



# America's Foreign Aid Retrenchment

Implications for US-Japan Cooperation

United States-Japan Foundation | Peace Winds America



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Implications for US-Japan Cooperation

**James Gannon & Michael Schiffer**



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Cover photos:

*Front top:* Philippine Marines assigned to 4th Marine Brigade load USAID supplies into an MV-22B Osprey during October 2024 disaster relief operations in Laoag City, Philippines.

(Photo credit: Sgt Luis Agostini, 15th Marine Expeditionary Unit. Please note the appearance of US Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.)

*Front bottom left:* Refugees in South Sudan use water pump installed with Japanese government funding.  
(Photo credit: James Gannon)

*Front bottom right:* Children welcome a newborn sibling at aid-supported Bangladesh health clinic.  
(Photo credit: Peace Wind Japan)

*Back top:* Rohingya boys supported by US and Japanese aid programs in Cox's Bazar.  
(Photo credit: Peace Wind Japan)

*Back bottom left:* Syrian refugees building housing in Iraq's Gawilan Refugee Camp on US-funded cash-for-work program (Photo credit: Peace Wind Japan)

*Back bottom right:* Ukrainian refugee girl in Moldova helped by Japan-funded program.  
(Photo credit: Peace Wind Japan)

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# Abbreviations

CDC	Centers for Disease Control and Prevention
DART	Disaster Assistance Response Teams
DCCP	Digital Connectivity and Cybersecurity Partnership
JANIC	Japan NGO Center for International Cooperation
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
NGO	nongovernmental organization
ODA	official development assistance
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization

# Foreword

As the United States redefines its global role, allies are being tested—none more so than Japan. In keeping with its mission of catalyzing the bilateral partnership, the United States-Japan Foundation commissioned this report to provide leaders on both sides of the Pacific timely, fresh, actionable insights into how those forces are playing out in one vital area: Washington’s retrenchment from the foreign aid ecosystem it had long fostered and led.

The maturing US-Japan alliance has developed into a wide-ranging, collaborative partnership, addressing shared challenges through strategies rooted in shared values and common interests. The evolving cooperation in humanitarian, disaster, and development assistance has been a pillar of that partnership.

With the old order eroding, a new one will take shape. This valuable report offers insights into the impact that is unfolding around the world and recommendations for consideration. There are innovative ways the two countries can continue their collaboration. This is also a moment for Japan to build on its record as an increasingly trusted proponent of a humane, rules-based international system. Just as Tokyo salvaged the Trans-Pacific Partnership regional trading bloc after American withdrawal, Japan can help renovate the global system of development assistance to suit 21st-century demands. That does not necessarily mean pouring in vast funds to fill the American void. No single country can do that. It means assuming a greater role: as leader, as organizer, as facilitator, as bridge builder.

The authors bring to this topic decades of experience and expertise: two Americans who have worked closely with Japanese and American diplomats, defense officials, legislators, and nongovernmental organizations to advance the US-Japan partnership on development and humanitarian assistance. We acknowledge that some readers may see inherent bias in a document produced by writers so closely connected with an old system now under attack. We ask this be read with an open mind. The report is not a reflexive defense of a bygone era. It is an informed analysis for how to define a new one.

Jacob M. Schlesinger

President/CEO

United States-Japan Foundation

October 2025





# 1 Overview

The shift in US foreign aid policy that began in early 2025 has put millions of people's lives and livelihoods at risk and destabilized the global development assistance system. It also carries wide-ranging implications for Japanese interests and for the future of US-Japan development cooperation.

On January 24, late on the Friday afternoon after Donald Trump's inauguration, a State Department official sent a mass email to thousands of US foreign assistance recipients ordering them to immediately stop work and avoid incurring any further costs on projects they had been contracted to undertake by the American government. Within two months, this snowballed into the termination of the majority of ongoing US foreign assistance awards and—combined with the dismantling of the US Agency for International Development (USAID) and several other US foreign assistance agencies—it precipitated the most dramatic shock to the global development and humanitarian aid system in recent memory.

The impact has been profound. Millions of people around the world immediately lost access to essential services and, in the chaos that ensued, people who depend on lifesaving assistance began to die. Experts estimate that by the end of September 2025, more than 500,000 preventable deaths occurred as a result of the US aid cuts<sup>1</sup>. Aid organizations that rely on US government funding were forced to shutter long-standing programs, institute mass layoffs, and in some cases, go bankrupt. Meanwhile, drastic funding cuts for United Nations (UN) agencies, nongovernmental organizations (NGOs), and other organizations that provide support services began to destabilize the very foundations of the official development assistance (ODA) sector in a way that is bound to have unexpected, long-term ramifications for implementing organizations and ODA agencies that have no direct connection to the United States.<sup>2</sup>

Of course, the US moves did not happen in a vacuum. Japan has been a consistent ODA contributor, but a number of major donors (most notably, the United Kingdom) had already started pulling back from their aid commitments in recent years. While these policy shifts entailed gradual, planned reductions in funding, the US cuts were sudden and of a degree of magnitude far larger than any other donor in history, account-

ing for more than one-tenth of global ODA. This instantly transformed a slow-burning challenge into a global crisis, while also giving other donors cover to cut even more.

The number of Japanese organizations and US-Japan collaborations that have been directly affected by the US aid cuts is limited, but in the long run, the impact on Japanese interests and US-Japan development cooperation will be immense. ODA programs are generally designed to complement one another to some degree. For instance, Japanese funding to advance universal health care in African countries relies upon the US provision of anti-retroviral treatments and American funding to build up medical laboratory capacity. But now, the gaping holes left by the US withdrawal make it harder for ODA programs supported by Japan and other donors to achieve their goals while giving rise to calls for Japan to fill more gaps. The US cuts are also weakening the broader development and humanitarian ecosystem in a way that is bound to affect all aid providers, including by threatening support services that NGOs and others rely upon in their daily operations—including coordination mechanisms, data gathering initiatives, and security and logistics services. Moreover, given the ways in which development assistance complements defense and diplomacy as a tool of national power, in a broader geostrategic sense the US aid cuts seem bound to set back shared Japanese and US interests in counterbalancing the influence of competing powers such as China and Russia.

This report is a preliminary attempt to assess the impact of the abrupt change in US policy on Japanese organizations and US-Japan initiatives, the ways it is altering the environment in which development and humanitarian institutions operate, and the changes it brings to the strategic calculus for Japanese and American policymakers as they work to shape the regional and global order. It also offers recommendations for policymakers on navigating the new development landscape and reigniting US-Japan cooperation. To do this, it relies on an extensive survey of public reporting as well as nearly 30 interviews with the headquarters and field staff of American, Japanese, and national NGOs<sup>3</sup> implementing ODA projects; current and former US and Japanese government officials; and other experts on development and humanitarian assistance.

## 2 The US Role in the Development Landscape & Dependence on US Aid

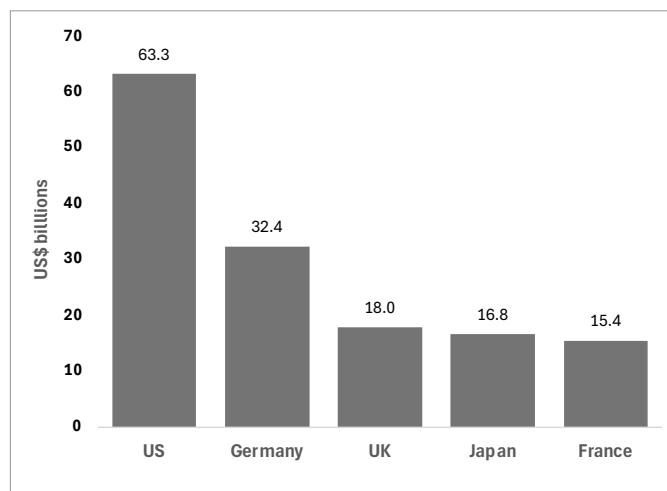
In the aftermath of World War II, the United States began investing generously in foreign assistance, most notably through the Marshall Plan effort to rebuild Europe as a bulwark against Soviet communism. The current foreign assistance system took shape in 1961, when President John F. Kennedy established USAID as a vehicle to refocus US foreign assistance on the long-term development of the world's poorest countries. For the next three decades, the United States consistently provided more funding for development and humanitarian assistance than any other country in the world.

Japan's ODA grew rapidly throughout the 1980s and, at the end of the decade, it surpassed the United States as the world's most generous donor, a ranking it held until 2001, when the United States again jumped back into first place.<sup>4</sup> Around that same time—in 1992—Japan's growing prominence sparked the first efforts by Prime Minister Kiichi Miyazawa and President George H. W. Bush to institutionalize US-Japan development cooperation, and this bilateral partnership was subsequently expanded in 1993 as part of the two countries' Common Agenda for Cooperation in Global Perspective. Since then, there has consistently been some form of US-Japan development partnership, although the relative priority and focus has fluctuated from the high-profile, top-down efforts under the Common Agenda to the bottom-up

approach of the George W. Bush-era US-Japan Partnership for Global Health and the more scattered, low-key Obama-era efforts that were coordinated through the US-Japan Development Dialogue. These continued at a lower tempo through the first Trump administration and via the Biden-era dual tracks of bilateral US-Japan and trilateral US-Japan-Korea coordination efforts.

