THE MOMENTUM FOR THE ENVIRONMENT INITIATIVE

Beyond the Funding Gap

A Global Assessment of the Loss of USAID's Environment and Climate Programming

September 2026

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ONE EARTH PARTNERS

Acknowledgements

This work began with a simple, urgent question in the month following the dismantling of the U.S. Agency for International Development (USAID). Climate change and biodiversity loss were accelerating, inequality was widening, and the environmental funding landscape was undergoing dramatic, sudden change. We knew these shifts would have direct and rippling effects across the field; we just didn't know exactly what those effects were, and we saw little to no reporting focused specifically on environment and climate. This report is our attempt to fill that gap.

The Momentum for the Environment Initiative was made possible by a generous grant from the Navigation Fund, and by the many people who made time to share their experiences, insights, and advice with us along the way. More than data, they shared themselves: their pride in the work they built, their grief over what has been lost, and their hope for what might still be possible.

Conducting this research meant sitting with people as they recounted years, sometimes decades, of work now paused, unfunded, or gone entirely. We laughed together over shared memories from the field. We also cried together, sharing a genuine, unguarded sadness as interviewees described watching institutions and relationships they had spent careers building disappear almost overnight. Many told us they were grateful simply to be asked — to have someone document what happened and why it mattered. In every conversation, we felt how much this loss is a collective one, and we are honored that so many people trusted us with it.

Many of those who spoke with us did so on the condition that their names not be used, given the political sensitivity of this topic in their countries and, in some cases, real concern for their own safety or that of their organizations. We are especially grateful to them. Their willingness to speak candidly shaped this research, and we have worked to represent their words and experiences faithfully.

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Executive Summary

Introduction

This report documents the on-the-ground consequences of the 2025 U.S. foreign assistance withdrawal on global environmental programming and identifies vulnerabilities in the funding ecosystem left behind. It begins by establishing the baseline: the distinctive role the United States Agency for International Development (USAID) played in the environmental sector, including both its strengths and structural flaws. It then presents ten major findings on the impacts of the withdrawal across five focus countries, including direct impacts to policy, people, and the environment; institutional and economic impacts; and diplomatic and geopolitical impacts. It closes with recommendations for funders and for U.S. foreign assistance on how to stabilize and rebuild momentum going forward. The information in the report comes from on-the-ground sources and media articles and is presented in the style of a research paper rather than advocacy.

The Momentum for the Environment Initiative was launched to respond to a rapid and severe policy shift. On January 20, 2025, a U.S. executive order abruptly halted nearly all foreign assistance,[1] followed by a stop-work order[2] and the ultimate cancellation of 83% of USAID awards.[3] For the environmental sector, this resulted in the immediate loss of $1 billion per year in direct funding for biodiversity, climate, clean energy, and pollution reduction programs across more than 100 countries, alongside the dismissal of 95% of USAID's workforce[4] and the termination of roughly 5,200 contracts,[5] leaving local implementers and vulnerable communities stranded.

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[1] "Executive Order 14169—Reevaluating and Realigning United States Foreign Aid." *The American Presidency Project*, 20 Jan. 2025, www.presidency.ucsb.edu/documents/executive-order-14169-reevaluating-and-realigning-united-states-foreign-aid.
[2] Human Rights Watch. "US: Trump Administration Guts Foreign Aid." *Human Rights Watch*, 28 Feb. 2025, www.hrw.org/news/2025/02/28/us-trump-administration-guts-foreign-aid.
[3] Schreiber, Melody. "Rubio announces that 83% of USAID contracts will be canceled." *NPR* (Goats and Soda), 10 Mar. 2025, www.npr.org/sections/goats-and-soda/2025/03/10/g-s1-52964/rubio-announces-that-83-of-usaid-contracts-will-be-canceled.
[4] Frantz, Brian. "3 things we have lost with the dissolution of USAID." *Devex*, 12 Nov. 2025, www.devex.com/news/3-things-we-have-lost-with-the-dissolution-of-usaid-111308.
[5] Schreiber, Melody. "Rubio announces that 83% of USAID contracts will be canceled." *NPR* (Goats and Soda), 10 Mar. 2025, www.npr.org/sections/goats-and-soda/2025/03/10/g-s1-52964/rubio-announces-that-83-of-usaid-contracts-will-be-canceled.

Methodology

This assessment utilized a rigorous mixed-methods framework to capture both localized nuance and global trends. The primary qualitative dataset was built on 72 semi-structured interviews with 150 highly experienced key informants (spanning international NGOs, local civil society, partner governments, U.S. Government staff, and bilateral donors) centered on five primary focus countries: Bangladesh, Colombia, Kenya, Peru, and Vietnam. These countries were selected for their high density of USAID environmental programming and high reliance on foreign aid, representing a regionally and socioeconomically diverse set of countries where USAID worked. To triangulate these findings, a global quantitative survey was administered, yielding 175 responses from professionals worldwide. Finally, these data were supplemented by a systematic open-source media scan that tracked international news coverage across languages to cross-check interview claims against real-time events.

Part A: The Baseline – USAID's Programming Characteristics

To understand the magnitude of the loss, this report first establishes the foundational role USAID played in the global environmental landscape. USAID programs were comprehensive, multi-year initiatives spanning five core sectors: biodiversity conservation ($365.75 million annually), climate adaptation ($256.5 million annually), clean energy ($247 million annually), natural climate solutions and sustainable landscapes ($175.75 million annually), and ocean plastic and toxic chemical pollution (a combined $56.5 million annually), funding work that ranged from combating wildlife trafficking and building community resilience to advancing energy security and sustainable transport, restoring high-value ecosystems, and reducing ocean plastic and air pollution. Interviews revealed five distinctive programming characteristics of USAID's portfolio, marked by both significant strengths and structural flaws:

1. Scale, Scope, and Project Duration

Interviewees across the five primary focus countries widely noted that USAID provided unmatched financial scale and multi-year commitments, typically operating in repeated five-year program cycles. This enabled cross-sectoral strategies that successfully integrated diverse elements, including climate, governance, and economic development. Because of this massive scale and relatively long duration, practitioners credited the agency as uniquely able to catalyze systems transformations, such as conservation movements spanning entire ecosystems in Kenya and Bangladesh. In Kenya, the conservancy movement gave communities an economic incentive to protect wildlife rather than resort to poaching. In Northern Kenya, a related USAID-backed peacebuilding program used community conservancies to stabilize Al-Shabaab-affected areas and counter radicalization. Since the early 1990s, USAID trained a national conservation workforce and helped establish umbrella organizations that remain the central voice for these groups, helping Kenya grow from zero conservancies to approximately 250 active today. Interviewees also perceived that USAID possessed the rare ability and financial mechanisms to fund complex transboundary initiatives, uniting countries across regions to tackle transnational threats. This transboundary work helped countries align strategies and deconflict efforts while prioritizing host-country buy-in by supporting local technical capacity and updating national laws and regulations. Despite USAID's long-term program cycles, participants noted that volatility in annual federal funding cycles caused programming gaps and inefficiencies. Furthermore, implementers and local partners frequently expressed frustration that the agency relied heavily on large international contractors, who incurred high overhead costs and diverted funds from direct implementation. Additionally, pressure to disburse funds quickly sometimes outpaced local partners' absorptive capacity.

