, Rubio said "every dollar" must be "justified" by evidence that it makes the US safer, stronger and more prosperous.

Democratic Party politicians have called the moves illegal and have said they would jeopardise national security, citing reports that prison guards in Syria, who were charged with securing thousands of Islamic State fighters, nearly walked off the job when US funding was paused.

There are also questions about how much the US will spend overseas in years to come, as Musk - empowered by Trump - attempts to cut billions from the government's budget.

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