

Updated September 5, 2025

U.S. Agency for International Development: An Overview

Background

The U.S. Agency for International Development (USAID) 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 (FAA). 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; 22 U.S.C. 6563). Section 1522 of that law states, “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.” Secretary of State Marco Rubio announced on July 1, 2025, that “as of July 1st, USAID will officially cease to implement foreign assistance.” According to the statement, “Foreign assistance programs that align with administration policies—and which advance American interests—will be administered by the State Department.”

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) appropriations and international food aid provided in the Agriculture appropriations. Some USAID appropriations accounts had been co-managed with the Department of State (State), making many calculations 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.*)

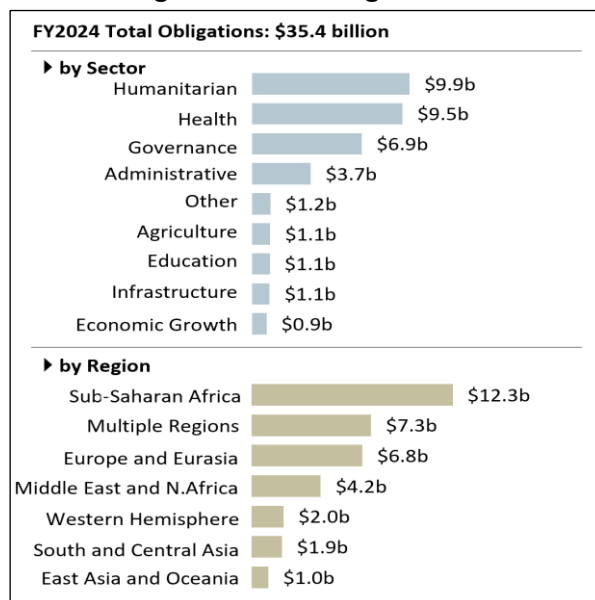
According to the FY2023 Agency Financial Report (the most recent report CRS was able to access), USAID’s workforce totaled more than 10,000 at the end of FY2023, with approximately two-thirds serving overseas (not including institutional support contractors). The agency maintained more than 60 country 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 (or more) 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 more than \$120 billion dollars to date for the President’s Emergency Plan for AIDS Relief (PEPFAR) and since 2020 by emergency assistance to combat COVID-19. In FY2022, humanitarian assistance surpassed health as the largest USAID 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.

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 ended USAID’s role in administering foreign assistance and has transferred some of USAID’s former functions to the Department of State. On March 28, 2025, USAID personnel reportedly received notice of a reduction-in-force that would separate most employees from the agency by July 1, 2025, and remaining personnel by September 2, 2025. At the same time, it was reported that the State Department aimed to bring on 308 direct-hire staff, 370 locally employed staff, and 40 personal services contractors. Such positions would be open to former USAID personnel; as of this writing, it is not

clear how many positions have been filled and, if so, whether any were filled by former USAID personnel.

USAID was dismantled in the context of the Trump Administration's review and restructuring of foreign assistance that began on January 20, 2025 with 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." On March 10, Secretary Rubio announced the cancellation of 83% of USAID-managed foreign aid programs. According to the statement, remaining programs would be shifted to State. Since that announcement, the status of the review pursuant to E.O. 14169 is unclear. In April, the Administration reportedly extended the review by 30 days; as of this writing, no official statements have been issued signaling the review's completion.

Congressional Action

Some Members of the 119th Congress have sought to engage with the Administration on its actions related to USAID and foreign assistance. Some Members have introduced legislation that would seemingly align with the Trump Administration's dismantlement of 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 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. With respect to foreign assistance more broadly, Congress approved FY2025 funding for most SFOPS accounts at FY2024 funding levels in March 2025 (P.L. 119-4), then rescinded \$7.9 billion of enacted FY2024 and FY2025 SFOPS funding in July (P.L. 119-28), the majority of which would have previously funded USAID-administered foreign assistance programs. On August 29, the Administration transmitted to Congress a rescission proposal for \$4.9 billion of previously appropriated SFOPS funds from across multiple fiscal years; it remains unclear whether or not Congress may take action in response to the proposal.

Some Members have sought to engage on these issues during congressional hearings and through statements; some also have written letters to the Administration, expressing views and requesting additional information. Such actions may also be occurring alongside informal communications with the Administration.

Issues for Congress

Appropriations. In considering FY2026 appropriations, Members may seek a more detailed understanding of how the State Department plans to administer funds previously appropriated to, or administered by, USAID. The House Appropriations Committee advanced its National Security, Department of State, and Related Programs (NSRP, as the House Appropriations Committee renamed the former SFOPS subcommittee in the 119th Congress) appropriations bill for FY2026 (H.R. 4779); the reported bill does not mention USAID. For appropriations accounts previously administered (either fully or partially) by USAID, the

measure apportions such funds directly to the Department of State. The Senate Appropriations Committee intends to release a draft SFOPS bill for FY2026 in September.

Assistance Program Administration and Oversight. In May 2025, USAID's Office of Inspector General issued a letter offering considerations for Congress as State assumes selected USAID functions. These included concerns about the administration and oversight of foreign aid, including in the context of the loss of specialized expertise, and potential data loss or corruption as certain USAID data management systems are transferred to State. Congress may seek more information from State on its processes, if any, for bringing on personnel with specialized expertise to administer and oversee foreign assistance, as well as the systems in place to protect sensitive data during the transition.

USAID in Legislation. Congress has enacted legislation authorizing USAID or USAID's Administrator to perform certain responsibilities. For example, Section 135(a) of the FAA finds that USAID "should be the primary [U.S.] Government agency responsible for identifying and assisting orphans and other vulnerable children in developing countries." The Global Malnutrition Prevention and Treatment Act of 2021 (P.L. 117-214, in effect through October 2029) "authorize[s] and encourage[s]" the USAID Administrator to "support efforts to prevent and treat malnutrition globally." The law also authorizes the Administrator to establish a Nutrition Leadership Council within USAID that, if established, shall include members from selected USAID bureaus and offices. Congress may seek to understand how the Administration may fulfill statutory functions currently assigned to USAID or its Administrator. Some Members may also pursue changes to legislation to shift USAID-assigned responsibilities to other entities; others may cite such laws as grounds for rebuilding USAID in some form to perform such functions.

U.S. Role in the World. Some reports have raised the possibility that other donors, such as China, may fill gaps created by the Trump Administration's reduction of foreign assistance and dismantlement of USAID. Secretary Rubio described the Administration's "progress in making the [United Nations], other allies, and private funds pay a greater share of projects around the world" and noted that the new aid model will "place us in a stronger position to counter China's exploitative aid model and further our strategic interests in key regions around the world." Some 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, other U.S. foreign affairs tools and institutions may be options to advance congressional foreign policy priorities.

For more on U.S. foreign assistance, see CRS In Focus IF10183, *U.S. Foreign Assistance*.

Emily M. McCabe, Specialist in Foreign Assistance and Foreign Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.