2. Long-Term Embedded Presence

Interviewees felt that USAID maintained a continuous, culturally fluent in-country footprint anchored by deeply rooted Foreign Service Nationals (FSNs). This physical proximity fostered profound trust and generated unique political leverage, aligning U.S.-funded interventions with high-level national priorities. Respondents emphasized that this long-term commitment enabled partners to safely operate in highly complex, post-conflict geographies, such as the Chittagong Hill Tracts in Bangladesh and former conflict zones in Colombia, that other international donors avoided. Yet, to some, primarily local implementing partners and FSN staff, the frequent rotation of American Foreign Service Officers was perceived to disrupt institutional memory and program continuity. Additionally, because USAID relied on external contractors rather than channeling funds directly through partner-country governments, interviewees observed that, in some countries, there was bureaucratic friction with central ministries that preferred direct budget support.

3. Unmatched Technical and Scientific Muscle

Across the focus countries, interviewees perceived that by enforcing strict environmental, human rights, and financial safeguards, USAID guarded against corruption and ensured interventions prioritized genuine developmental needs over commercial interests. This role was buttressed by interventions grounded in rigorous data and evidence, leveraging a vast interagency network (including the National Aeronautics and Space Administration (NASA), the Department of Energy National Labs, and the U.S. Forest Service) to apply global tools to environmental challenges in low- and middle-income countries. However, practitioners noted that the pressure to show quick, measurable results sometimes worked against USAID's own complex, systemic goals: rather than pushing through the slow, difficult work required to achieve them, implementers sometimes shifted focus to simpler, unrelated activities that were easier to demonstrate as a success.

4. Locally-Led Development and the Compliance Trap

Interviewees stated that USAID was deliberately pivoting toward local leadership and community-led governance. The agency invested in the administrative and financial capacity of local organizations, using sub-granting and hands-on mentorship to prepare grassroots groups to graduate to direct funding recipients, an approach that survey respondents validated as highly effective. Practitioners noted that programs successfully integrated environmental goals with economic opportunity for a broader range of people, including marginalized communities. By directly linking environmental outcomes to increased economic opportunities that are neither destructive nor illicit (often called "alternative livelihoods"), USAID empowered vulnerable communities and groups, such as at-risk youth, to secure legal, conservation-based employment and formally legitimized the roles of Indigenous Peoples within legal markets and governance structures. In several countries, USAID also helped informal waste workers who collect and sell recyclable materials outside official municipal systems move into formal, legal markets. Because uncollected waste in these countries often ends up in rivers and oceans, empowering these workers to operate at scale helped curb a source of plastic pollution that crosses borders and affects waters far beyond the country where it originated. This deep, long-term investment in human capital successfully cultivated a highly skilled local professional workforce capable of independently managing complex development portfolios, an outcome interviewees broadly praised. However, implementing partners reported that this localization agenda was often undermined by USAID's own rigid administrative reporting and compliance requirements, which overwhelmed smaller grassroots organizations. Furthermore, interviewees in countries such as Peru and Kenya stated that strict reimbursement-based financial models forced non-profits to front-load significant capital, leaving them vulnerable to cash-flow strains and debt exposure.

5. Flexibility vs. Internal Bureaucracy

Practitioners perceived that the environment sector at USAID championed collaborative co-creation, innovation, and adaptive learning cycles, such as "pause and reflect" sessions to adjust strategies mid-stream. This flexibility made innovation more feasible, including through the use of catalytic capital and direct sub-grants to grassroots organizations. Private sector partners and former staff highlighted how USAID frequently deployed catalytic "first-loss" seed funding to absorb initial market risks, enable private sector investments in untested areas, and guide local NGOs to become self-sustaining social enterprises. Despite this, respondents observed that this strategic agility was also sometimes paralyzed by bureaucratic bottlenecks, with complex clearance processes delaying project launches by months or even years. On the ground, interviewees also sometimes felt that rigid, top-down mandates from Washington overshadowed genuine local needs.

Part B: Ten Core Findings – Impacts of the Withdrawal

The abrupt dismantling of USAID went beyond a loss of funding, disrupting the people, partnerships, and systems that high-impact environmental work depends on. The report identifies ten major impacts of this collapse, grounded in the experiences of local implementers and global practitioners:

Finding 1: The Leadership Void and Policy Backsliding

Interviewees across the five primary focus countries reported backsliding in environmental policies and standards, institutional accountability, and democratic processes related to environmental laws and regulations. As the global survey validated, government officials and civil society groups pushing for environmental reforms lost access to USAID's ongoing "soft diplomacy," which had been used to defend them against political backlash and to counter opposition within their own governments. Interviewees noted that this loss stalled national environmental mandates and rolled back community-led governance structures, as governments that had relied on USAID's backing to defend contested reforms became more hesitant to finalize them without that support. For example, in Colombia, the withdrawal completely halted high-level bilateral initiatives that explicitly integrated environmental protection into the national counter-narcotics agenda. Because half of Colombian coca is grown within national parks and protected areas, USAID had made critical progress toward securing the official adoption of voluntary crop substitution into the government's policy metrics; however, the sudden U.S. exit left this foundational policy work completely unfinished, undermining one of the only programs actively working to keep coca cultivation from expanding further into the fragile Colombian Amazon.

The Stalling of Co-Management Revenue Sharing in Bangladesh

As multiple interviewees, including a government official and a former agency staff member, noted, USAID pioneered a collaborative "co-management" model in Bangladesh for over two decades, culminating in a groundbreaking framework that would legally require ecotourism revenues to be reinvested directly in local communities. Actualizing this policy required Bangladesh's Forest Department to voluntarily relinquish financial control it had traditionally held, a bureaucratically complex process that national auditors required to be approved through detailed Standard Operating Procedures. USAID served as an essential facilitator between the Forest Department and local communities, helping the two sides negotiate this shift and collaboratively draft the implementation guidelines required by auditors. This decades-long effort had reached the finish line, with the final Standard Operating Procedures sitting on the government secretary's desk awaiting a signature when U.S. funding was withdrawn. Without USAID's continuous support to navigate the remaining bureaucratic hurdles and provide the external political nudge required for final approval, the policy stalled. Within months, in one location, the government reversed course entirely, reclaiming sole control over the Baikka Beel wetland and ending 25 years of community stewardship there, a return to the kind of top-down management that co-management had been designed to replace, because co-management built stronger conservation outcomes and community buy-in.

Finding 2: The Collapse of Data, Monitoring, and Transparency

Interviewees in all five primary focus countries stated that access to critical institutional memory, centralized, open-access data and knowledge portals, and rigorous monitoring frameworks has been sharply eroded. The shutdown of centralized knowledge portals and open-source scientific tools stranded public data, which practitioners warned left highly vulnerable ecosystems unmonitored, and undercut the ability of civil society watchdogs to track threats. Interviewees perceived that this collapse of transparency has harmed independent journalism and limits countries' ability to track global climate baselines. For example, in Colombia, the withdrawal occurred mid-process during the automation of the National Land Agency's information systems, leaving over 70,000 rural land tenure cases stranded. A former project director warned this vital data are now at risk of sitting "in a drawer," depriving thousands of vulnerable rural families of their formal land titles and undermining the broader strategy of using secure land rights to combat illegal economies and protect ecosystems.