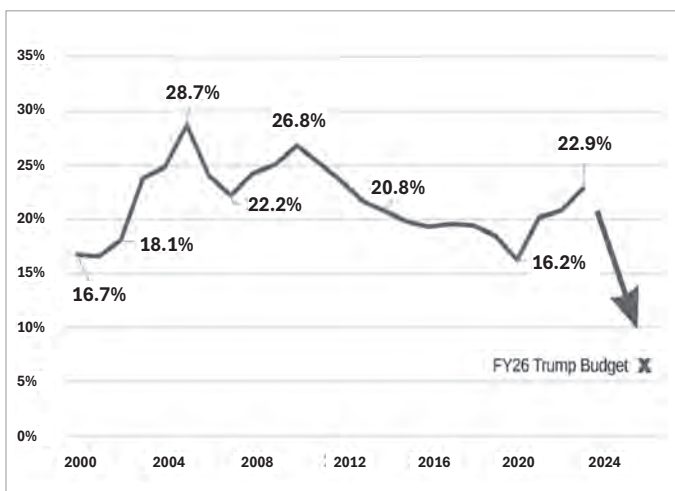
Since leapfrogging Japan in 2001, the United States has remained the world's largest ODA donor in absolute terms by a large margin, as shown in figure 1. In fact, over the past two decades, the United States has typically accounted for between 20 percent and 25 percent of global ODA disbursements. In 2024, its disbursements hit US\$63.3 billion, which is among the highest amounts in inflation-adjusted terms since early in the postwar period. Having said that, its contributions average just 1 percent of the US federal budget (although surveys find Americans mistakenly believe that number to be over 25 percent),<sup>5</sup> and as a percentage of gross national income, or GNI, they fall on the low end among major donors, below Japan and most European countries. And if the Trump administration's proposed FY2026 budget is passed (at the time of writing, it was under deliberation in Congress), it would represent a dramatic drop in the US share of global ODA (see fig. 2).

**Figure 1. Top five ODA providers, 2024**



Source: Organization for Economic Cooperation and Development (OECD).

**Figure 2. US share of global ODA disbursements**



Sources: OECD Data Explorer (DAC2A dataset, 1994–2023); US Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs (FY2026)* (as of May 2025).

Following the 1961 consolidation of most US foreign assistance programs under USAID, the number of agencies involved in ODA again proliferated, with ODA funds being channeled through roughly 20 different agencies (table 1). The largest player has been USAID, accounting for 55 percent of FY2023 disbursements, which has provided funding for long-term development initiatives, global health, and disaster responses. This was followed by State Department funding (27 percent), which has focused on aid for refugee programs, governance support, and other issues; the Department of Defense (10 percent), which has provided security assistance; the Department of the Treasury (3 percent), which has supported multilateral institutions; and the assorted agencies under the umbrella of the Department of Health and Human Services (2 percent), which have funded HIV/AIDS programs, laboratory support, and technical assistance.<sup>6</sup>

To better understand which countries and sectors are most vulnerable to the US aid cuts, it is instructive to look at their reliance on US support. In 2023, the largest disbursement of US foreign assistance went to Ukraine to help stabilize its economy and underwrite reconstruction during the war with Russia, and more than US\$1 billion each was provided to six other countries grappling with humanitarian emergencies

and/or large numbers of displaced people (see table 2). That same year, the United States provided more than 50 percent of all aid—including both bilateral and multilateral assistance—to nine countries, including four in Latin America and two each in Africa and the Pacific Islands (table 3). To give a sense of the scale of US support, the ODA amounts were equivalent to more than 5 percent of the country's total GDP in six countries, including two in the Pacific Islands and four conflict-ridden countries: Somalia, South Sudan, Afghanistan, and Ukraine (table 4). That makes it highly likely that the aid cuts will be particularly destabilizing for them.

Similarly, a number of sectors around the world have been especially reliant upon US aid. Most notably, US funding covers a large proportion of global funding for food aid, certain health programs, good governance, and support infrastructure for humanitarian assistance (table 5). This includes 96 percent of global funding for HIV/AIDS programs and the control of other sexually-transmitted diseases, 87 percent of ODA for malaria control, and 71 percent of aid to detect, prevent, and treat tuberculosis, as well as 84 percent of ODA to support public sector administration and 73 percent of school feeding programs.<sup>8</sup>

**Table 1. US foreign assistance by agency, FY2023**

	Agency	Amount (US\$ mil.)
1	USAID	\$43,787
2	Department of State	\$21,286
3	Department of Defense	\$8,187
4	Department of the Treasury	\$2,439
5	Department of Health & Human Services	\$1,857
6	Millenium Challenge Corp.	\$730
7	Peace Corps	\$463
8	Department of Agriculture	\$388
9	Department of Energy	\$304
10	Department of the Interior	\$197
11	Department of Labor	\$98
12	Inter-American Foundation	\$47
13	Trade & Development Agency	\$33
14	African Development Found.	\$20
15	Others (EPA, DOT, DOJ, etc.)	\$19

Source: US Foreign Assistance Dashboard ([www.foreignassistance.gov](http://www.foreignassistance.gov)), accessed July 8, 2025.

**Table 2. US foreign assistance by country, 2023<sup>7</sup>**

Country	Amount (US\$ mil.)
Ukraine	\$11,858
Ethiopia	\$1,803
Democratic Republic of the Congo	\$1,388
Jordan	\$1,274
Afghanistan	\$1,199
Nigeria	\$1,124
Somalia	\$1,036
Kenya	\$933
Yemen	\$863
Syria	\$846

Note: Figures represent 2023 disbursements (constant prices) of US ODA.  
Source: OECD Data Explorer (DAC2A dataset), accessed June 6, 2025.

When one drills down to the country level, the reliance on US funding in certain sectors is even more stunning. For instance, in eight low-income African countries, US ODA covered more than 5 percent of total national health expenditures—not just government budgets, but all public, private, and individual out-of-

pocket spending for health. US aid covered roughly 29 percent of all health expenditures in Somalia and 22 percent in South Sudan, leaving people in these war-torn countries heavily dependent upon continued US support (table 6).<sup>9</sup>

**Table 3. US share of total ODA received, 2023**

Country	US Share (%)
Micronesia	82.4
Marshall Islands	73.6
Thailand	71.3
Colombia	59.2
Eswatini	58.9
Guatemala	57.1
Lesotho	56.5
Venezuela	55.5
Honduras	51.0
Jordan	49.3

Source: DAC2A dataset, accessed June 6, 2025.

Note: Figures represent 2023 disbursements (constant prices) of US and global ODA.

**Table 4. Scale of US ODA as compared to recipient country's GDP, 2023**

Country	US Share (%)
Marshall Islands	32.6
Micronesia	22.3
Somalia	9.4
Afghanistan	7.0
Ukraine	6.6
South Sudan	6.1
Lesotho	4.5
Jordan	2.5
DRC	2.1
Haiti	1.9

Source: DAC2A dataset, accessed June 6, 2025.

Note: Figures represent 2023 disbursements (constant prices) of US and global ODA.

**Table 5. US and Japanese share of global ODA by sector, 2021–2023 (percent)**

	US	Japan
<b>Social infrastructure &amp; services</b>		
Education	11.7	4.1
Health	25.7	8.6
Population & reproductive health	79.4	0.5
Water supply & sanitation	9.9	15.3
Government & civil society	42.4	1.2
<b>Economic infrastructure &amp; services</b>		
Transport & storage	1.3	65.6
Communications	4.7	10.2
Energy	11.7	22.3
Banking & financial services	3.4	1.2
Business & other services	25.4	1.1
<b>Multi-sectoral/Cross-cutting</b>		
General environment protection	13.1	1.4
Other multisector	5.8	15.6
Commodity aid/general program	7.1	4.7
Production sectors	13.5	12.5
Development food assistance	46.3	3.2
Humanitarian aid	38.2	2.2

Sources: OECD Data Explorer.

**Table 6. Share of total national health expenditures covered by US ODA, 2022**

Country	Percent (%)
Somalia	29.1
South Sudan	21.9
Uganda	8.2
Zambia	6.8
Mali	6.7
Mozambique	6.4
Madagascar	6.0
Sierra Leone	5.2
Malawi	4.7
DRC	4.7
Liberia	4.2
Zimbabwe	4.1

Sources: OECD Data Explorer and World Health Organization (WHO) Global Health Expenditure Database.

# 3

## The Trump Administration Cuts

When President Donald J. Trump was elected for his second term, many in Washington expected that his administration would pare back foreign assistance, especially for family planning, climate change, and other areas that the Republican Party had traditionally felt were problematic. There were also good reasons to pursue reform in the foreign aid system. Many observers felt that too much aid had flowed to large, US-based contractors and NGOs rather than making it into the hands of local host country implementers. And others made strong arguments that America's six-decade-old ODA institutions needed to be streamlined and retrofitted to better meet 21st-century needs. But not even the most knowledgeable experts could have anticipated the speed or the depth of the cuts that were in fact implemented.

On January 20, hours after taking office, President Trump signed Executive Order #14169, titled "Reevaluating and Realigning United States Foreign Aid." The order imposed a 90-day pause on all new obligations and disbursements of foreign assistance, ostensibly to conduct a review of the programs it funds. A more drastic move came later that week, on January 24, when the State Department issued a "stop-work order" that instructed current recipients of foreign assistance awards and contracts to "immediately suspend all work" and "cancel as many outstanding obligations as possible," banning them from "incur[ring] any new costs." In practical terms, this implied that organizations would need to immediately shutter all programs without advance warning and could not even use their award money to pay staff salaries, security costs, or other expenses unless they could argue there was some preexisting legal obligation to do so.

The chaotic dismantling of the US foreign assistance system accelerated the following week when a large number of senior USAID staff were placed on leave and Elon Musk's "Department of Government Efficiency" (DOGE) took most of the payment systems used for foreign assistance offline. This rapidly snowballed with the February 3 closure of the USAID headquarters and the termination of the agency's 13,000 career and contract employees. Similar attempts were made to shutter other smaller aid agencies, including the African Development Foundation and the Inter-American Foundation, which have both been gutted, although

legal disputes linger over their eventual fate.

Although Secretary of State Marco Rubio had pledged to conduct a 90-day individualized review of each foreign assistance award, 33 days after the initial stop-work order, on February 26, the Trump administration suddenly sent emails to implementing organizations, terminating nearly 10,000 of 13,000 ongoing awards administered by USAID and the State Department.<sup>10</sup> These terminations were decided outside of the normal chain of command and in such an abrupt manner that in some cases the State Department awards officers who were officially responsible for issuing terminations had to contact the implementing organizations they oversaw to find out from the recipients whether their funds had been terminated. That, however, was more orderly than what transpired on the USAID side, where there were barely any remaining employees to formally notify awardees and provide them guidance on how to seek reimbursement for expenses that had already been paid out of pocket. Things descended further into chaos when some award terminations were reversed weeks later, only to be terminated again and, in some instances, revived and terminated two or three times more.

