

## **Cuts to U.S. Foreign Assistance for Accountability and Governance Carry Economic and Security Risk**

A statement from Transparency International U.S.  
February 27, 2025

Last night, the President and Secretary of State announced cuts to the U.S. foreign assistance budgets at USAID and the U.S. State Department. The Administration said it plans to eliminate 5,800 of 6,200 multiyear USAID contracts and 4,100 of 9,100 State Department grants. The total dollar amount scheduled for elimination is projected to be approximately \$58 billion.

The White House has not yet released a list of which contracts and grants were scheduled for elimination or those to be continued. The cuts to USAID contracts to be terminated amount to over 90% of the total number of contracts.

**In response to the announced cuts, Scott Greytak, Director of Advocacy at Transparency International U.S. (TI US), issued the following comment:**

We have spoken publicly on the value of U.S. foreign assistance projects that support transparency, accountability, and governance work around the world. And we fear that the elimination of funding for such projects, especially in countries with higher risks of corruption, will open the door for increased cross-border corruption, fraud, and other crimes.

While we don't yet know the specific projects scheduled for elimination, this decision may well yield unintended consequences—including creating obstacles for U.S. businesses seeking to open or expand into foreign markets, allowing the diversion or outright theft of other foreign assistance dollars—including military aid—by rogue actors or U.S. adversaries, and serving as an invitation for U.S. competitors, especially China, to fill the vacuum created by the absence of U.S. engagement.

Beijing has wasted no time stepping in, using aid as a tool to expand its influence, from funding landmine clearance in Cambodia to increasing its humanitarian outreach in Nepal. But this is just the beginning. China's Belt and Road Initiative has long leveraged foreign aid to deepen economic

dependence and erode transparency in fragile regions, making it harder for governments to operate openly and for markets to remain stable.

U.S. programs that support government accountability, counter drug trafficking, and bolster open markets are not just development initiatives—they are critical tools that promote stability and economic opportunity in regions vital to U.S. interests. Without them, we lose not only our ability to shape global norms, but also our leverage in advancing regional stability and fair economic competition.

If the goal is to make foreign assistance more effective in promoting U.S. interests, transparency, accountability, and governance projects are uniquely capable of meeting those objectives. To fortify America's influence, we should be strengthening—not surrendering—the tools that lay the foundation for U.S. economic and security advantage.

\*\*\*

Transparency International U.S. is part of the world's largest coalition against corruption. In collaboration with national chapters in more than 100 countries, we are leading the fight to turn our vision of a world free from corruption into reality.

### **Related Resources**

- [Read](#) TI US's new factsheet on how foreign assistance for accountability, transparency, and governance projects is critical to advancing U.S. interests abroad.

### **Media Contact**

Scott Greytak, Director of Advocacy, Transparency International U.S.

Telephone: +1 202-642-1515

Email: [sgreytak@transparency.org](mailto:sgreytak@transparency.org)

Twitter: @TransparencyUSA