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U.S. Agency for International Development: An Overview

Background

The U.S. Agency for International Development (USAID) has served as the lead international humanitarian and development arm of the U.S. government. It was established in 1961, pursuant to Executive Order (E.O.) 10973, to implement components of the Foreign Assistance Act of 1961. Congress codified USAID in statute in Section 1413 of the Foreign Affairs Reform and Restructuring Act of 1998 (Division G of P.L. 105-277), which defined USAID as an independent establishment in the executive branch (22 U.S.C. 6563). Section 1522 of that law states that “The Administrator of the Agency for International Development, appointed pursuant to section 624(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2384(a)), shall report to and be under the direct authority and foreign policy guidance of the Secretary of State.” On January 20, 2025, President Trump started taking actions affecting U.S. foreign assistance and USAID. As of this writing, USAID’s future role in providing foreign assistance remains unclear.

USAID has sought to provide assistance to countries that the U.S. government has deemed to be strategically important and countries in conflict; lead U.S. efforts to alleviate poverty, disease, and humanitarian need abroad; and assist U.S. commercial interests by supporting developing countries’ economic growth and building countries’ capacity to participate in world trade.

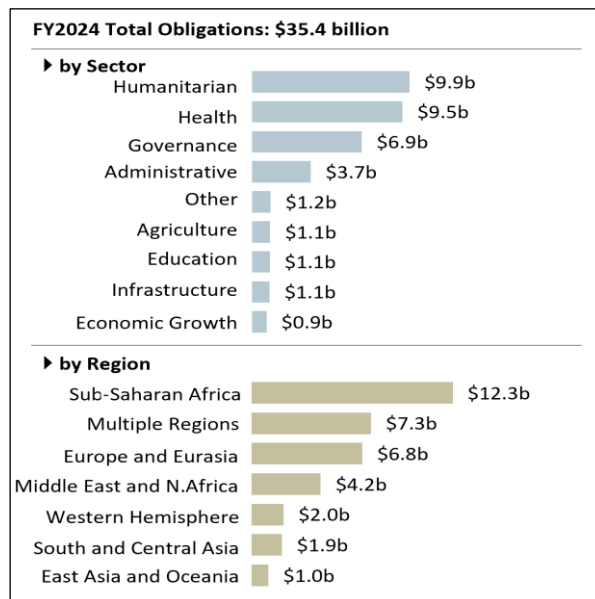
In FY2024 (the most recent year for which complete data are available), USAID managed more than \$35 billion in combined appropriations, representing more than one-third of the funds provided in the FY2024 Department of State, Foreign Operations, and Related Programs (SFOPS) appropriation and international food aid provided in the Agriculture appropriation. Some USAID appropriations accounts have been co-managed with the Department of State (State), making any calculation of USAID’s exact budget imprecise. (For more on SFOPS, see CRS Report R48231, *Department of State, Foreign Operations, and Related Programs: FY2025 Budget and Appropriations.*)

According to the FY2023 Agency Financial Report (the most recent report CRS was able to access), USAID’s workforce totaled more than 10,000 at the end of FY2023, with approximately two-thirds serving overseas (not including institutional support contractors). The agency maintained more than 60 country and regional missions that designed and managed a range of projects, most intended to meet specific development objectives as outlined in a Country Development Cooperation Strategy. Most projects were implemented—through a grant, cooperative agreement, or contract—by one of thousands of foreign and U.S. development partners, including nonprofit organizations, for-profit contractors, universities, international organizations, and foreign governments.

In FY2024, USAID provided assistance to about 130 countries. The top 10 recipients of USAID-managed funds were, in descending order, Ukraine, Democratic Republic of Congo, Jordan, Ethiopia, West Bank and Gaza, Sudan, Nigeria, Yemen, Afghanistan, and South Sudan. Reflecting USAID’s poverty reduction mandate, 69 of the 77 World Bank-determined low- and lower-middle-income countries received USAID assistance in FY2024 (**Figure 1**).

Beginning in the early 1990s, health became the largest USAID sector by funding, bolstered since 2004 by billions of dollars under the President’s Emergency Plan for AIDS Relief (PEPFAR) and since 2020 by emergency assistance to combat the COVID-19 pandemic. In FY2022, USAID humanitarian assistance surpassed health as the largest sector. This followed year-over-year increases in humanitarian assistance in response to natural and human-induced humanitarian crises. (See CRS In Focus IF10568, *Overview of the Global Humanitarian and Displacement Crisis.*) For FY2023, governance was the highest funded sector, a result of U.S. direct financial support for the Government of Ukraine. (See CRS In Focus IF12305, *U.S. Direct Financial Support for Ukraine.*) Humanitarian assistance returned to the top of the list in FY2024, receiving the highest proportion of USAID sector funding.

Figure 1. USAID-Managed Program Funding, by Sector and Region: FY2024 Obligations Estimate



Source: ForeignAssistance.gov, accessed on February 26, 2025, and CRS calculations.