Dozens of lawsuits were filed to challenge the mass layoffs of various government workers, contract law violations, and constitutional overreach by the executive branch but by April 2025, the bulk of the US foreign assistance system had been dismantled. The Trump administration quickly began floating plans to restructure aid agencies centering around the proposal to shift the functions of USAID into the State Department, where a reorganized "family" of bureaus and agencies would administer a greatly reduced portfolio of humanitarian assistance, global health funding, and support for a handful of other issues.

As of the time of writing (September 2025), plans for integrating development assistance into the State Department were still a work in progress and many legal questions continued to surround the dissolution of various agencies and the terminations of a wide range of contracts and awards. Precise information on the dollar amount of foreign assistance awards that have been cut remains elusive, but a rough estimate is that two-thirds of all awards that were currently active and being implemented in FY2025 have been termi-



nated, accounting for perhaps half of the dollar amount of US foreign assistance.<sup>11</sup> In July 2025, the US Congress endorsed some of these terminations by voting to return US\$7.9 billion of previously appropriated funds to the US Treasury. Moreover, for FY2026 (the year starting from October 2025), the Trump administration has proposed an 84 percent cut in its diplomacy and foreign assistance spending, signaling that the US government is set on making its withdrawal from an ODA leadership role permanent.<sup>12</sup>

This policy shift has already had a significant impact on the institutional capacity of the US government. While more than 13,000 American and local staff were employed at USAID, the State Department planned to hire just 718 people to take over their duties,<sup>13</sup> ensuring an enormous loss of technical expertise and institutional memory. One former senior USAID official estimates that, even after the substantial cuts to US foreign assistance, this would stretch the ratio of US State Department staff involved in foreign assistance to one person for each US\$12.8 million in awards—more than 7.5 times what it had previously been.<sup>14</sup> This seems bound to lead to a degradation of monitoring and evaluation capability, innovation mechanisms, global coordination capacity, and various other functions essential to ensuring high quality ODA. Plus, these challenges have been exacerbated by separate State Department staff cuts and the intense demoralization and early retirement of many of the most experienced staff remaining at the State Department offices that oversaw the department's own refugee and governance funding.

A number of other specialized capabilities are also threatened. For instance, USAID's world class system of DART teams (Disaster Assistance Response Teams), which respond rapidly to disasters around the globe, has been dismantled. There are plans to resurrect the DART system under the State Department, but it is questionable how much capacity can be salvaged at this point.

Similarly, USAID played a cutting-edge role in driving innovation on development issues. It did this

through the economies of scale of its massive supply chain programs, by standing up initiatives such as the Development Innovation Ventures program and the Center for Innovation and Impact, and by publicly sharing information on those innovations through the Development Experience Clearinghouse, an online archive of almost 170,000 USAID documents. These enriched the development sector worldwide, but they have all been eliminated, and their functions will be hard to replicate as USAID's work is incorporated into the State Department.

The nongovernmental sector that played a central role in supporting American ODA—including thousands of NGOs and private contractors—has also been severely weakened. As of May 30, organizations receiving US foreign assistance reported laying off 253,500 staff—19,500 in the United States and another 234,000 elsewhere around the world.<sup>15</sup> Scores of aid groups have already gone bankrupt, and a May 2025 survey of humanitarian NGOs and other aid organizations in the development field found that 62 percent of organizations had less than six months of financial resources remaining and 50 percent felt their organization was at risk of closure.<sup>16</sup>

The anticipated impact on beneficiaries of US foreign assistance is even more dire. The first reported death as a result of the US cuts was a 71-year-old Burmese refugee named Pe Kha Lau, who died on February 2, four days after being taken off of oxygen and discharged from a USAID-supported hospital in Thailand that was shuttered. A Boston University researcher has estimated that more than 500,000 people are likely to have already died as of September due to the US aid cuts,<sup>17</sup> and a June 2025 study in *The Lancet* forecasts that there will be 14 million more preventable deaths by 2030 because of the cuts to USAID funding.<sup>18</sup> Secretary Rubio continues to insist that life-saving health ODA is being sustained, implying that deaths will be much lower, but evidence from the field clearly indicates that the bulk of US global health aid remains cut and there is little sign that much of it will return.

# 4 Immediate Impact on Japanese Institutions' Programming

The direct impact of the funding cuts on Japan-related organizations has been relatively limited with them losing roughly US\$9.4 million when nine US government awards and contracts were fully or partially cut.<sup>19</sup> (By comparison, Australian NGOs have directly lost at least US\$260 million, or AU\$400 million, for more than 120 projects.)<sup>20</sup> The cuts to Japanese organizations' projects include US\$8 million for USAID and State Department funding for six refugee and disaster preparedness programs carried out by Peace Winds Japan and its American sister organization and a USAID award to the company Lixil for its innovative, low-cost "Sato pan" toilets that are used in low-resource settings. These have led to the layoffs of more than 130 staff and contractors in the countries where those humanitarian programs were being implemented.

Notably, the US\$9.4 million in lost funds involved not only direct awards but also funding that was indirectly channeled through UN agencies such as UNHCR—the UN Refugee Agency—and the United Nations Children's Fund (UNICEF) in South Sudan and Kenya. Refugee camps are typically managed by UNHCR, which then distributes funds to NGOs that serve as "implementing partners" to provide a range of services to residents. However, 40 percent of UNHCR's budget came from the United States, so it has had to pass the cuts on by slashing the budgets of its implementing partners, even as refugee crises continue to worsen.

In addition to the immediate financial losses, the cuts have also hurt Japanese organizations' programming in a variety of ways, albeit to a lesser degree so far than they have affected NGOs elsewhere around the world. A number of the larger NGOs in Japan, such as Save the Children Japan and Church World Service Japan operate in alliance with sister organizations in the United States and elsewhere, and an April 2025 survey by the Japan NGO Center for International Cooperation (JANIC) found that 3 out of the 30 Japanese NGOs responding had been affected by funding cuts to their alliance partners. In some cases, this involved losing funds from US counterparts that subsidized their Japan operations, while in other cases it entailed funding cuts for projects on which they partnered. Other Japanese NGOs reported that they had to change project plans or had to give up on UN funding they had been negotiating.<sup>21</sup>

In recent years, the US and Japanese governments touted a series of US-Japan and US-Japan-Korea cooperative projects around the world. These were not truly joint projects but functioned more as "parallel projects" in which US funding supported one aspect of the program while Japanese funding complemented it by supporting another, with Korean funding via the Korea International Cooperation Agency (KOICA) sometimes adding a trilateral component. For instance, under the Agricultural Resilience Initiative-Ukraine

**Table 7. US-Japan-Korea cooperative projects**

Country	Project	Division of Labor
<b>Ukraine</b>	Agricultural Resilience Initiative (AGRI-Ukraine)	USAID, JICA, & KOICA provide irrigation, fertilizer, seeds, and back-up support for Ukrainian farmers to expand agricultural production strangled by the war with Russia
<b>Ghana</b>	Contributing to the Achievement of Universal Health Coverage	USAID, JICA, & KOICA collaborate on health care support in five northern regions of the country
<b>Philippines</b>	Advance Primary Health Care towards Universal Health Care in BARMM	JICA funds maternal & child health, KOICA supports health financing and maternal health facility & equipment upgrades, and USAID strengthens health systems, family planning, reproductive health, and TB programs in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)

(AGRI-Ukraine), USAID, the Japan International Cooperation Agency (JICA), and KOICA divvied up the funding of seeds, fertilizer, and irrigation projects to help bolster Ukrainian farmers' production during its war with Russia in order to alleviate global food insecurity. The cutoff of US funding has hurt the supply of seeds and fertilizers in the short run and has forced JICA to seek new partners to help fill the gaps left by the US withdrawal for the longer run.

Many development practitioners acknowledge that the United States, as the world's largest donor, has in many instances effectively "subsidized" other donors' programs, enabling them to have more impact than they could on their own. One element of this involves the relatively high level of indirect costs that US government agencies have traditionally allowed grantees to claim in order to cover general operating expenses and the maintenance of specialized expertise that cannot be easily assigned to any specific project. While the actual figures are not public, credible estimates are that the average negotiated indirect cost rate agreement (NICRA) rates—the term the US government uses to describe indirect cost rates—paid out by USAID hovered around 30 percent of projects' direct costs, which is much higher than the standard 7 percent allowed by European ODA agencies and UN organizations.<sup>22</sup>

Recipients of US awards readily acknowledge in private that the more generous payments from the US government have historically given them the budget flexibility to accept lower rates from non-US donors and still grow their institutional capacity. Another way that US funding has "subsidized" other programs is through USAID's provision of salary support for government officials in finance and health ministries in Central Asia, South Asia, the Pacific Islands, and elsewhere. This salary support was typically provided indirectly through the NGOs or contractors implementing USAID awards, in many cases to help strengthen the capacity of governments to manage public debt and conduct other specialized tasks. The government officials whose salaries were paid from US funding often oversaw programs funded by non-US aid agencies as well, and in some instances, JICA ended up depending upon them in its own projects as well. JICA officials have noted that after the sudden suspension of US funding, some of the host government counterparts that they relied upon began "disappearing," as USAID salary support went away.<sup>23</sup> This reportedly has happened with local partner NGOs too, as staff whose salaries were supported by both USAID and Japanese funding could no longer be covered by a single revenue stream alone.



# 5 Broader Impact on the Development Ecosystem

Over the long run, the damage to the broader development ecosystem from the US withdrawal will have profound implications for Japanese organizations and US-Japan ODA cooperation. This arises from four primary factors: the weakening of the global support system that ODA agencies and implementers rely upon, or what can be termed the “global development commons”; the deterioration of operating conditions in host countries; the leadership vacuum that the United States has left in the humanitarian and development sectors; and the justification that the US move gives other countries to cut their own ODA as well.