Finding 3: Escalating Risks to the Environment and Marginalized Communities

Across the focus countries, interviewees perceived that the sudden removal of financial and diplomatic support led to a resurgence of environmentally destructive practices and illicit economies. Additionally, interviewees emphasized that physical risks to frontline communities and environmental defenders have escalated, and that vital alternative economic lifelines for vulnerable populations have been removed. In Peru, a technical partner noted that the loss of USAID's support and oversight coincided with a rapid spike in unauthorized infrastructure, pointing out that illegal landing strips used for smuggling gold and drugs in the Ucayali region of the Amazon rainforest more than doubled, from 62 to 141, shortly after the withdrawal disrupted regional interventions. The partner emphasized that this spike occurred not because USAID had been directly combating the crimes, but because the agency had been providing local institutions with the essential tools, policies, and physical presence needed to control deforestation. When that funding was lost, those tools and support vanished, making way for the expansion of illegal activities.

Finding 4: Donor Contagion and Leverage Collapse

There was consensus among interviewees that the U.S. exit triggered a global "donor contagion," causing other international funders to retreat and collapsing the co-investment structures that previously mobilized broader capital. Because U.S. funding frequently served as the essential "anchor capital" for public-private matching and cross-donor confidence, practitioners reported that its loss derailed cost-sharing models and led to a hyper-competitive scramble for fragmented replacement funds. Interviewees observed that the broader funding ecosystem shrank as other bilateral donors reduced their commitments out of fear or shifting priorities. In Kenya, for example, a co-investment structure was disrupted when county governments in highly climate-vulnerable regions were left financially stranded mid-construction after committing their own public funds, often 30% to 40% of the total project cost, to match a USAID resilience project that was subsequently canceled.

Finding 5: Direct Harm to Local Organizations

Interviewees across all five primary focus countries noted that local grassroots organizations, which practitioners emphasized form the backbone of the sector, absorbed the full force of the financial shock, suffering massive workforce loss and reduced scope and scale of work. To survive, project leaders reported that these grassroots organizations were forced to fire specialized staff, drastically cut salaries, and completely abandon environmental projects in remote regions they could no longer afford to reach. Interviewees overwhelmingly perceived that the chaotic nature of project terminations led communities to view the sudden halt as a direct betrayal by local NGOs, eroding grassroots trust and fueling anti-NGO political crackdowns globally. In Vietnam, the sudden cancellations severely damaged stakeholder trust, with practitioners reporting that the U.S. and its local implementing partners were suddenly viewed as highly unreliable. The reputational fallout was so intense that some local organizations faced “criminal” narratives in the press, destroying hard-won credibility that implementers warn will take years to recover.

Fueling Anti-NGO Campaigns in Peru

As detailed by local project leaders and external media reports, in Peru, the chaotic withdrawal fueled a pre-existing anti-NGO movement, providing "massive fuel" to political actors seeking to dismantle civil society groups. Detractors used the withdrawal to tell the public that even the U.S. government recognized these NGOs were corrupt or working against national interests, causing segments of the general public to support the loss of USAID funding and making central government ministries increasingly reluctant to partner with civil society groups. The sudden loss of U.S. diplomatic pressure also emboldened the Peruvian government to pass restrictive legislation that empowers the Peruvian Agency for International Cooperation (APCI) to reject donor-approved work plans and punish dissenting organizations. While U.S.-led pressure had previously forced the government to withdraw this controversial foreign agent law in December 2024, the USAID freeze provided the political cover to reintroduce it and pass it easily in April 2025. Because the APCI now wields immense unchecked power, local organizations are terrified to protest controversial actions, such as opening protected areas of the Peruvian Amazon — whose forests help stabilize the global climate — to extraction. The law effectively suppresses human rights and environmental defenders, leaving them to operate under the constant threat of severe political retaliation for challenging the government.

Finding 6: Reduction in Implementation and Technical Capacity

Across the focus countries, interviewees reported that the withdrawal removed access to essential technical support and day-to-day mentorship needed to execute complex environmental projects successfully. Implementers observed that partner governments lost the trusted, independent experts they relied upon to evaluate complex climate and energy policies on their technical merits, free from pressure to serve any particular commercial interest or take on unnecessary debt. At the local level, project leaders expressed that municipalities abruptly lost the practical guidance needed to write the highly specific, competitive proposals required to secure financing. For example, when Ho Chi Minh City was seeking World Bank financing for a cluster of waste-to-energy projects, it relied on USAID expert support to navigate the complex bureaucratic requirements. Without that support, the city was left without the specialized staff needed to secure or manage the financing.

Finding 7: A Shift Away from Unified, Long-Term Strategies

Without multi-year project horizons and central convening power, multiple project leaders observed that the environment sector has regressed toward fragmented, short-term, and transactional aid models that fund discrete, immediate expenses rather than the sustained, systemic work needed to change outcomes. By removing the central organizing hub, USAID's withdrawal fractured donor coordination and dissolved complex cross-border alliances, according to practitioners in some focus countries. Implementers warned that this fragmentation makes it harder for governments, donors, and local organizations to coordinate around shared priorities and speak with one voice on needed policy reforms, leaving partner countries to tackle large, interconnected crises in isolation rather than at a landscape level.

The Collapse of Transboundary Crime Defenses in South America

Because illicit trafficking networks cross borders, USAID had funded a regional partnership with the UN Office on Drugs and Crime (UNODC) that let prosecutors and financial intelligence units in six South American countries share data and build joint cases against smuggling syndicates trafficking shark fins and illegal gold. When funding collapsed, so did the ability to exchange this cross-border intelligence. USAID had also helped broker SudWEN, a follow-on enforcement platform that Peru had formally agreed to chair, but the funding freeze hit before it could launch, stalling the regional network. Because trafficking syndicates operate across national lines, no single country can dismantle them alone. Without a shared platform for exchanging data and building joint cases, prosecutors and financial intelligence units in the region have lost the tool they relied on.

Finding 8: Forced Pivot Toward Private Sector Models

Practitioners across all five primary focus countries observed that organizations pivoted toward private-sector business models to survive. However, multiple project directors and technical specialists emphasized that pure-profit markets generally will not absorb the risk of difficult, low-margin environmental work, from climate resilience to ocean plastic pollution, on their own. Private-sector partners and former donor officials explained that USAID's catalytic "first-loss" grants had previously covered that risk, giving private investors the confidence to enter high-risk, conflict-affected territories. Once those grants disappeared, investors retreated. In Kenya, one project leader described how a USAID-backed revolving fund used catalytic capital and technical assistance to unlock affordable climate finance for marginalized farmers and enterprises in the arid north. But after USAID's operational subsidy was withdrawn, the fund could no longer offer the technical assistance that helped lenders design loan products for small farmers and enterprises, or the grants that rewarded lenders for expanding credit to marginalized groups. The fund had to raise its interest rate from 5% to 8.5%, thereby pricing out many of the climate-resilient investments it was designed to support. The fund was using U.S. development assistance to build a bridge to domestic commercial finance, which is critical for moving beyond traditional aid models.

Finding 9: The Geopolitical and Diplomatic Void

Interviewees across all focus countries perceived that the dismantling of U.S. assistance for environment and climate outcomes carried geopolitical consequences, stripping embassies of ground-level intelligence and ceding critical strategic territory to authoritarian competitors. By replacing collaborative, "development-first" partnerships with transactional diplomacy, practitioners argued that the U.S. surrendered its unique soft-power leverage. Philanthropic partners, former agency officials, and media analysts warned that this strategic retreat emboldens anti-democratic regimes, leaves security vacuums in volatile border regions, and allows competitors like China to expand their influence over strategic resources and infrastructure without requiring rigorous environmental safeguards. In Vietnam, a project leader warned that withdrawing support for community forest governance left one of the world's largest reservoirs of rare earth elements highly vulnerable to Chinese-influenced illegal mining and export.

