USAID freeze and its impact on South America

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Headline: USAID freeze and its impact on South America

Summary:

U.S. President Donald Trump has frozen all activities of the U.S. Agency for International Development (USAID) for 90 days. The uncertain future of USAID raises concerns for South America, where the organization has made a major influence. In Colombia, the freeze threatens peacebuilding efforts and security cooperation. In Brazil, it could disrupt environmental conservation. Venezuela faces worsened humanitarian crises, and Peru may

struggle without U.S. support for crop substitution programs. While some countries plan to continue independently, the freeze risks slowing progress and stretching local resources.

Text:

US president, Donald Trump has ordered a 90-day suspension of the U.S. Agency for International Development (USAID), to assess whether aid initiatives are consistent with the incumbent's foreign policy.

The USAID is the main international humanitarian and development agency of the U.S., providing aid to nations undergoing democratic reforms, recovering from natural disasters and attempting to overcome poverty[1]. In the fiscal year of 2024, the USAID received $44.20 Billion in budgetary resources from Congress – 0.4% of the 2024 U.S. federal budget – providing critical humanitarian aid to more than a hundred countries[2]. South America has been a priority for the support, with USAID funding playing a key role in empowering regional civil society organizations[3]. Consequently, the freeze of the organization's operation, while under review, could severely impact development efforts in the region – especially in Colombia, Brazil, Venezuela, and Peru.

Colombia has been among the top recipients of U.S. assistance worldwide for more than two decades, due to the U.S.-Colombia security partnership. This collaboration has culminated in $385 million paid to the country in 2024, and about $14 billion in aid this century[3]. USAID plays an important role in supporting Colombia, especially the country's efforts to consolidate peace in conflict areas and among vulnerable populations such as Afro-descendant, Indigenous, and rural communities. The freeze may disrupt initiatives aimed at advancing citizen security, reconciliation, and preserving Colombia's natural resources. Given Colombia's strategic importance in countering narcotics, security challenges, and regional migration, the halt in USAID funding could hinder ongoing cooperation between the two nations[3].

Similarly, in Brazil, USAID has played a crucial role in supporting important organizations focused on the conservation of the Amazon Forest. In 2024, USAID allocated $22.6 million to Brazil, in which $14 million went toward general environmental conservation in the region[3]. This funding has supported grassroots organizations such as the Roraima Indigenous Council, which focuses on sustainable farming, climate change adaptation, and women's income generation in vulnerable areas facing illegal gold mining and drug trafficking. USAID has also supported initiatives like the managed fishing of pirarucu, a sustainable project that benefits Indigenous and riverine communities while preserving biodiversity. The freeze on funding could disrupt these vital programs, undermining years of progress in environmental conservation and community development[3].

Venezuela will also feel the impacts of USAID's suspension, as the organization has provided over $3.5 billion in humanitarian aid from 2017 to 2024 to Venezuela and countries providing shelter to Venezuelans. During the same period, U.S democracy, development, and health assistance totaled around $336.2 million[4]. Therefore, the 90-day freeze on USAID funding threatens to exacerbate Venezuela's ongoing humanitarian crisis – which has forced a quarter of the population to flee the country over the past decade. The pause in funding not only hampers efforts to support democratic freedoms and media independence in Venezuela, but also delays critical humanitarian assistance for both Venezuelans inside the country and those in neighboring nations. This includes support with food, healthcare, protection, sanitation, and integration, leaving millions of vulnerable individuals at risk[4].

The freeze could also have far-reaching effects on Peru, which received $135 million in 2024 to combat cocaine production through alternative crop programs like coffee and cacao. These initiatives, ongoing since the 1980s, have relied heavily on U.S. support to provide farmers with sustainable livelihoods and reduce reliance on illicit crops. However, in response to Trump's actions, Peru's Premier Gustavo Adrianzén, stated that the government will continue these crop substitution programs without U.S. funding. Former DEVIDA chief Ricardo Soberón, has also noted that the freeze presents an opportunity to reassess the partnership, pointing to longstanding issues such as conditional assistance, delayed funding, and a lack of integration with Peru's national development strategies[3].

Hence, the suspension of USAID funding presents serious challenges across South America, disrupting critical programs that tackle security, environmental preservation, economic growth, and humanitarian crises. Although some countries, such as Peru, have stated their intention to continue their efforts on their own, the loss of U.S. support could slow progress and strain resources in countries like Colombia, Brazil, and Venezuela.

References

Visualization

-> description: USAID (in blue and white like the logo) in the left; hands that once were shaking (like in the usaid logo) are now separated with a break in the middle; the flags of the countries mentioned in the brief (colombia, brazil, venezuela, and peru) on the right.