## A weakened “global development commons”

Regardless of their nationality, ODA agencies, the NGOs and contractors that implement foreign assistance programs, and their local governmental partners rely on a range of services that have been built up to support humanitarian and development initiatives. This “global development commons” includes services related to logistics, security and safety, data collection and analysis, aid coordination, accountability and transparency, and other technical capabilities that are highly dependent on US government funding and engagement. Elements of each of these have already been degraded, making operations more difficult and dangerous for aid organizations from Japan, the United States, and elsewhere.

**Logistics:** The World Food Programme’s (WFP) UN Humanitarian Air Service (UNHAS) operates 144 aircraft and helicopters to transport aid workers and light cargo in 21 countries facing humanitarian crises. UNHAS flights allow aid workers to avoid long and often perilous overland routes, and in some cases, they are the only option to reach refugee camps and other remote locations. In 2024, more than 355,000 passengers flew with UNHAS to 394 destinations. In recent years, the United States has provided more than half of all donor funds to subsidize UNHAS operations,<sup>24</sup> but the sudden US cuts have forced UNHAS to shrink its fleet by 22 percent.<sup>25</sup> That is forcing it to reduce services in places like Afghanistan, where it has cut back from

operating five planes to two, and South Sudan, where it has decreased service to 10 of 48 locations and cut out another five completely.<sup>26</sup> At the same time, it has been forced to hike the fares it charges to aid workers in some countries—for instance, increasing fares almost 20 percent in South Sudan and doubling them in Kenya.<sup>27</sup>

The US aid cuts also have potentially dire effects on supply chains, especially on Africa’s health supply chains for pharmaceuticals and other products associated with HIV, malaria, and reproductive health. USAID has been a major supporter of the medical supply chain throughout the continent, helping to channel commodities to health ministries and aid organizations. In fact, it has played such an outsized role that USAID supply chain funding for eight African countries (and Haiti) exceeded 10 percent of those nations’ domestic government health expenditures in the past two years.<sup>28</sup> Now, some of these supply contracts have been terminated and the future of others is uncertain. The impact is likely to extend beyond the immediate financial loss. For instance, USAID’s massive pooled procurement gave it leverage to negotiate lower prices and allowed it to accumulate market intelligence that was used to more skillfully mitigate supply and demand risks. Also, considerable USAID funding was used to subsidize warehouses that health ministries used to store medical products, not just for USAID-supplied materials, but also for commodities purchased by health ministries on their own or provided to them by the Global Fund to Fight AIDS, Tuberculosis and Malaria (hereafter, Global Fund) and other donors. Now, host governments face the prospect of more expensive medications and less reliable supply chains.

**Security and safety:** Some large aid organizations have internal security teams that monitor security conditions and provide security training to their staff, but small and mid-sized organizations, including Japanese groups, often rely on outside groups like the nonprofit International NGO Safety Organization (INSO). INSO works in 26 crisis countries, where it provides regular analysis and operational updates on evolving security conditions and offers specialized in-person courses such as HEIST [Hostile Environment Individual Safety Training] to prepare aid workers to safely navigate conflict situa-

tions, survive being taken hostage, and avoid unnecessary security risks. USAID contributed 37 percent of INSO's global budget, but the cuts have forced INSO to drastically reduce services, including by eliminating in-person training, scaling back operational updates in countries like Iraq, and closing 19 sub-offices in Africa, Haiti, and Ukraine.<sup>29</sup>

In some countries, the UN Office for the Coordination of Humanitarian Affairs (OCHA) also plays a crucial security role, including by coordinating access routes and convoys in insecure areas so that aid workers can travel and move supplies safely. Aid cuts have forced it to shrink its global work force by 20 percent,<sup>30</sup> and that is having an impact on the ground. For instance, in South Sudan, OCHA has had to scale back its coordination and support for convoys.

**Data collection and analysis:** Designing effective humanitarian and development projects requires good data, but a number of specialized services that support needs assessment have been damaged by the US cuts. For example, over the past four decades, the USAID-funded Demographic & Health Survey program collected data from more than 90 low- and middle-income countries on a range of issues, including maternal and child health, nutrition, HIV infections, domestic violence, and education. This open-source data served as a critical resource for national ministries, NGOs, and UN agencies for planning health, gender, and protection programming, and its indicators are used to set benchmarks for the Sustainable Development Goals. However, USAID's support—which covered roughly half of the cost of the surveys—was terminated, and so ICF, the contractor that ran the survey for USAID, had to suspend those activities in February.

Similarly, in 1985, in the aftermath of the Ethiopian famine, USAID established the Famine Early Warning System Network (FEWS Net) to anticipate impending food crises so that timely interventions could be taken. This is relied upon by aid organizations around the world and is widely credited with helping to significantly reduce the worst instances of food insecurity around the globe. In February 2025, the FEWS Net website went down as USAID was dismantled, and while it was resurrected in June 2025, its future remains uncertain.

**Aid coordination:** US funding also has played an outsized role in supporting development coordination efforts, but those too are being undercut. One element of coordination at the country level involves NGO Forums,

coordination bodies that bring together NGOs to share information on operations and to allow them to speak with a collective voice. The NGO Forums are run by secretariats, some of which operate as independent nonprofit organizations and others which are hosted by prominent member NGOs. In April, an OCHA survey found that the staff capacity for 35 NGO Forums for international NGOs had declined by 50 percent due to the US cuts, while the staff capacity in NGO Forums for national NGOs had fallen by 43 percent.<sup>31</sup> The secretariat for at least one country's NGO Forum has been shut down, with several others at risk of dissolution.<sup>32</sup>

A second element involves the UN cluster system that is used to coordinate among UN agencies, NGOs, and other implementers during humanitarian emergencies. Due to the US cuts, the number of staff dedicated to cluster coordination in 24 ongoing humanitarian responses is estimated to have decreased by roughly one-tenth, a net loss of 96 full-time staff positions, with the number of information management staff supporting cluster coordination also decreasing by similar amounts.<sup>33</sup>

**Accountability & transparency:** The US has historically led the way in pressuring donor countries on a range of issues related to accountability and anti-corruption efforts, and it has been among the top funders of local civil society groups that press for transparency. The main funding for these efforts comes from the government's US\$3 billion annual budget for democracy and good governance, which was channeled through three entities, USAID, the State Department, and the National Endowment for Democracy (NED), an independent nonprofit organization that receives a direct Congressional appropriation of funds and is not officially counted as part of the foreign assistance budget. The vast majority of USAID and State Department awards for democracy initiatives—including for transparency and anticorruption work—has now been terminated or is slated for elimination. Meanwhile, in an episode that began in January 2025, the US Treasury froze NED monies that were held in Treasury accounts, disrupting its operations. The NED regained access to its funds in March, a week after filing a lawsuit against the US government, but the Trump administration has now requested that Congress completely eliminate funding for the NED in its FY2026 budget.

Two of the main American organizations that carry out democracy and anticorruption initiatives on behalf of NED and the State Department are the political party institutes, the National Democratic Insti-

tute and the International Republican Institute, but the State Department and USAID have now terminated 183 of their combined 192 awards to those organizations.<sup>34</sup> Even though it is harder to measure, the damage to local civil society groups has been similarly severe. For instance, Vietnamese NGOs that work on governance issues are reported to have lost 50 to 60 percent of their overall funding due to the US cuts, and similar impacts are being seen elsewhere in Southeast Asia.<sup>35</sup>

US support for good governance projects was often paired with US government political pressure on host governments and aid implementers to combat corruption. But this pressure has been dissipating, in part because of reduced US clout as its aid dries up and partly because of a reduced US government inclination to push on governance issues in the new political environment. It has not gone without notice that in February, while the Trump administration was cutting funding for anticorruption efforts, President Trump issued a new executive order ordering the US government to suspend enforcement of the Foreign Corrupt Practices Act, which had prohibited American companies from bribing foreign officials.

## **A deteriorating operating environment**

In a more general sense, the overall deterioration of conditions in host countries where US funding has been slashed is also making it harder for ODA agencies and aid organizations to achieve their objectives. One

reason the concept of “human security”—the comprehensive approach to development planning pioneered by Japan—is so prescient is because it recognizes that on the ground, the challenges that vulnerable people and communities face are inherently interconnected, and a deterioration on one front easily bleeds into other aspects of people’s lives.<sup>36</sup> For instance, children are less likely to keep pace in the classroom if they do not have enough to eat—a critical issue since the United States previously provided the vast majority of school food assistance. Likewise, children in families with reduced financial assets—and the United States had been the world’s largest provider of multipurpose cash assistance—are more likely to be pressured into child labor or early marriage despite aid organizations’ protection programs designed to prevent this.

The way in which deteriorating conditions make things harder for all ODA agencies and aid implementers is even more obvious when diving into granular details. For instance, the United States is the world’s leading funder for insecticide-treated bed nets, indoor residual spraying, and other antimalarial efforts, both bilaterally and through the Global Fund. Its cuts will almost certainly unleash a surge in malaria cases, increasing the burden on local clinics and healthcare workers and making it harder for other donors to make progress in improving overall primary health care services and in combatting other health threats.

For instance, the removal of US funding has forced 420 health facilities in Afghanistan to close,<sup>37</sup> and Japanese NGOs report this is making it more difficult to carry out their programming there. Similar dynamics

### **UGANDA**

#### **The human security impact of aid cuts**

The drastic reduction in food assistance triggered by US cuts to the WFP have hit hard for the 135,000 Congolese refugees in Uganda’s Kyaka II Refugee Settlement. Malnutrition was already high, and it is growing worse now that the refugees’ monthly food allocation has been reduced to US\$4.74 (16,000 Ugandan shillings) per person. By August 2025, camp managers were reporting a surge in suicide attempts among men who feel they cannot provide for their families, as well as increases in gender-based violence and forced early marriages for young girls. Community leaders claim to be seeing a marked increase in what is referred to as “survival sex” by refugee women and girls, who are traveling to nearby market towns. Meanwhile, teachers at one secondary school in the settlement report that nearly two-thirds of their roughly 300 boarding students have dropped out of school as their parents are forced to use funds for school fees to instead buy food.

are playing out in multiple sectors where US assistance previously played a key role, limiting the ability of other donors to achieve their intended impact. Table 8 shows some of the subsectors where US funding was especially critical.