Finding 10: Isolated Bright Spots

While the global survey data validates that systemic self-reliance is not materializing on a large scale, interviewees observed that the massive historical investments in capacity building have left a resilient legacy of highly skilled human capital and isolated bright spots. Where continuation does occur, practitioners lamented that it is frequently sustained by voluntarism rather than by any coordinated system connecting governments, funders, and local organizations, the kind of coordination that used to depend on a central convener like USAID and that no single actor has stepped in to replace. However, multiple implementing partners stated that decades of rigorous capacity building equipped a formidable cadre of local professionals, proactive partner governments, and market-driven grassroots enterprises with the tools and training to internalize environmental programs and pursue independent action. In Peru, the National Water Authority stepped into a new policy leadership role in freshwater management. At the same time, Profonanpe, the country's National Environment Fund, established its own water resources division and used USAID's technical tools to mobilize private-sector investments for watershed conservation.

Continuing Transformational Support to Women in the Philippines

A USAID program in the Philippines organized informal female waste workers, who collect and sort much of the region's recyclable waste before it can end up polluting rivers and oceans, into women-led associations, pairing them with business and waste-management training aimed at raising their incomes. That collective structure let workers negotiate directly with recyclers and corporate buyers, securing legal supply contracts that had previously been out of reach for unregistered individual workers. When the funding freeze hit, it halted plans to expand the program to other countries and left the newly formed women's associations financially stranded. Members reported struggling even to afford the bus fare needed to convene meetings. Rather than let the work disappear, the former project team pivoted to establish a new regional NGO to institutionalize and scale the model independently. One program participant, a survivor of domestic abuse, shared that she gained not only hard skills but a vital belief in herself and knowledge of her rights, both at home and in the community, a shift other participants described as well, realizing they were capable of achieving far more than society expected of them.

Conclusion

The abrupt withdrawal of U.S. bilateral assistance triggered a profound "structural shock" rather than merely a temporary funding gap. Interviewees across all five primary focus countries agreed that this systemic disruption fundamentally weakened the foundations of global environmental and climate progress. This disruption is characterized by four primary structural losses heavily emphasized by practitioners:

- Partner governments have been left with fewer resources and less support, resulting in weakened policy ambition and backsliding;
- Local grassroots organizations have been placed under severe financial and political pressure, forcing them to scale back critical operations;
- Private capital has retreated from high-risk, vulnerable areas due to the loss of catalytic de-risking grants; and
- The U.S. has incurred significant diplomatic and security costs by abandoning its embedded technical presence and soft power in volatile regions where security risks are directly tied to natural resources.

However, despite this massive institutional collapse, practitioners and local leaders identified a vital foundation for recovery in the enduring resilience, deep local trust, and high-level expertise of the local human capital who continue to champion these environmental efforts on the ground.

Recommendations for Funders

Based on insights from implementers and local leaders around the globe, the following recommendations outline how philanthropy and other funders can effectively adapt their strategies to stabilize and build momentum for environment and climate outcomes:

1. Provide Patient, Unrestricted Core Funding to Grassroots Organizations

Empower grassroots organizations with flexible, long-term capital while easing reporting burdens, allowing them to build the foundational governance and institutional capacity required for long-term autonomy. Funders should also recognize that USAID's absence means many worthy local organizations no longer carry the built-in vetting and credibility that its backing once provided; reaching these groups will require funders to build their own due diligence capacity and get comfortable funding smaller, decentralized recipients directly, rather than relying only on the intermediary structures the sector was previously built around. *See Findings 5 and 6.*

2. Provide Strategic Grants for Public Goods and Catalytic Blended Finance

Strategically provide grants for areas and issues where revenue generation and private sector action simply aren't possible — such as protected area management, labor-intensive environmental work with no high-margin payoff, justice and rule-of-law efforts needed to curb illegal resource extraction, transitioning communities away from illicit economies, and public climate and weather data infrastructure — because pure-profit markets inherently avoid high-risk, low-margin issues and often cannot fund public goods. Consider deploying catalytic "first-loss" capital to absorb the initial financial risk and unlock commercial markets in high-risk, marginalized zones. *See Findings 4 and 8.*

3. Support Data Infrastructure, Research, and Learning

Invest in research, baseline data systems, and collaborative spaces to preserve evidence-based decision-making and rebuild the vital institutional memory that disappeared alongside USAID's centralized knowledge platforms. *See Finding 2.*

4. Act as Central Conveners and Fund Relationship Building

Fund the "invisible" relationship-building required to coordinate multi-stakeholder coalitions and restore a collective policy voice, recognizing that large-scale collaboration does not happen organically and is essential to push for systemic policy reforms. *See Findings 7 and 9.*

5. Adopt a Landscape Approach

Fund at the scale of the landscape rather than a single site or single issue. Ecosystems, watersheds, and the communities that depend on them span administrative boundaries and interconnected sectors, so funding that stops at either edge is often both biologically and socially ineffective. In practice, this means resourcing work that covers an entire watershed or ecosystem rather than a single project or parcel, and that brings together the full range of institutions whose jurisdictions the landscape actually crosses — finance ministries, utilities, environmental agencies, and others — rather than funding each in isolation. *See Finding 7.*

6. Devolve Decision-Making to the Lowest Effective Level

Move authority to the lowest effective level through participatory grantmaking, local umbrella organizations, and active co-creation with local stakeholders to ensure decisions are grounded in actual local realities and needs rather than being made in distant rooms. *See Finding 5 and Part A.*

7. Fund Explicit Safeguards for the People Doing the Work

Treat security, legal help, and human rights protections for local communities as core program costs, and embed safeguards into partnership due diligence, recognizing that local staff and community monitors and advocates are often the most exposed and least protected when a major funder withdraws. *See Findings 3 and 5.*

Recommendations for U.S. Foreign Assistance

A stable climate and a healthy, biodiverse planet are fundamental global public goods that benefit all of humanity, and the U.S. government has a leadership role to play in helping secure them. Based on the findings of this assessment, policymakers should consider the following recommendations for U.S. foreign assistance efforts:

1. Invest in an Independent, "Development-First" Agenda

Future U.S. foreign assistance must remain anchored in an independent, neutral development agenda that is unlinked from short-term diplomatic pressures and domestic commercial promotion. When assistance is perceived as a purely transactional tool to advance U.S. geopolitical or commercial interests, it sacrifices authentic partner buy-in and squanders long-term diplomatic capital. *See Findings 1 and 9.*

2. Do Not Decouple Environment and Climate Priorities from Development

Because environmental challenges are deeply intertwined with poverty, economic development, and governance, policymakers must ensure that environmental goals are integrated into poverty alleviation and actively advance the socioeconomic well-being of marginalized populations. *See Findings 4 and 8.*

3. Commit to Stable, Multi-Year Funding

The decades-long timelines required to transform environmental systems are fundamentally misaligned with the short, unpredictable cycles of federal funding. Volatile annual appropriations, continuing resolutions, and last-minute rescissions create unplanned, disruptive cuts that derail implementation teams mid-project and undermine years of relationship- and capacity-building. While meaningfully addressing this would likely require significant legislative change, policymakers should treat stable, multi-year funding mechanisms as a long-term goal worth working toward. *See Finding 7 and Part A.*

