

India After USAID

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Impact of USAID Funding Cuts on India and Global Health

Context

- On **January 20, 2025**, the **Trump administration** issued an **Executive Order** terminating **U.S. foreign aid**, leading to the **dismantling of USAID** (United States Agency for International Development).
- This move has **halted key developmental initiatives** in several countries, including **India**, significantly affecting sectors like **healthcare, digital infrastructure, environmental protection, and sanitation**.
- USAID has been a **major contributor to India's development programs** for over **two decades**, playing a crucial role in **public health, economic growth, and Indo-Pacific security initiatives**.
- In **2022**, USAID was the **fourth-largest provider of Official Development Assistance (ODA) to India**, contributing **\$228 million**, following **Japan (\$2.97 billion)**, the **EU (\$383.5 million)**, and **Germany (\$235 million)**.

Key USAID-Funded Programs Affected in India

- **5G Open Radio Access Network (O-RAN)**: A project under the **Indo-Pacific strategy** aimed at building **secure digital infrastructure**.
- **Clean Air and Water Projects**: Programs focused on **reducing pollution and improving environmental quality**.
- **Sanitation and Public Health Initiatives**: Support for **urban and rural sanitation infrastructure**.
- **Healthcare Programs**: Major disruptions in **tuberculosis (TB), HIV/AIDS, maternal health, and infectious disease control programs** due to funding withdrawal.

USAID's Financial Contribution to India

Total USAID Disbursement to India Since 2001

- USAID has provided **\$2.8 billion** in **Official Development Assistance (ODA)** since **2001**.

Recent Trends in USAID Funding (2022-2024)

- **2022: \$228 million** (*highest annual disbursement in nearly two decades*).
- **2023: \$175 million**.

- **2024: \$151 million** (as of December 19, 2024).

Economic Support Fund Surge

- **2022: \$148 million allocated.**
- **2023: \$81 million allocated.**
- The rise in funding was primarily driven by **COVID-19 recovery efforts and economic support.**

Historical Trends in USAID Allocations

- **2001-2002:** Majority of funds directed to **Food Aid and Commodity Assistance.**
- **2003-2021:** Shift towards **Health and Population Programs**, including **polio eradication, maternal health, HIV/AIDS, and tuberculosis control.**
- **2022-2024:** Focus expanded to include **COVID-19 response and economic recovery initiatives.**

Comparison with Past Peaks

- **2006: \$175 million** (previous peak in annual disbursement).
 - **2022-2024:** First time since **2001-08** that annual aid exceeded **\$100 million consistently.**
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Healthcare Programs at Risk

1. Tuberculosis (TB) Program

- The **Breaking the Barriers** initiative, a USAID-funded **TB awareness and treatment program** in **Karnataka, Telangana, Bihar, and Assam**, is set to **shut down.**
- USAID had allocated **\$7 million (2022-23)** for this project through the **Karnataka Health Promotion Trust (KHPT).**

2. HIV/AIDS Prevention Programs

- USAID has been a **key funding partner** in **PEPFAR (President's Emergency Plan for AIDS Relief).**
- The defunding of USAID may lead to:
 - **Increased HIV transmission rates.**
 - **Higher mortality rates** due to loss of critical healthcare funding.

3. Global Healthcare Risks

- Experts emphasize that **wealthy nations have a responsibility** to support healthcare in **developing countries.**
- With **50% of the global population lacking access to healthcare**, the USAID funding cuts **threaten global health security.**
- The reduction in funds could **undo decades of progress** in eradicating infectious diseases.

Legal Battle Over Foreign Aid Cuts

1. February 13, 2025

- A **U.S. Federal Court** issued a **stay order**, temporarily blocking the **Trump administration's decision** to halt foreign aid.

2. Trump Administration's Appeal

- The U.S. government **appealed to the Supreme Court**, arguing that **5,800 foreign aid projects** had been reviewed and **500 were retained**.

3. March 5, 2025

- The **U.S. Supreme Court**, in a **5-4 verdict**, **rejected the Trump administration's appeal**, effectively **upholding the lower court's stay**.

Conclusion

- **USAID's contribution to India** has been **vital in strengthening healthcare, infrastructure, and economic development**.
- The **termination of U.S. foreign aid** will have **severe repercussions**, especially for **public health programs** in India and other developing nations.
- Although legal battles continue, **India must explore alternative funding sources** to sustain its **critical healthcare and development programs**.