These challenges are further exacerbated by the ways in which US aid cuts have undermined the trust that communities and local governments placed in aid organizations. The sudden withdrawal of key services, which often happened overnight when US-funded organizations received immediate stop work orders, tarnishes perceptions of all NGOs, regardless of their nationality or the origin of their funds. In an assessment of the impact of the aid cuts, the International Council of Voluntary Agencies writes that one national NGO reported that community members believed that they must have been caught stealing money, since it is unthinkable for funding to be “taken back” by a donor.<sup>38</sup> This distrust has been further fueled by the fact that many NGOs were compelled to undertake mass firings of local employees, all too often without sufficient warning and sometimes in violation of local labor laws. It also goes without saying that national

governments that see US government commitments get revoked are more likely to be wary of all foreign government commitments going forward, even from more reliable partners.

The damage the US cuts have wreaked on the national NGOs and community groups in developing countries that normally would be recruited to serve as local partners will also make it harder to implement ODA projects. Many large, international NGOs have been hurt by the aid cuts, but at least they had a strong enough financial base to survive the sudden withdrawal of funding as well as the sophistication to lobby for reconsideration of their terminations, or at least for full reimbursement of their costs. However, non-US NGOs in developing countries that received US government funding, either directly or as sub-recipients, were in much weaker positions. As a *New York Times* analysis notes of the push by organizations to get their funding restored during spring 2025, “(s)maller, local organizations were largely absent from the restorations. Without people in Washington to speak up for them, many were left behind.”<sup>39</sup> A review of the programs known to be terminated found that the most likely to

be cut were the smallest ones, generally those implemented by national NGOs based in the host country, rather than the larger programs run by international NGOs and awarded out of Washington DC.<sup>40</sup> This trend is clear in an April 2025 survey of 364 African civil society organizations receiving US funding that found that 64 percent were at high risk of closing due to the aid cuts.<sup>41</sup>

The deterioration of the operating environment has been especially acute for programs involving refugees and internally displaced people—an area where the United States had been particularly active. Refugee camps are typically managed or co-managed by UNHCR, which apportions its budget for in-camp services among implementing partners, i.e., the various NGOs and international organizations that serve as leads in individual sectors, from health and food assistance to education and protection. The United States consistently contributed approximately 40 percent of UNHCR’s budget, and the State Department’s Bureau of Population, Refugees, and Migration (PRM) supplemented this with additional direct project funding to aid organizations working in the camps.<sup>42</sup>

**Table 8. Top subsectors dependent on US ODA, 2021–2023 (US share of global ODA)**

Sector	US share (%)
<b>Health</b>	
Malaria control	87.1
Tuberculosis control	70.7
<b>Population &amp; reproductive health</b>	
STD control including HIV/AIDS	95.9
Family planning	53.6
<b>Government and civil society</b>	
Public sector policy & admin. management	83.6
Government and civil society, general	47.0
<b>Education</b>	
School feeding	72.7
<b>Production sectors (agriculture, industry &amp; trade)</b>	
Agricultural policy & admin. management	61.2
<b>Humanitarian aid</b>	
Relief coordination & support services	58.1
Emergency food assistance	49.7

Source: OECD Data Explorer.



Both flows of support have been substantially curtailed. The United States simultaneously cut a sizable portion of the funds it had committed to UNHCR as well as many of the awards to individual aid organizations, sparing only those efforts that could be considered direct “lifesaving activities,” such as the emergency provision of food, shelter, and healthcare (with the exception of reproductive health, which was still slashed). The cuts included most “protection activities” to combat child trafficking, gender-based violence, and LGBT discrimination in refugee camps; “livelihoods activities” designed to give refugees vocational skills to enter the local workforce or start their own businesses; and programs involving some aspect of women’s leadership or gender equality. While the Trump administration continues to insist that it is determining which programs would be retained based on this distinction between lifesaving and non-lifesaving, that has not prevented some programs that are clearly in the former category—such as healthcare in some refugee camps—from being terminated.

Adding to this, UNHCR has been forced to pass on the budget cuts to its implementing partners in refugee camps around the world. In some cases, it has resorted to applying the general framework used by US government officials in categorizing activities in three tiers. Tier 1 is for “lifesaving activities,” which generally have been allowed to continue. Tier 2 is for activities that are important but could be delayed without immediate life-or-death consequences, some of which have been suspended. And Tier 3 is for activities that are less urgent, which have generally been shut down.

The case of South Sudan, which is receiving a flood of refugees fleeing the Sudanese civil war, is illustrative. There, the provision of clean water has counted as a Tier 1 activity and UNHCR is still funding its implementing partners to supply this, albeit on a significantly reduced shoestring budget. The management of refugee transit sites and the registration of new refugees coming into camps is deemed to be a Tier 2 activity and thus suspended for now. This means that new refugees are stuck in communal housing in fenced-off receiving centers where they have little freedom of movement and cannot transition fully into refugee camps or settlements where they can get an individual shelter for their family, access a range of social services, cultivate small gardens, and try to earn income on their own.<sup>43</sup> Meanwhile, UNHCR has had to completely revoke the budget for Tier 3 activities, for instance shutting down menstrual hygiene

programs that were the only source of sanitary pads for refugee women and girls, eliminating counseling and legal reporting mechanisms for women who are victims of gender-based violence, and ending anticholera education programs for refugees, despite an emerging cholera epidemic.

Cuts to food aid have hit particularly hard. The WFP is the leading supplier of food or cash-for-food assistance for in-camp refugees, but its executive director, Cindy McCain, reports it has lost 40 percent of its budget due to US cuts.<sup>44</sup> As a result, its food aid has been slashed around the world, as the following examples illustrate:

- Food rations were completely eliminated for 1 million of the 1.8 million refugees in Uganda, and significant cuts were made to those still provided to the most vulnerable families.<sup>45</sup>
- Food aid for Sudanese refugees arriving in South Sudan was cut by 50 percent.
- Support for Rohingya refugees in Bangladesh’s Cox’s Bazar was nearly halved before other donors stepped in to save the day.
- Rations were cut to just 28 percent of the daily recommended nutritional allowance in Kenya’s Kakuma Refugee Camp, housing 300,000 people.<sup>46</sup>

These cuts have already sparked deadly confrontations. In the Kakuma Refugee Camp, for example, the slashed food rations led to violent protests, with four refugees being shot dead by police in July 2025. The cuts are also fueling tensions between refugees and host communities in various ways, making it even harder for aid organizations to operate effectively. Japanese NGO workers in Uganda report that cuts to food assistance are sparking accusations from host communities that starving refugees are stealing from their gardens.<sup>47</sup> The employment of host community members in refugee camps served as a counterbalance to sustain local support for the foreigners in their midst, and many aid organizations made it a rule to employ a certain proportion of host community members on their projects, for instance as water pump engineers, construction workers, or in other roles. However, like many other local NGO staff, host community employees have had to be suddenly laid off or had their salaries decreased due to the cuts, seeding the ground for resentment to start festering.

## The US leadership vacuum

Its large ODA budget, consistent political commitment, and strong foreign assistance institutions gave the United States outsized influence in the development and humanitarian sectors. The United States naturally has used this clout to pursue its own interests, but it has done so in a way that generally advanced humanitarian principles and benefitted both host countries receiving ODA and allies such as Japan. The leadership vacuum created by the sudden US withdrawal threatens this all.

The United States has long been a strong proponent of civil society, channeling most of its ODA through NGOs and pressing host governments to allow humanitarian actors and other civil society organizations freedom of movement to operate. This all changed, though, not only with the US retreat from foreign assistance but also with the stark transformation of the US tone toward civil society that was captured in Trump's February 2025 directive to agency heads regarding funding policy, in which he accused some NGOs of "actively undermin(ing) the security, prosperity, and safety of the American people."<sup>48</sup> This wording, breaking with precedent set by prior American presidents, sends a clear message to other governments with authoritarian

tendencies that they no longer need to worry about US pushback against a shrinking civic space.

The leadership vacuum is also being acutely felt in the global health field. Over the past several decades, the White House used its convening power to organize pledging conferences for global health institutions such as the Global Fund; the vaccine alliance Gavi; and the Pandemic Fund. Other leading donors felt obligated to contribute when the US government leaned on them. Now, not only has the Trump administration become openly dismissive of most of these institutions but it is actively trying to claw back previously committed funds from groups like Gavi.

Diminished US leadership and funding cuts are also combining to take a major toll on pandemic preparedness and disease surveillance. In the past, the US government was the leading proponent of the Global Health Security Agenda and USAID put its money where its mouth was by providing roughly US\$900 million per year,<sup>50</sup> along with additional grants through the US Centers for Disease Control and Prevention (CDC), the US National Institutes of Health, and other agencies. These helped poorer countries build up laboratory capacity, disease monitoring expertise, and information-sharing platforms. Much of this funding

## MYANMAR

### The 2025 earthquake & the US leadership gap

A powerful 7.7 magnitude earthquake struck war-torn Myanmar in March 2025, killing thousands of people. Normally, USAID would dispatch one of its DART teams within 24 to 48 hours to coordinate rescue and relief efforts and pave the way for other Western responders, but instead of sending 50–100 professionals, this time the United States could only piece together a three-person team since it had terminated everyone else when it shuttered USAID. Chinese rescuers were on the ground within a day, but US disorganization and the Myanmar junta's reluctance to admit foreign responders kept the DART team from entering the country until more than one week after the disaster.