4. Rebuild Trust and Credibility as a Reliable Partner

The abrupt, unilateral termination of ongoing commitments did lasting damage to the credibility of U.S. foreign assistance as a dependable partner. Future assistance cannot simply resume where it left off; it must actively rebuild trust by honoring existing commitments, communicating changes transparently, and demonstrating consistency over time. *See Finding 5.*

5. Prioritize Physical Proximity and Long-Term Local Relationships

Having experts embedded in the partner country enables continuous daily interactions, allowing them to seize short political windows and provide immediate, targeted support. Future U.S. foreign assistance must prioritize and fund this kind of continuous field presence, deploying culturally fluent staff who can build the long-term relationships needed to navigate local bureaucracies. *See Finding 6 and Part A.*

6. Preserve the Ability to Operate in Fragile and High-Risk Settings

A sustained field presence gives implementers the infrastructure to operate safely in hard-to-reach and conflict-affected areas, while giving policymakers reliable, on-the-ground insight into shifting political conditions. Future assistance should be designed to sustain this kind of engagement rather than defaulting to lower-risk models that shy away from working in difficult contexts. *See Finding 3 and Part A.*

7. Design and Fund Long-Term Assistance for the Landscape Scale

Ecosystems do not respect administrative boundaries, national borders, or narrow funding directives. Future U.S. assistance should be designed and deployed at the landscape level to address the full range of actors involved, rather than as isolated, single-issue projects. *See Finding 7.*

8. Maintain Convening Capacity for Cross-Border and Multi-Actor Coordination

Addressing transnational challenges like wildlife trafficking and shared watershed management requires convening fragmented actors, governments, multilateral organizations, and civil society around shared priorities. Policymakers should ensure future assistance retains the scale and flexibility to fund this kind of cross-border coordination, which few other funding sources are structured to support. *See Finding 7.*

9. Champion Co-Creation and Adaptive Management

It is not enough to change who receives funding if the design and course correction of a project remain dictated by Washington or partner-country capital cities. Policymakers should champion co-creation and build in regular opportunities to test, learn from, and adjust project design, empowering people on the ground to determine how to achieve strategic goals. *See Part A.*

10. Fund a Transition Path From International Intermediaries to Direct Local Funding

Genuine localization requires deliberately investing in the institutions and professional capacity that let local organizations manage funding independently. Where international intermediaries remain necessary, their role should focus on building the administrative capacity of local partners to transition to direct local funding. *See Finding 5 and Part A.*

11. Right-Size Compliance and Payment Structures to Match Local Partner Capacity

Localization is undermined when local organizations face the same compliance burdens and payment structures designed for large international contractors. Policymakers should right-size oversight requirements and shift away from reimbursement-based funding models that force local organizations to front capital they don't have, allowing them to build true financial stability rather than remaining dependent sub-grantees. *See Part A.*

Momentum for the Environment Project Pipeline

To immediately preserve critical environmental momentum, the initiative has curated a vetted pipeline of approximately 100 shovel-ready projects across more than 80 countries, representing $125 million in one-year funding needs to connect vital biodiversity, energy, climate, and pollution efforts with new sources of support. More information on the pipeline can be found here: https://www.oneearthpartners.com/curated-project-pipeline.

Introduction

The Abrupt Shutdown of USAID

On his first day in office, January 20, 2025, President Trump signed an executive order pausing new U.S. foreign development assistance obligations and disbursements for 90 days, pending a review of all assistance programs for alignment with U.S. foreign policy.[6] Four days later, the State Department issued a stop-work order that halted nearly all U.S. foreign assistance globally, including funding already committed to ongoing programs,[7] exempting only emergency food aid and military financing to Egypt and Israel.[8]

The scale of the withdrawal was unprecedented, amounting to an estimated $80.5 billion in cuts across the State Department and USAID.[9] Around 83% of all USAID awards globally, translating to approximately 5,200 contracts worth tens of billions of dollars, were abruptly canceled,[10] instantly halting life-saving and landscape-protecting programs and causing "panic within the NGO staff and the local communities" because they had no time for transition planning.[11] For the environmental sector specifically, this amounted to the immediate loss of $1 billion per year in direct funding.[12] This included the sudden elimination of hundreds of millions of dollars previously dedicated to vital biodiversity projects, ranger patrols, and habitat restoration.[13] Programs focused on climate resilience and the energy transition across Africa were largely abandoned, with the State Department absorbing the remnants and stating it would only continue them if they

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[6] "Executive Order 14169—Reevaluating and Realigning United States Foreign Aid." *The American Presidency Project*, 20 Jan. 2025, www.presidency.ucsb.edu/documents/executive-order-14169-reevaluating-and-realigning-united-states-foreign-aid.

[7] Human Rights Watch. "US: Trump Administration Guts Foreign Aid." *Human Rights Watch*, 28 Feb. 2025, www.hrw.org/news/2025/02/28/us-trump-administration-guts-foreign-aid.

[8] Pamuk, Humeyra. "US issues broad freeze on foreign aid after Trump orders review." Reuters, 24 Jan. 2025, https://www.reuters.com/world/us/trump-pause-applies-all-foreign-aid-israel-egypt-get-waiver-says-state-dept-memo-2025-01-24/.

[9] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." *Global Democracy Coalition*, Nov. 2025, www.globaldemocracycoalition.com.

[10] Schreiber, Melody. "Rubio announces that 83% of USAID contracts will be canceled." *NPR* (Goats and Soda), 10 Mar. 2025, www.npr.org/sections/goats-and-soda/2025/03/10/g-s1-52964/rubio-announces-that-83-of-usaid-contracts-will-be-canceled.

[11] Mersie, Ayenat. "A year without USAID: In Kenya, the shock reaches herders and hospitals." *Devex*, 04 Mar. 2026, www.devex.com/news/a-year-without-usaid-in-kenya-the-shock-reaches-herders-and-hospitals-111978.

[12] *Consolidated Appropriations Act, 2024*. Pub. L. No. 118-42. U.S. government Publishing Office, 9 Mar. 2024, GovInfo.

[13] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/.

were deemed strictly essential to saving human lives.[14] Furthermore, the cuts severed massive energy infrastructure pipelines, such as the cancellation of the Power Africa initiative, which left behind $21 billion in energy deals,[15] and the U.S. exit from Indonesia's $20 billion Just Energy Transition Partnership (JETP), which sought to support the country in its shift to renewable energy.[16]

However, as practitioners across the globe emphasized, the financial loss was not the only impact. The mass layoffs caused a hollowing-out of the sector, eliminating the technical experts, as well as the contracting officers, financial controllers, and monitoring specialists who served as the operational backbone for complex portfolios.[17] Around 95% of USAID's workforce of more than 10,000 staff members were let go, erasing an "important voice for a long-term perspective" that operated with a long-term commitment to build sustainable local institutions.[18] Crucially, this included thousands of USAID's Foreign Service Nationals (FSNs), the local experts with deep institutional memory and political connections in-country who served as the "boots on the ground" for the U.S. government.

The Communications Blackout

The impact of the cuts was severely exacerbated by the manner in which they were executed, amid a strict communications blackout. USAID staff were prohibited from communicating with their partners, leaving implementing organizations with no information to relay to their own sub-grantees or the vulnerable communities they served. Interviewees everywhere recounted that staff were instructed not to discuss anything with local stakeholders: "We cannot do anything. We cannot even connect and talk with our partners." The blackout was described as "destructive" and "so unprofessional and confusing that I think that destroyed everything that was built over the years."