Trump Administration Actions Affecting USAID

The Trump Administration has taken steps to potentially reduce USAID’s role in providing foreign assistance and/or transfer some of the functions currently assigned to USAID to the Department of State or other agencies. On February

3, 2025, the State Department announced that President Trump had appointed Secretary Rubio as Acting Administrator of USAID and that Secretary Rubio had “notified Congress that a review of USAID’s foreign assistance activities is underway with an eye towards potential reorganization.” According to an announcement made on USAID.gov on February 5, the Administration also sought to place nearly all USAID direct hire personnel on administrative leave globally and return home staff serving at overseas posts; a federal district court blocked the plan from going into effect until February 21 via a temporary restraining order (TRO). The court dissolved the TRO on February 21, at which point the Administration placed nearly all USAID direct hire personnel on administrative leave, initiated a reduction-in-force affecting approximately 1,600 personnel based in the United States, and stated an intent to launch a “voluntary Agency-funded return travel program” for overseas personnel.

On January 20, 2025, President Trump issued E.O. 14169, “Reevaluating and Realigning United States Foreign Aid.” The order sought to “pause” all U.S. foreign assistance for 90 days “pending reviews of such programs for programmatic efficiency and consistency with United States foreign policy.” Secretary Rubio announced a waiver to the pause for “life-saving humanitarian assistance” on January 28. According to media reports, information about the waiver process has been limited and questions remain regarding which programs will be considered “life-saving.” On February 13, in a separate case, a federal district court enjoined the Administration from “continuing a blanket freeze of the congressionally appropriated funds.” On February 25, amid reports that the Administration had not complied with the order, that same court ordered the Administration to release by 11:59 p.m. on February 26 all funds that had been frozen before February 13. On February 26, the Supreme Court’s Chief Justice Roberts issued an administrative stay to the February 25 order and instructed the parties to provide additional briefings to the Court for its consideration. On March 5, in a split decision, the Supreme Court vacated the Chief Justice’s order, lifted the administrative stay, and instructed the District Court to clarify the obligations the Administration must fulfill to comply with the TRO.

On February 26, the Administration cancelled nearly 5,800 USAID-managed foreign assistance awards.

Congressional Action

Some Members of the 119th Congress have sought to engage with the Administration on its recent actions related to USAID. Some Members have introduced legislation that would seemingly align with the Trump Administration’s recent actions to dismantle USAID or parts of it, and/or consolidate the agency within the Department of State or other entities. For example, H.R. 1029 and H.R. 1123 each would abolish USAID, while H.R. 1207 and S. 525 would transfer the administration of the Food for Peace program from USAID to the Department of Agriculture. Some Members opposing recent Administration actions have introduced legislation seeking to prevent the Administration from abolishing USAID, such as H.R. 1196, which would prohibit the use of federal funding to eliminate the agency.

Some Members have also sought to engage on these issues during congressional hearings, such as those held by the House Foreign Affairs Committee and House Oversight Subcommittee on Delivering on Government Efficiency. Some have issued official statements on developments; some also have written letters to the Administration, expressing views and requesting additional information.

Such formal actions may also be occurring alongside informal communications with the Administration at the Member/principal and staff levels.

Issues for Congress

Legislative and congressional oversight issues related to USAID may include

Appropriations. In seeking to finalize FY2025 appropriations and plan for the FY2026 cycle, Members may seek to understand how the Administration plans to use funds previously appropriated to USAID (e.g., the Administration may seek to transfer, reprogram, propose to defer, or propose to rescind already appropriated funds). Such actions, combined with the contents of the Administration’s upcoming FY2026 budget proposal and information shared in related posture hearings, could inform congressional debate surrounding annual appropriations related to USAID and foreign assistance more broadly.

Assistance Program Administration and Oversight. As part of USAID’s reduction-in-force, some USAID Bureaus appear to have been eliminated entirely. Congress may seek more information from the Administration on what entities—at USAID, State, or elsewhere—may be responsible for the administration and oversight of any U.S. foreign assistance programs that receive approval to continue following the reviews conducted under E.O. 14169.

Congressional and Executive Roles in U.S. Foreign

Assistance. The Administration appears to have provided limited notice to Congress of many of its recent actions. Notification and prior congressional consultation requirements are set forth in Sections 7015 and 7063 of the FY2024 SFOPS appropriations act. Some Members have raised questions about the legality of such actions. The issue also has been raised in legal challenges in the courts. Members could seek to evaluate Congress’s role in foreign assistance in relation to that of the executive branch, and consider whether or not to assert congressional priorities through legislation and oversight.

U.S. Role in the World. Some reports have raised the possibility that other donors, such as China, may fill gaps created by the pause in U.S. foreign assistance and seeming dismantlement of USAID. Some policymakers may see this development positively, as burdensharing in foreign assistance has been a priority for some Members and administrations. Others have expressed concern that some donors employ tactics that do not align with U.S. interests. Some note that scaling back aid may reduce U.S. global influence. Members may debate the benefits and downsides to decreasing U.S. foreign assistance globally and consider how, if at all, the work of other U.S. foreign affairs entities or other institutions may advance congressional priorities.

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