The Myanmar junta has often sought to limit humanitarian access, but in the past, the US government applied pressure to rapidly admit its DART teams as well as humanitarian workers from other countries. This time, the United States did not have the clout or focus to pressure the junta, and in the end, none of the US nongovernmental groups that mobilized for the disaster made it into the country. A Japanese team from Peace Winds managed to enter the disaster zone after one week—a day before the US DART team—and it was the only group from the world's advanced democratic countries to be admitted in the first month of the response. China reaped a public relations bonanza, but earthquake survivors suffered from the lack of a more robust response, with many survivors waiting one or two weeks to receive care for injuries that should have been treated within 24 to 48 hours.<sup>49</sup>

has quickly been jettisoned, and many of the US government health experts at the cutting edge on these issues have been terminated or pushed to resign. Meanwhile, surviving efforts to monitor emerging outbreaks have been hamstrung by a Trump administration directive that CDC officials cut off all communications with their counterparts at the WHO, with whom they regularly swapped epidemiological information. Accordingly, an April 2025 WHO survey found that the greatest immediate disruption that its 106 country offices were seeing in health systems was in “outbreak alert detection reporting and response services.”<sup>51</sup> The end result is that, even as fewer people receive treatment for major killers like HIV, tuberculosis, and other diseases, the global capacity to track any resurgence or the spread of drug resistance is simultaneously being hobbled, along with the capacity to detect dangerous new pathogens.

The disappearance of US leadership is also being felt in areas such as women’s leadership and gender equality and support for democratic governance. One of the first steps that the Trump administration took upon coming into office was to require all awardees to sign a pledge certifying that “no US Government funds (are being) used to promote ‘diversity, equity, and inclusion’ (DEI) at any level or in any activity.” Many took the message as being that they were no longer permitted to take part in any activity that advanced women’s leadership, and this sense was reinforced when awards that included the terms “women” or “gender” seemed to be cancelled at much higher rates than others.

The United States had also been one of the leading proponents of funding for democratic institutions, but it quickly began cancelling a broad range of funding programs in that area, which were criticized by Secretary of State Marco Rubio as “regime change operations.”<sup>52</sup> In June 2025, Trump administration officials went a step further by advising the State Department to shutter the Bureau of Democracy, Human Rights, and Labor and to terminate all but two of the remaining pro-democracy programming grant awards that it made to NGOs around the world.<sup>53</sup>

## Fueling political opposition to ODA

One final way that the US retreat from development and humanitarian assistance is affecting the development ecosystem is by encouraging populist elements in other countries to call for similar cuts to their government’s ODA budgets, while giving cover to mainstream politicians to embrace ODA reductions as a politically “cost-free” way to reduce government budget deficits.

Political spillover from the US cuts has already been seen in the United Kingdom, where Prime Minister Keir Starmer—a Labour Party premier—announced a 40 percent reduction in the national ODA target, to 0.3 percent of GNI from 0.5 percent, just four years after it had been lowered from 0.7 percent. This step was taken on February 25, 2025, two days before the prime minister’s first White House meeting with President Trump, in a transparent bid to free up budget space so he could placate the Trump administration by announcing a hike in defense spending. A similar trend is apparent in Germany, where the government is proposing ODA cuts in its draft budget in conjunction with a hike in defense spending after NATO pledged large increases under pressure from the Trump administration.

If the United States and others feel that it is justified to shirk their international contributions, it becomes harder for Japanese leaders to explain why Japan should not do the same. Unsurprisingly, criticism of JICA and Japanese ODA began bubbling up on social media in connection with the attacks on USAID and conspiracy theories about US ODA that were amplified by Elon Musk and others close to the Trump administration. Holding the line on the ODA budget may become even more difficult for the Japanese government as the Trump administration ramps up pressure on it to hike the defense budget to more than 3 percent of GDP—well beyond its stated target of 2 percent, which was itself a sharp increase from the historic cap of 1 percent.<sup>54</sup>

# 6 Strategic Implications

The unraveling of US foreign assistance has introduced new risks for Japan and created strategic gaps across key regions where US-Japan development cooperation had been most effective. For more than half a century, US foreign assistance served as a foundational tool for advancing American interests, strengthening alliances, and promoting regional and global stability. Plus, few partnerships reflected the enduring value of development cooperation more clearly than the alliance between the United States and Japan—a partnership grounded not only in shared democratic values and economic interdependence but also in a joint commitment to global development and stability in the Indo-Pacific and beyond. For decades, USAID and JICA worked hand in hand to promote sustainable infrastructure, build health and education systems, and strengthen democratic governance. These efforts reinforced shared values, expanded economic opportunity, and bolstered regional stability in ways that align with both American and Japanese interests.

But the foundation that undergirds this all is now under threat. In an era of strategic competition, the dismantling of USAID and slashing of US foreign assistance budgets has undercut a vital pillar of US-Japan cooperation, leaving gaps in development initiatives and creating openings for Beijing to expand its influence. These cuts have already weakened joint US-Japan efforts in the Indo-Pacific, hindered the region's ability to respond to urgent development challenges, and shaken confidence among regional governments in Washington's staying power. They are simultaneously undermining US and Japanese strategic influence in other regions and vis-à-vis other rivals.

## US-China strategic competition and the development arena

The intensifying US-China rivalry is not confined to military posture, export controls, or trade and tariffs. It is increasingly playing out in the contested domain of development finance. China's Belt and Road Initiative, now in its second decade, has provided over US\$880 billion in infrastructure financing, often structured through opaque loan agreements and minimal accountability. Beijing's efforts to expand its influence through

development mechanisms—including its growing footprint in the digital space, energy, and multilateral institutions—are shifting global norms toward a more transactional, top-down model of international cooperation.

Japan, in contrast, has long emphasized quality infrastructure, concessional lending, and development tied to host-country ownership and to environmental and social safeguards. The US-Japan development partnership has been a cornerstone of America's strategic engagement in Asia. For years, Japan and the United States coordinated closely through initiatives such as the Blue Dot Network and the Partnership for Quality Infrastructure, presenting a high-standard alternative to authoritarian aid.

That alignment has weakened under the Trump administration. With USAID shuttered, State Department priorities realigned toward near-term transactional approaches, and multilateral coordination downgraded, the US is increasingly unreliable as a partner in sustaining long-term development efforts. The burden will now fall disproportionately on Japan to preserve norms of transparency, sustainability, and inclusive growth—particularly in the Indo-Pacific, where Beijing is making aggressive inroads.

In recent years, one key example of bilateral cooperation was the now-defunct US-Japan Partnership for Quality Infrastructure, which aimed to provide a credible alternative to China's Belt and Road Initiative by promoting high-standard, transparent infrastructure development. Joint US-Japan financing and technical support helped improve energy access in Vietnam, develop transportation networks in the Philippines, and modernize port infrastructure in Sri Lanka. These projects supported not only regional connectivity but also commercial opportunities for Japanese firms such as Marubeni, Hitachi, and Mitsubishi Heavy Industries, while reinforcing a rules-based order in which both Washington and Tokyo have a stake.

Today, many of those gains are at risk. The Trump administration's dramatic drawdown of US development funding—including the hollowing out of USAID's regional infrastructure and energy initiatives—has forced key programs to scale back or shut down. For instance, the Indo-Pacific Transparency Initiative, a US-backed effort that had included Japanese support to counter corruption and promote open procurement



in countries like Indonesia and Bangladesh, has been largely shelved. This erosion of standards is already opening space for opaque Chinese financing and governance models to take root, often at the expense of democratic institutions and fair competition for Japanese and American firms alike.

Equally troubling is the suspension of US-funded support for the Blue Dot Network—a multi-stakeholder certification mechanism initially launched by the United States, Japan, and Australia to promote trusted infrastructure development. While Japan remains committed to the initiative, the absence of sustained US political and financial backing has left the effort adrift, undermining Tokyo's ability to promote responsible investment standards in the region. In practical terms, this means more bridges, roads, and ports will be built without transparency or accountability—and increasingly by Chinese state-owned enterprises that undercut Japanese quality and sustainability benchmarks.

The consequences are not limited to infrastructure. In the Philippines, the suspension of USAID's digital governance and cybersecurity programming—part of the Digital Connectivity and Cybersecurity Partnership (DCCP)—has undermined trilateral cooperation between the United States, Japan, and the Philippines to develop a secure and open digital ecosystem.<sup>55</sup> Japanese firms such as NTT and NEC, which had been working to provide alternatives to Huawei-dominated networks, now face greater headwinds in markets where Chinese digital infrastructure has become the default. Meanwhile, Japan's own interests in promoting data privacy, digital standards, and supply chain security are at growing risk.

Even health security—once a high point of US-Japan collaboration—is suffering. The abrupt reduction in US global health funding has led to the closure of joint public health labs and pandemic preparedness programs in Southeast Asia, including efforts in Vietnam and Thailand where US CDC and JICA staff had co-trained frontline health workers and supported early-warning systems. With those capabilities now diminished, Japan's regional disease prevention efforts are left at risk—just as the region braces for a likely resurgence of vector-borne illnesses and new zoonotic threats linked to climate change.

What is more, the dissolution of these joint efforts jeopardizes the broader trilateral development architecture that had begun to emerge between the United States, Japan, and like-minded partners. In places such as the Pacific Islands and South Asia, JICA had increasingly aligned with USAID to provide governance assistance,

climate adaptation support, and financing for clean energy. These programs not only expanded Tokyo's role as a global development leader but also positioned Japan as a central player in supporting democratic resilience across Asia—with Washington serving as an indispensable strategic partner. That trilateral architecture is now eroding.

The case of the Solomon Islands is illustrative: following the US withdrawal from its democracy assistance programs earlier this year, Beijing quickly moved to fill the vacuum with new loans and direct support to local police and political elites. This has put Tokyo in a precarious position, with Japan's own governance and policing assistance efforts at risk of being marginalized or co-opted. The resulting loss of influence has implications not only for democratic governance, but for the security of critical sea lanes and regional political alignment.