This communications void was compounded by a chaotic rollout, where organizations received mixed signals, stop-work orders were abruptly issued and reversed, and exemptions were

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[14] Mabo, Fanta. "African environment programs still try to fill funding gap since USAID freeze." *Mongabay*, 11 Dec. 2025, news.mongabay.com/2025/12/african-environment-programs-still-try-to-fill-funding-gap-since-usaid-freeze/.
[15] Frantz, Brian. "3 things we have lost with the dissolution of USAID." *Devex*, 12 Nov. 2025, www.devex.com/news/3-things-we-have-lost-with-the-dissolution-of-usaid-111308.
[16] Coca, Nithin. "As US exits Indonesia JETP, Japan pushes competing energy visions." *Devex*, 7 Aug. 2025, https://www.devex.com/news/as-us-exits-indonesia-jetp-japan-pushes-competing-energy-visions-110542.
[17] Grady, Caitlin, Maryam Z. Deloffre, Erica Gralla, Sydney Pryor, Marcia Croft, and Emilie Greenhalgh. "Surveying the Food Aid Ecosystem: Six Months Post-USAID." *Global Food Institute, The George Washington University*, Oct. 2025, https://globalfoodinstitute.gwu.edu/sites/g/files/zaxdzs5956/files/2025-11/gfi-2526-194-gfi-white-paper-oct2025-web-optimized.pdf.
[18] Frantz, Brian. "3 things we have lost with the dissolution of USAID." *Devex*, 12 Nov. 2025, www.devex.com/news/3-things-we-have-lost-with-the-dissolution-of-usaid-111308.

inconsistently applied. This "complete lack of notice and discussion" extended to partner countries, leaving partner governments without time to plan alternatives.[19]

The Purpose of the Initiative

It was against this backdrop that the Momentum for the Environment Initiative was launched with an urgent purpose: to preserve and build momentum for critical environmental and climate action as the globe navigates enormous, systemic losses to the sector. The initiative is structured around two core pillars:

1. A post-USAID impact and risk analysis.
2. A curated project pipeline designed to rescue and sustain high-impact, shovel-ready projects.

This report focuses on the first pillar and has three specific goals:

1. To document the true implications of USAID's withdrawal, assessing the collateral damage and ecosystem impact that extends far beyond the direct loss of funding.
2. To identify emerging vulnerabilities in the remaining global funding ecosystem.
3. To document lessons learned to inform future efforts for policymakers, philanthropies, and development agencies seeking to rebuild the system.

The Baseline: USAID's Environment and Climate Portfolio

Understanding what these losses mean requires first establishing the scope of USAID's environment and climate portfolio before the withdrawal. Before the withdrawal, U.S. foreign assistance funding for environment and climate programs represented an annual direct investment of approximately $1 billion (funding amounts below are from Fiscal Year 2024 Appropriations Bill[20]), operating across more than 100 countries. These programs were comprehensive, multi-year initiatives that tackled complex ecological challenges across five core sectors:

- **Biodiversity conservation:** $365.75 million annually to protect both terrestrial and marine biodiversity, and combat transnational wildlife trafficking.
- **Climate adaptation:** $256.5 million annually to build resilience for vulnerable, frontline communities.

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[19] Frantz, Brian. "3 things we have lost with the dissolution of USAID." *Devex*, 12 Nov. 2025, www.devex.com/news/3-things-we-have-lost-with-the-dissolution-of-usaid-111308.
[20] *Consolidated Appropriations Act, 2024*. Pub. L. No. 118-42. U.S. government Publishing Office, 9 Mar. 2024, GovInfo.

- **Clean energy:** $247 million annually to support renewable power generation, energy efficiency, and low-carbon transport policies.
- **Natural climate solutions/sustainable Landscapes:** $175.75 million annually to focus on the conservation, restoration, and management of high-carbon ecosystems.
- **Ocean plastic pollution:** $47.5 million annually to reduce ocean plastic pollution.
- **Toxic chemical pollution**: $9 million annually to reduce air pollution, as well as lead and other toxics.

Report Structure

The first part of the report provides a detailed understanding, taken directly from the interviews, of the characteristics that made USAID programs a foundation for global environmental action, while also examining the operational and strategic tensions that made implementation more difficult or less effective.

The second part of the report details ten major impacts, gaps, and risks reported stemming from this loss, including bright spots. The impacts include those that are direct to people, ecosystems, and the work itself, as well as those that are indirect to the funding and partner ecosystem, which make conducting the work more difficult.

The report concludes with recommendations for both funders and policymakers to build on the foundations that persist, to maintain momentum across a diverse set of remaining funders and local and international implementing partners, and to build a resilient U.S. foreign assistance system for the future.

Methodology

This research utilized a mixed-methods framework. The approach was designed to capture localized nuance while simultaneously validating the global scale of findings. The methodology anchored a primary qualitative dataset of 72 semi-structured interviews with 150 key informants against a quantitative global survey with 175 respondents and an open-source media scan.

Qualitative Data Collection

Country Selection

Seven countries were initially selected, with the assumption that some would not have sufficient interviews to remain focus countries. Countries were selected for having a high density of work across USAID's environment portfolio and a high reliance on foreign aid, as indicated by data from the Center for Global Development (CGD). In selecting the seven countries, regional and socioeconomic distribution was ensured to obtain a representative sample of the types of countries where USAID worked. Ultimately, the geographic scope of the analysis centered on five core countries (Bangladesh, Colombia, Kenya, Peru, and Vietnam), supplemented by a secondary dataset of "Other Countries" (including Mozambique, the Philippines, and various regional initiatives).

Interviewee Profile

All 72 interviews were conducted virtually between November 2025 and January 2026. The research engaged 150 individual speakers representing a highly diverse, multi-sectoral group designed to limit institutional bias. This included U.S. government staff (~50), International Implementing Partners (~35), Local & National Civil Society (~25), INGOs (~18), Bilateral/Multilateral Donors (~10), Private Sector/Academia (~9), and Host Country Governments (~3). The cohort was characterized by deep technical expertise, with the vast majority possessing 11 to 20 years of experience.

Interview Structure & Question

Interviews followed a semi-structured group discussion format, typically lasting 75 to 90 minutes with one to six participants per session. Each session opened with a standardized framing script introducing the purpose of the research and securing explicit consent for participation, recording, and attribution; participants could decline to answer any question, stop at any time, and request that their comments be anonymized in reporting.

Following introductions, in which participants described their role and connection to USAID's environment and climate work, discussions moved through five core lines of inquiry: USAID's Role & Value, which asked what made USAID's approach distinctive or ineffective compared to other donors; Impacts of Withdrawal, which probed concrete changes across participants' organizations, technical approaches, partners and communities, government policy implementation, donor coordination, and global multilateral efforts; Adaptive Responses, which asked how other actors were adjusting and where signs of resilience existed; Gaps & Risks, which explored critical gaps left by USAID's absence and which functions or roles remained unfilled; and Other Funders & Philanthropy, which asked implementing partners already working with philanthropic donors how funder approaches might need to evolve. Sessions closed by asking participants what had not been asked but should be captured, and inviting referrals to other potential interviewees.

