



USAID and Foreign Assistance Facts

The United States Agency for International Development (USAID) is an independent federal agency that provides humanitarian and development assistance to hundreds of millions of people around the world.

On January 20, 2025, the White House issued an Executive Order (E.O.) titled "Reevaluating and Realigning United States Foreign Aid." This E.O. mandated a 90-day pause in "foreign development assistance" pending a review of such programs by the Office of Management and Budget (OMB) and the State Department (State). Below are questions and answers regarding USAID and foreign assistance.

Question: What is USAID's legal status, and can the President abolish it?

Answer: No, the President does not have the authority to abolish USAID, which the [Congressional Research Service](#) recently reiterated. Although President Kennedy created USAID by Executive Order in 1961, Congress established USAID as an independent establishment within the executive branch through the Foreign Affairs Reform and Restructuring Act of 1998. Only Congressional authorization could abolish, move, or consolidate USAID.

Question: What does U.S. foreign assistance do?

Answer: For the [past 60 years](#), U.S. foreign assistance has yielded massive benefits for recipients and the American people. Despite recent setbacks and substantial global population growth, there are over [one billion fewer people](#) experiencing extreme poverty today than in 1990. The global child mortality rate is at an [all-time low](#), having declined by 51% since 2000. Even as global progress in eliminating extreme poverty has stalled, [fewer people have slipped into extreme poverty](#) than have been [forcibly displaced](#) or impacted by [humanitarian crises](#), demonstrating that foreign assistance remains effective. For example:

- Global health programs have saved millions of lives, including [25 million](#) through PEPFAR and nearly [12 million](#) through the President's Malaria Initiative.
- Global community health programming yields a greater than [10:1 return](#) on investment.
- The World Food Program reached over [100 million](#) people in need of food assistance in 2024.
- Since 2013, [200 million](#) people have gained access to electricity through Power Africa, a U.S. government-led partnership.

- **70 million** people gained access to sustainable drinking water and 54.8 million people have gained access to sustainable sanitation services since 2008.
- A new malaria vaccine has been developed with support from U.S. foreign assistance and has been delivered to **6.2 million** children to date.

Question: Does American foreign assistance benefit the U.S.?

Answer: Yes, U.S. foreign assistance supports American farmers and small businesses to the tune of \$3 billion a year. Further, U.S. foreign assistance fosters stability, rule of law, and economic growth in developing countries, opening new markets and economic opportunities for U.S. businesses.

USAID utilizes “soft power” to advance American interests. It builds goodwill abroad and cultivates relationships with countries and communities through its programming. For example, USAID supports democratic media across the world, which counters Russian and Chinese disinformation. It provides services in post-conflict countries, preventing terrorists from filling potential governance vacuums. When the U.S. retreats, we cede influence to adversaries such as China and Russia, who gladly take advantage of this with development assistance of their own.

USAID works directly in communities, including with local organizations, and often has close ties with those communities. In many cases, USAID is the first representative of the U.S. that communities meet—an enormous soft power tool that demonstrates the goodwill of the American people.

Question: Why are USAID programs implemented by other organizations rather than in-house?

Answer: By working through organizations, USAID is able to strengthen accountability. If USAID was both the implementer and the donor, there would be less ability to hold the implementer accountable. Working through organizations also helps USAID diversify risk by spreading work across multiple implementers as well as drive competition among organizations to optimize better performance. Without implementing partners who can leverage U.S. funding with their own private resources, USAID would have to be much larger in both staffing and funding.

Question: What is the oversight of USAID and foreign assistance?

Answer: Through the appropriations process, Congress sets the budget for USAID, specifying how much USAID is allowed to spend on staff and programming, including in what sectors and countries. After the appropriations process, USAID works closely with State and OMB for approval of spend plans and programming. After the appropriations process, USAID works

closely with State and OMB for approval of spending plans and programming. USAID also continues working with Congress after appropriations through processes including the 653(a) report, which stipulates the type of programming divided between USAID and State, operating plans, country development strategies, and integrated country strategies.

In addition, Congress can and does hold hearings on U.S. foreign assistance and can call USAID and the State Department in front of them to explain programming and policy at the Agency. Relevant Committees are also required to receive notifications from USAID for certain activities and must sign off before USAID can proceed.

USAID is also overseen by an [Inspector General](#), which conducts independent and objective audits and investigations of USAID. It reports on its findings to USAID, Congress, and the public. The Inspector General assesses and monitors foreign aid and development activities and, where appropriate, recommends actions for improving agency programs and operations and safeguarding taxpayer funds.

In addition, there is oversight of implementing organizations. USAID has implemented broad requirements for partners delivering U.S. assistance, which are incorporated into implementing agreements globally. For example, USAID requires all U.S. and non-U.S. implementing partners to sign an anti-terrorism certification before being awarded a grant or cooperative agreement. This certification attests that the organization does not provide material support or resources for terrorism in any of its work, not just its U.S.-funded programs, and includes a look-back provision. Comprehensive vetting is also undertaken. Implementers cannot start a program until relevant contractors, NGOs, or trainees receive vetting eligibility from USAID, which reviews each person or entity against open-source information and non-public USG databases. USAID clears non-U.S. organizations by vetting their key individuals regardless of nationality.

Implementing agreements also include reporting requirements that implementers must report on to USAID. Programs can be audited by the USAID Inspector General.

Question: What is USAID's yearly budget?

Answer: In Fiscal Year 2023 (FY2023), in more than 100 countries, USAID managed more than \$40 billion in combined appropriations. This represents more than one-third of the funds provided in the [FY2023 Department of State, Foreign Operations, and Related Programs](#) appropriation and international food aid provided in the Agriculture appropriation. This represents less than one percent of the federal government's overall budget. Some USAID appropriations accounts are programmed collaboratively with the Department of State.

Question: What portion of foreign assistance goes to local communities and people?

Answer: The **vast majority** of U.S. foreign assistance goes to help those in need in local communities. In fact, among the five largest non-profit implementing partners for USAID in 2024, an average of 88.8% of the funding they received was used directly for programs to support people and communities around the world. Implementing partners of USAID are restricted in how much funding they can use for overhead expenses to ensure money is going to where it is intended.

The idea that a small portion of funding gets to beneficiaries is a misunderstanding of another statistic: according to [foreignassistance.gov](https://www.foreignassistance.gov), approximately 10% of USAID funds go directly to local organizations in the developing world to carry out lifesaving programs. It is not the percentage of funding reaching actual people. The other 90% of USAID's budget is allocated to all the goods and services that USAID, U.S. companies, and non-profit organizations (U.S. implementing partners) deliver to those in need, either directly or through subcontractors/subgrantees.