It is natural for these developments to raise serious questions in Tokyo about the reliability of the United States as a long-term partner in regional development. Japanese officials who once viewed the US-Japan development relationship as a stabilizing force and a quiet engine of strategic alignment privately confide that they are now recalibrating. Without American involvement, Tokyo's bilateral aid efforts become more vulnerable to political blowback, more exposed to Chinese countermeasures, and less able to scale.

While the Japanese government has taken steps to expand its development presence, it cannot fully make up for the loss for what has historically been a uniquely complementary US role: bringing diplomatic heft, mobilizing private capital, and underwriting global public goods at scale. The absence of that US commitment makes it harder for Japan to pursue its regional vision and easier for Beijing to shape the rules of the road.

## Strategic frontlines: Regional implications for Japan

Given that the fallout from the US aid retreat is being felt unevenly across the globe, the strategic costs and potential leadership opportunities for Japan vary by region:

**Southeast Asia:** As the heart of Japan's Indo-Pacific vision, Southeast Asia is where US-Japan development cooperation had been most mature. From infrastructure to public health and cyber governance, trilateral

efforts had quietly but powerfully reinforced regional norms. The suspension of USAID's support for the Indo-Pacific Transparency Initiative and the DCCP leaves Japanese firms like NEC and NTT navigating a landscape increasingly shaped by Chinese standards and surveillance infrastructure. In countries like Indonesia and the Philippines, this erodes gains in governance and digital openness that had once exemplified the alliance's success. Meanwhile, Beijing seems to be moving to cement its influence in places like Cambodia, where it pledged US\$4.4 million in demining assistance and made a major commitment through UNICEF for child education and nutrition programs immediately after the United States withdrew funding for comparable programs.<sup>56</sup>

**South Asia:** India remains a critical partner, but Japan's work in fragile contexts like Bangladesh and Nepal has become more challenging. The rollback of US programming on climate resilience and women's empowerment has shifted the burden onto JICA and the Japan Bank for International Cooperation (JBIC) to maintain support for vulnerable populations. Beijing has moved quickly to exploit this vacuum, including through digital infrastructure deals and opaque port financing—as it did previously with Sri Lanka's Hambantota Port or Pakistan's Gwadar Port. It has also stepped up in some strategically situated countries to help fill the gap created by the US withdrawal, for instance contributing enough funding to the WFP to cover three months of food for 45,000 Rohingya refugees at Bangladesh's Cox's Bazar after US cuts triggered a reduction in rations.<sup>57</sup>

**Pacific Islands:** Long viewed as an afterthought in geopolitical terms, in recent years the Pacific Islands have become a sharp-edged theater of strategic competition as Beijing actively sought to expand its influence. Japan's efforts to promote democratic resilience and economic diversification in countries like Solomon Islands and Fiji are increasingly undercut by Chinese security deals and direct budget support. The dismantling of US democracy assistance and climate financing mechanisms (like the shuttered follow-on program to BOSS [Climate Ready for Big Ocean State Sustainability]) has left Japan exposed. The result is likely to be diminished influence for both countries in a region key to maritime domain awareness and trans-Pacific logistics.

**Africa:** In Africa, Russia has used security cooperation and extractive sector deals to expand its footprint in the

Sahel, Central African Republic, and Sudan. China is taking a similar approach, offering infrastructure funding and other programs that often benefit local elites. With the US disengaging from civilian assistance in these contexts, Japan's ODA increasingly must navigate a battlefield shaped by authoritarian and transactional competitors. Perhaps it should be no surprise that Japan's longstanding commitment to TICAD (Tokyo International Conference on African Development) faces intensifying competition from Chinese and Russian alternatives.

**Central Asia:** While not historically a primary focus for Japan, the strategic stakes in Central Asia have intensified in recent years due to its role in connectivity, rare earths, and regional balance. As China deepens its Belt and Road footprint and Russia reasserts its influence through security arrangements and political patronage, the absence of US-Japan governance and economic programming leaves local elites with fewer alternatives to authoritarian-backed development. This is especially salient in Kazakhstan and Uzbekistan, where efforts to improve civil society and infrastructure standards had shown early promise with trilateral backing from the United States, Japan, and Korea.

Beyond bilateral and regional partnerships, the US retreat has ramifications for global multilateral arenas where development norms are shaped. Japan and the United States now face intensified competition for influence within multilateral development banks, UN agencies, and regional organizations. The scaling back of US funding and diplomatic engagement in these institutions is allowing China—and to a lesser extent, Russia—to increase sway over agenda-setting, staffing, and conditionality standards. For instance, in May 2025, China announced that it would contribute an additional US\$500 million to the WHO as it sought funding to offset the loss of US support, positioning China to take over from the United States as the institution's largest donor.<sup>58</sup>

Unless Japan takes on a more assertive role, moves like this at various international organizations risk shifting global development governance away from transparency and rights-based principles. Japan's strategic posture in development assistance must now adapt to an era where US engagement can no longer be assumed. The choices Tokyo makes today—about leadership, risk, and partnership—will shape not only its own influence, but the wider architecture of global development.

# 7

## Findings & Recommendations

While America's ODA pullback has been devastating for so many in the developing world, the direct impact on Japanese institutions has so far been manageable. But that obscures a much more troubling reality: the indirect effects are systemic and severe. The collapse of US-backed programs has hollowed out key global public goods that Japan has long depended upon—ranging from humanitarian response mechanisms to open-source data platforms—and has created operating environments where Japanese ODA will now face steeper obstacles, weaker partners, and more hostile political terrain.

Just as troubling, this vacuum is at risk of being filled by China and Russia. The US retreat is opening doors for authoritarian actors to expand influence, shape digital and governance norms to their advantage, and erode support for the liberal order that both the United States and Japan have worked for decades to uphold.

What makes this moment particularly fraught is that there is no quick fix. The damage to US aid infrastructure is not just about dollars. The dismantling of institutions, hollowing out of personnel, and collapse of the NGO and private contractor base—especially for those supporting frontline fragile states—means that even with political will and a resumption of funding, it could take two years or more for US aid to regain operational footing. And with little appetite in Congress to restore funding to pre-2025 levels, we may be looking at a prolonged period of diminished American presence in development and humanitarian arenas.

Among those hardest hit are precisely the actors most essential to resilient aid systems: locally based national NGOs, international NGOs, local contractors, and other implementing partners that do not have the deep reserves or diplomatic status of large UN agencies. Their collapse weakens not just US engagement but the broader fabric of the aid ecosystem in which Japanese agencies like JICA operate.

Sectoral impacts are stark: humanitarian assistance; global health (especially reproductive care and infectious diseases); civil society and governance; climate action; and support for women, girls, and marginalized communities are all facing cascading failures. No single donor can fill the void. But the long-term consequences of these shortfalls—rising fragility, democratic backsliding, and ungoverned digital and climate spaces—will cost far more.

Geographically, fragile and conflict-affected states such as Somalia, Afghanistan, South Sudan, and Haiti face acute risks. Also, African states where US global health investments have been central—particularly those reliant on PEPFAR (President's Emergency Plan for AIDS Relief) or malaria funding—are in serious danger. So too are several Pacific Island nations, whose ties to the United States through the Compacts of Free Association are undermined by cuts to both foreign assistance and the US domestic budgets.

Refugees and internally displaced persons are especially vulnerable—particularly those confined to camps (such as Cox's Bazar) where movement restrictions make it difficult for them to access outside food, services, and job opportunities. The United States provided a disproportionately large share of the budgets for UNHCR, the International Organization for Migration (IOM), and NGOs supporting refugees, and cuts are already triggering service reductions with deeply destabilizing effects.

This is not just a matter of development policy—it is also a question of strategic coherence for the US-Japan alliance, placing at risk hard-won geopolitical influence while introducing asymmetries in a relationship where Japan now faces a dual burden of stepping up and fending off competitors. There is much that Japan and the United States can do to take more strategic approaches, both individually and together.

### Japanese approaches & opportunities

With the United States stepping back and European contributions under strain, the global development community is turning to Japan. Tokyo is increasingly seen not just as a donor, but as a pillar of stability in an unraveling system. Japan has already earned credit in Ukraine and elsewhere for its leadership, but demand is rising—and fast—for it to do more. Japan cannot fill the void left by the United States on its own. However, it can make a big difference—in human terms and in furtherance of its national interests—by making a point of sustaining its ODA budget levels and by leveraging its aid to fill some specific gaps.

Looking ahead, there are several points for Japanese policymakers to keep in mind.

- Domestically, there may be pressure to follow Washington's lead and cut foreign aid. But that would be a mistake. Japan's strategic calculus points in the opposite direction. Maintaining ODA at current levels—or even modestly increasing it—is a sound investment. Japan's development finance remains a fraction of its national income (0.39 percent of GNI in 2024),<sup>59</sup> yet it underpins Tokyo's global stature, regional influence, and economic reach. Pulling back now would undermine not only humanitarian outcomes, but core national interests.
- This moment offers a window for Japanese leadership to resonate more than usual. Even incremental increases in ODA could deliver disproportionate diplomatic returns. Japan also has leverage beyond money. Tokyo should bring development issues to the forefront of US-Japan dialogues, press G7 partners to recommit to assistance targets, and help stabilize multilateral financing vehicles like the Global Fund, CEPI (Coalition for Epidemic Preparedness Innovations), and the Pandemic Fund.
- To remain effective as the aid landscape shifts, Japanese agencies may need to adapt their own posture. JICA and the Ministry of Foreign Affairs should consider being more strategic in their approaches, perhaps by disbursing larger sums concentrated in fewer places with more of a long-term commitment. Also, to keep partners operational, it will help to have greater flexibility in how NGOs are funded, including their indirect cost allowances and personnel ceilings—especially now that many have lost the margin and maneuverability US funding once provided.
- Japan's longstanding leadership in universal health care is now at risk. As US technical and financial support recedes, Japanese programs will have to fill critical capacity gaps or risk losing ground. The same holds in digital infrastructure. Japan's Data Free Flow with Trust initiative offers a democratic counterpoint to Chinese surveillance exports. Expanding open-source, rights-respecting digital networks in Southeast Asia and Africa could prove decisive as standards are set for decades to come.