Data Analysis

To process qualitative data gathered from the interviews, we employed a hybrid human-AI analytical workflow. Large Language Models (specifically NotebookLM) were utilized as an assistive coding and structuring tool under strict methodological guardrails:

- **Non-Destructive Readability Editing:** Raw transcripts first underwent a mechanized polish for readability via AI. Strict prompt engineering ensured this process was exclusively non-destructive, limited only to fixing punctuation and removing conversational fillers. The AI was explicitly restricted from summarizing or altering the conceptual flow.
- **Descriptive Thematic Extraction:** Using the sanitized transcripts, the AI was prompted to extract descriptive themes based on predefined assessment sections. The AI was restricted from generalizing; it was instructed strictly to identify topics and ground every theme with verbatim excerpts and exact source tags.
- **Canonical Theme Matrix Generation:** Extracted themes from each country were synthesized into a centralized "Canonical Theme Matrix," standardizing the findings into overarching categories while preserving highly specific country-level "variants" beneath them.
- **Structured Evidence Compilations & Summaries:** Finally, the AI aggregated all associated quotes and variant descriptions into comprehensive evidence documents and drafted baseline narrative summaries for each canonical theme.
- **Human-in-the-Loop Quality Control:** At every juncture, post-cleaning, post-coding, and post-summarization, we conducted rigorous manual quality checks, continuously correcting misalignments and ensuring fidelity to the source text.

In the final qualitative synthesis, absolute mathematical percentages were intentionally avoided. Instead, the analysis used relative quantification. A standardized color-coded confidence scale was applied to all canonical themes. Green indicates a Universal Consensus, meaning the theme was found in a high density of responses across all five core country datasets. Blue signifies a Dominant

Consensus, reflecting a high density of responses across three to four countries. Orange denotes a Regionally Specific finding, representing a high density of responses clustered in exactly two countries. Finally, Red highlights a highly localized finding, indicating that a substantial amount of evidence is concentrated in a single location. This relative quantification is used throughout the report visually to allow the reader to instantly gauge whether an impact or observation reflects a global systemic trend or a deeply localized reality.

🟢 Universal
🔵 Dominant
🟠 Regional
🔴 Outlier

Triangulation

Global Quantitative Survey

Building on the initial thematic insights from the core country interviews, we designed and deployed a structured global survey to test whether localized narratives were being experienced worldwide.

- **Distribution and Reach:** The survey was distributed strategically between December 11, 2025, and March 3, 2026, ultimately securing 175 responses. Outreach channels included a dedicated network of 600+ USAID environment staff across 80 countries, a global mailing list of 500 implementers and philanthropic funders, and broad promotion across LinkedIn.
- **Survey Structure:** The instrument utilized a mix of quantitative metrics and qualitative open-text fields. "Select all that apply" questions captured changes in demographics and operational context. Impact scales measured the severity of the withdrawal across specific organizational capacities, while ranking questions asked respondents to prioritize top emerging gaps.
- **Data Analysis:** Quantitative analysis aggregated responses to produce overall percentage breakdowns. Open-ended qualitative responses were synthesized to capture recurring write-in sentiments, such as the widespread "erosion of trust" and the critical need for "multi-year, flexible funding."

Open-Source and Media Scanning

To supplement our interviews and questionnaire, we conducted a systematic media scan. Media coverage was monitored using the Global Database of Events, Language and Tone (GDELT), a near real-time database of global online news. A custom automated query was developed to identify articles containing combinations of USAID-related terms, environment-related keywords, and terms indicating program reductions, funding cuts, or closures. The query was executed each day automatically using Google Apps Script, which retrieved articles published during the preceding 24-hour period, extracted key metadata (publication date, title, source, URL, and summary), removed duplicate records, and appended new results to a Google Sheets database for ongoing review. Search terms were refined iteratively throughout the monitoring period to improve precision while maintaining broad coverage of reporting related to the impacts of reductions in USAID environmental programming. GDELT indexes global online news in multiple languages using automated translation, allowing the monitoring system to capture international reporting in addition to English-language sources. This scanning enabled us to cross-check interview claims against real-time events and reporting. We extracted examples and quotes from over 80 articles and reports that addressed the themes in the canonical theme matrix.

Scale, Scope, and Project Duration

Themes

🟢 **Scale, Duration, and Flagship Presence**

🟠 **Catalyzing Landscape & Co-Management Movements**

🔴 **Regional & Transboundary Capabilities**

🔵 **Funding Volatility, Short Cycles & Sustainability Mismatch**

🟢 **Intermediary Dependence & Spend Pressures**

Unmatched Scale

Interviewees across all five core countries widely perceived USAID as a flagship donor due to its unmatched financial scale and multi-year project durations, typically repeated 5-year cycles. Interviewees believed this scale and duration allowed the agency to implement holistic, cross-sectoral strategies that went beyond short-term fixes to address the root causes of systemic challenges. Programs were often cross-sectoral and multidimensional, successfully integrating diverse elements such as climate, governance, health, and economic development into unified frameworks. By providing comprehensive funding, interviewees noted that the agency was able to cross complex administrative and geographic boundaries to facilitate landscape-level management successfully and served as a central convening power, linking high-level national policymakers directly with grassroots community implementers and the private sector. Reporting by Mongabay captures the sheer financial magnitude and diverse scope of this historical footprint. In 2023 alone, USAID dedicated $375.4 million specifically to biodiversity projects worldwide out of a broader $60 billion nonmilitary foreign aid budget. This massive scale allowed the agency to finance an incredibly wide array of cross-sectoral activities, ranging from deploying ranger patrols in protected areas to executing habitat restoration and sustaining the complex operations of community conservancies.[21] Ultimately, respondents felt this scale, scope, and project duration catalyzed transformative impacts, built trust, and allowed the agency to act as an early champion in complex environmental spaces. The global survey demographic data underscores this unique longevity, revealing that a significant 28% of responding organizations had been direct partners with USAID for more than 10 years, and another 18.3% had partnered for 6 to 10 years, quantifying the agency's commitment to sustained, decade-spanning engagement.

USAID's investment in Vietnam exemplifies the scale, scope, and multi-year project duration. Vietnam was a focus country for several environmental topics, including clean energy, ocean plastic pollution, conservation, combating conservation crime, climate adaptation, and natural climate solutions, resulting in an environmental portfolio of immense scale. One implementing partner observed that the funding's unmatched financial magnitude was used to drive deep "vertical integration" across the country's centralized governance structure, connecting "from the very, very top level" of national ministries directly to local authorities and community-level implementation, while simultaneously engaging private-sector partners. Another interviewee observed that while other international donors typically had to choose a lane, for example, only focusing on high-level policy or grassroots impacts, the sheer scale of U.S. assistance allowed them to span the entire spectrum within a single comprehensive program. In addition to the scale of funding, the commitment to multi-phase, repeated 5-year programs provided a powerful signal of the U.S. government's long-term political commitment to the government of Vietnam. This combination of top-to-bottom scope and decade-long continuity gave implementers the necessary runway to achieve true, systemic policy changes, such as the piloting, scaling, and continuous improvement of Vietnam's Payment for Forest Environmental Services policy.

Integrating environmental work within a broader development context naturally establishes a baseline of cross-sectoral collaboration, but it does not mean bureaucratic silos disappear entirely. However, USAID's holistic scope sometimes provided the leverage needed to break down barriers between sectors. A prime example of successfully merging siloed sectors occurred in Peru, where infrastructure, climate adaptation, and conservation were successfully merged. One implementing partner explained that the water sector has historically operated in isolation, focusing strictly on built infrastructure, such as "water systems and taps," while completely ignoring the natural ecosystems where the water actually originates. USAID's support bridged this gap, unifying the Ministry of Finance, water utilities, and the Ministry of Environment to create a shared language and strategy. By breaking down these institutional silos across 50 of Peru's 53 major watersheds, the work successfully established a water tax to fund ongoing ecosystem conservation.