- On governance, Japan must weigh whether to stick to its traditional posture of noninterference in other countries' political systems or take on a more assertive role. With US democracy support in retreat, targeted Japanese backing for civil society, legal empowerment, and anticorruption initiatives could stabilize fragile environments and enhance Tokyo's credibility as a principled actor.
- Climate finance is another arena where Japan can move into the space the US has vacated. JBIC's US\$15 billion commitment to Asia's energy transition was a headline achievement, but follow-through has been slow. Now is the time to accelerate implementation and align with global ESG (environment, social, and governance) standards and the targets set at COP28 (28th Conference of the Parties to the UN Framework Convention on Climate Change).
- Finally, Japan's infrastructure lending continues to be a model of quality and transparency. Unlike Beijing-backed megaprojects that often trigger debt distress, Japanese investments are known for solvency, host country ownership, and durability. At a time when many countries are reassessing infrastructure risks, Japan has an opportunity to reinforce its brand as the high-standard alternative.

## US approaches & opportunities

The dismantling of US foreign assistance has moved faster than many in Washington anticipated. Key congressional and administration leaders are only now beginning to reckon with the full scope of what has been lost—not just in dollars but in diplomatic influence, interagency capacity, and operational credibility. President Trump and Secretary Rubio have pledged to deliver foreign assistance “with more accountability, strategy, and efficiency,”<sup>60</sup> and now is the time for them to pivot from cutting and demonstrate how they will successfully do that to advance US interests. To this end, there is much that US policymakers should take into account:

- There is a strong constituency in the United States that will support the US resumption of new foreign assistance awards, as Trump administration officials have promised. Nearly eight in ten Americans support life-saving humanitarian assistance and large majorities favor the US government provision of



foreign assistance to promote economic development and democracy.<sup>61</sup>

- For the United States, the sudden cuts have caused lasting damage to national interests, and the longer it waits to stabilize its role, the higher the costs will be. Allies are recalibrating. Competitors are advancing. Host governments and implementing partners are increasingly shifting their strategies toward more reliable and consistent actors. If US leadership in development is to mean anything going forward, the hard work of reconstruction must begin—quietly but deliberately—with serious political backing in the US Congress and elsewhere.
- Now that the United States is moving from the initial “cutting” phase toward a “new normal,” it is urgent that the US government send a clear signal to reassure partners that American engagement, while diminished, is not abandoned. Without predictable processes and coherent priorities, host governments will hesitate to collaborate, and the trust of frontline implementers—so difficult to build—will continue to erode. Restoration will not happen all at once, but clarity of intent is the first step.
- To live up to the promises made by the Trump administration, the US State Department needs to staff up sufficiently and establish new processes so that it can properly take over USAID’s foreign assistance functions as they are absorbed into the department’s regional bureaus. So far, there is no indication that adequate staffing or systems are being put in place to identify projects that genuinely advance US long-term development objectives, to monitor those programs in ways that will maximize efficacy and minimize waste and abuse, to coordinate sufficiently with other development stakeholders to avoid working at cross purposes, and to sufficiently reassure implementing partners that US support is stable and reliable enough to merit their full-fledged commitment.

## The future of the US-Japan development partnership

For more than three decades, the US-Japan development partnership has been a quiet engine of global stability, producing results across administrations and prime ministers. Today, that legacy is under threat.

Programs once jointly planned and executed have been stalled or severed by the US retreat. Policymakers committed to the US-Japan alliance and to development would do well to consider these points:

- US-Japan partnership on development and humanitarian affairs is not a luxury—it is an essential complement to the broader bilateral alliance. As both countries deepen their defense and diplomatic cooperation, development must be revitalized as a third pillar of strategic engagement. Without it, the alliance risks imbalance and reduced relevance in the Global South.
- Japan is uniquely positioned to help catalyze this process. Where the United States once leaned on *gaiatsu* (external pressure) to spur Japanese action, the reverse may now be true. Senior Japanese leaders, particularly legislators, speaking directly to US counterparts across party lines can help re-anchor development in the American strategic debate. These messages carry weight—and urgency.
- The road to reinvigorating US-Japan partnership in the field will not be smooth. Institutional loss and political uncertainty make near-term action difficult. But there is value in starting now. A Track 1.5 or 2 dialogue that brings together policy veterans, legislators, and civil society leaders could lay the groundwork for a phased reentry and shared vision. From there, targeted joint initiatives could help restore momentum and signal that the partnership endures—even in a time of flux.

The world needs American and Japanese leadership and partnership on development, and both countries’ national security interests depend upon their coordinated engagement on this critical front. In an era of intensifying great power competition, rising authoritarianism, and cascading global crises—from climate change to pandemics to forced displacement—development assistance is a defining domain for influence, legitimacy, and, most importantly, for global stability. Japan has traditionally exercised quiet leadership while allowing the United States to set the pace, serving as a reliable partner to the Global South through steady, request-based commitments. But the current moment demands a fundamental reimagining of this dynamic. World leaders across Africa, Asia, and Latin America—as well as some Americans—are looking to Japan to step forward into a more visible leadership role,

bucking populist isolationist trends by demonstrating steady political commitment to ODA and strategically filling some of the critical gaps left by donor fatigue and political volatility in other major economies.

International polling consistently confirms that Japan ranks among the most trusted partners of South-east Asian and African countries—a remarkable strategic asset in an age when skepticism toward traditional Western powers runs deep. This trust, combined with Japan’s substantial ODA capacity, its principled commitment to international peace and human security, and the enduring strength of the US-Japan alliance, positions Japan to lead a transformation in how democratic nations approach development cooperation. This convergence of assets and needs creates an unprecedented opportunity for Japanese leaders not only to mitigate potential humanitarian damage caused by reduced or erratic funding from other donors but also to pioneer a new model of development partnership that advances both moral imperatives and national interests.

The stakes could not be higher. A revitalized US-Japan development partnership—one where Japan takes the lead in key regions and issue areas while drawing America into deeper, more strategic engagement—represents far more than foreign assistance. It is

essential architecture for 21st-century security, creating resilient societies less vulnerable to extremism, disease, or climatological stress; building economic partnerships that reduce dependency on authoritarian powers; and demonstrating that democratic values produce tangible benefits for ordinary people worldwide. This partnership must move beyond traditional aid relationships toward genuine co-creation of public goods: pandemic preparedness systems, climate adaptation infrastructure, digital governance frameworks, and educational institutions that serve both local needs and global growth.

The time for incremental thinking has passed. As authoritarian powers expand their influence through infrastructure projects and economic coercion, and as transnational challenges from cyber threats to migration flows reshape the security landscape, a bold, Japan-led initiative to revitalize its development partnership with the United States, backed by substantial new commitments and innovative approaches, would signal to the world that democracy delivers, that it remains the most effective provider of the public goods that societies need to thrive, and that it is essential for a safer, more secure, and more prosperous world.

# Notes

1. Data from the Impact Counter website, [www.impactcounter.com/dashboard](http://www.impactcounter.com/dashboard) (accessed September 7, 2025).
2. Secretary of State Marco Rubio and Trump administration officials argue that the cuts to US foreign assistance will be better for development over the long term, arguing for instance, “(T)he charity-based model (of development assistance) failed because the leadership of these developing nations developed an addiction. State Department research finds the overwhelming sentiment in countries formerly receiving USAID funding is for trade, not aid. After engaging with nations across Latin America and Africa, we have consistently heard that developing countries want investment that empowers them to sustainably grow—not decades of patronizing UN or USAID managed support.” Marco Rubio, “Making Foreign Aid Great Again,” July 1, 2025, US Department of State Substack, <https://statedept.substack.com/p/making-foreign-aid-great-again>.
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6. Calculations of 2023 disbursements of US foreign assistance are from the online US Foreign Assistance Dashboard, [www.foreignassistance.gov](http://www.foreignassistance.gov) (accessed July 8, 2025).
7. Figures represent 2023 disbursements (constant prices) of US development assistance from the OECD Data Explorer’s online DAC2A dataset, <https://data-explorer.oecd.org> (accessed June 6, 2025) (hereafter cited as DAC2A).
8. Calculated based on the average of 2021–2023 US and global official development assistance (grant equivalent) by sector from the OECD Data Explorer’s online CRS: Creditor Reporting System, <https://data-explorer.oecd.org> (accessed June 6, 2025) (hereafter cited as CRS).
9. Author’s calculations. Figures for US official development assistance for health (2022, grant equivalent) from CRS (accessed June 6, 2025). Figures for 2022 current health expenditures from the World Health Organization’s WHO Global Health Expenditure Database, <https://apps.who.int/nha/database/> (accessed June 6, 2025).
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## About the Authors

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## About the United States-Japan Foundation

The United States-Japan Foundation is an independent philanthropic organization working to strengthen bilateral ties and address shared challenges. It empowers next-generation leaders and funds innovative initiatives, catalyzing collaboration and exchanges among stakeholders in search of solutions. In an era characterized by uncertainty and division, the foundation believes that a robust US-Japan relationship is vital to global peace, prosperity, stability, and sustainability in the 21st century. It is committed not just to maintaining that friendship but empowering it for greater good: helping each other address problems and jointly extending that support to friends in the region and around the world. A core part of the foundation's strategy is to bolster civil society in each country, bringing together talent and resources to create a thriving community.

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## About Peace Winds America

Peace Winds America works in alliance with its sister organizations—Peace Winds Japan and Peace Winds Korea—to respond to disasters and humanitarian crises around the globe. First established in Japan, Peace Winds has grown into one of that country's leading humanitarian assistance organizations, and it hosts one of Japan's most capable disaster medical teams. Now, the Peace Winds alliance operates programs in more than 30 countries, delivering emergency relief to those affected by disasters, humanitarian assistance for refugees and displaced peoples, and community-building support for the world's most vulnerable people. It provides food, shelter, essential supplies, water and sanitation, health care, psychosocial support, vocational training, and other forms of support in a holistic manner that aims to encourage local ownership and self-empowerment.

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