[21] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, https://news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/.

System-level Impacts

One outcome of USAID's scale, scope, and multi-year project duration was investment in community-based conservation and co-management movements, which were features of USAID's support in Bangladesh and Kenya. In both countries, interviewees credited USAID as a pioneer in catalyzing landscape-level governance, co-management, and community conservation (see Kenya and Bangladesh Spotlights). This contrasted with previous conservation efforts, often called the "fortress model," that primarily focused on national parks and other protected areas, thereby excluding local communities and human activity. Interviewees noted that USAID successfully opened the policy space required to integrate historically siloed, state-managed areas with community-led conservation efforts. This included support for policies and regulations that formally integrated community engagement and shared decision-making into protected area and natural resource management. USAID and its partners concurrently supported the long-term institution-building needed for community-based management. For example, in Kenya, USAID supported umbrella organizations such as the Kenya Wildlife Conservancies Association. These groups, which eventually became direct recipients of USAID funding, subsequently supported community conservancies, transforming informal or fragmented community groups into highly organized, formal co-management bodies capable of executing holistic watershed- or landscape-scale environmental strategies. A similar movement, which grew out of the lessons learned in Kenya and elsewhere, was being supported in Bangladesh. The benefits of this support extended beyond conservation alone, as the governance structures established became critical for peacebuilding, youth and women's empowerment, and economic development. Ultimately, interviewees believed this sustained effort sparked widespread, enduring national conservation movements that now serve as models for collaborative resource management, the broader environmental sectors, and neighboring nations.

Kenya's Conservancy Movement

In Kenya, local implementers and community leaders broadly recognize USAID as the catalyst for the country's conservancy movement. As one partner summarized, the movement was "actually a brainchild of USAID," originating when the agency helped "support the Kenya government... in the early 90s to be open, or to open up space for Community Conservation." This policy shift was driven by the logical realization that "60% of wildlife... was on community land," necessitating a new approach to reconcile local populations' needs with environmental protection. This crucial early assistance was "very instrumental, through a first grant in the 90s," which effectively "gave birth largely to the conservancy movement in this Country." Over the ensuing decades, USAID successfully "created the necessary conservation workforce in the country" and established national umbrella organizations that have "become the voice of conservancies." By championing and nurturing these local governance structures, the agency catalyzed a massive national transformation that successfully brought vast stretches of land under community and private protection. Local conservation leaders noted that this foundational support helped Kenya grow from having zero conservancies to approximately 250 active today.

Bangladesh's Co-Management Movement

In Bangladesh, local NGOs, government officials, and project leaders alike widely recognize USAID as the pioneer of the co-management model. Decades ago, when USAID introduced the idea, likely stemming from success in places like Namibia and Kenya, co-management was not a concept familiar to partners in Bangladesh. However, the agency had the "risk appetite" to test a new way of sharing governance between the state and local communities. This began with early initiatives in the late 1990s, focusing on aquatic ecosystems and forests. Through these foundational grants, USAID "introduced in Bangladesh and nursed for a long time" these collaborative structures, successfully driving the creation of the country's "first co-management rule" and related policy interventions. By "investing for the past 20 years in making co-management…work in a way that benefits all the stakeholders," the agency scaled these platforms nationally. Today, "in all forest areas, co-management is...a model now they are following which [USAID] has introduced." Before the funding was abruptly cut, USAID's final phase was focused on moving away from donor reliance and "making it owned by the people, by the government" to ensure the legacy of community-led co-management would endure independently.

In Peru, which housed both a bilateral and regional mission, we learned that USAID was unique in supporting complex, multi-country regional initiatives. Interviewees perceived that by deeply understanding geopolitical dynamics and cross-border realities, the agency successfully unified disparate national strategies around massive transboundary objectives. As one implementing partner observed, political and institutional pressures are increasingly driving governments and organizations inward, narrowing their focus to national priorities at the expense of international and regional collaboration. Because many other funding sources disincentivize or lack the structural mechanisms to allow for regional-scale work, USAID provided the rare financial support required to "row against the current" and cultivate transboundary collaboration. This partner observed that deliberately investing in regional networks empowered local organizations to overcome isolation, ultimately unlocking long-term impact at a scale that strictly bilateral or place-based funders could not achieve.

To illustrate this, one former USAID staff member highlighted a regional activity that integrated a transboundary scope, allowing partners to work across six South American countries to tackle transnational threats such as illegal mining, the shark fin trade, and the nexus between coca production and environmental crimes in border areas. Beyond traditional law enforcement, this regional project uniquely empowered civil society by focusing on improving territorial governance and local livelihoods to remove the economic incentives for illegal activities. It also sparked highly creative partnerships, from funding independent investigative journalism that exposed the financial links between illegal gold mining and global markets to training airline personnel to calibrate their X-ray machines to identify trafficked wildlife hidden in luggage. Ultimately, this regional structure provided a rare and highly effective platform for countries to exchange data, align their strategies, and identify joint cases, elevating localized environmental defense into a cohesive, continent-wide effort.

The Trade-Offs of Scale

While many interviewees felt the scale and scope exceeded those of other funders, some perceived that the rigid, short-term nature of USAID's funding cycles remained fundamentally misaligned with the decades-long timeframes required to address complex ecological challenges and to establish institutional resilience. Interviewees felt that sudden budget cuts resulting from changes in annual appropriations and rigid re-bidding processes severely disrupted project momentum and caused significant planning gaps. Participants noted that this volatility, combined with a failure to proactively build in progressive financial independence, left local institutions, infrastructure, and vulnerable communities dependent on external support.

These specific structural challenges were felt across the global portfolio. Examples include: in Bangladesh, frustration that the actual financial investment was sometimes disappointingly small compared to the massive tangible investments expected from a U.S. donor; in Colombia, interventions that artificially sustained institutions by heavily subsidizing highly qualified personnel with higher salaries than local salaries; in Kenya, one local organization felt structurally disadvantaged because they did not receive the unrestricted core funding (Negotiated Indirect Cost Rate Agreements, or NICRAs) provided to international NGOs, leaving them on a "drip feed" without the ability to build a proper administrative frame; and in Vietnam, an implementer highlighted the extreme volatility caused by annual budgeting and Continuing Resolutions that led to unexpected budget cuts and severe planning distractions.

Another area of frustration expressed by interviewees linked to funding scale was USAID's heavy reliance on large international contractors, non-governmental organizations, and intermediaries. Interviewees felt this structure created bloated, top-heavy consortia that absorbed substantial financial value through high overhead costs, significantly reducing the capital that actually reached local communities. Many of the people we spoke with perceived that this intermediary dependence marginalized local talent and disadvantaged grassroots organizations, making it virtually impossible for them to compete directly for funding. This structural flaw has been widely documented by independent observers analyzing the agency's historical funding model. As TIME magazine highlighted, while USAID provided ready cash, only a tiny fraction actually reached African stakeholders, with USAID struggling to meet even a 10% localization threshold despite its stated goals. Bright Simons, head of research at the Accra-based IMANI Centre for Policy and Education, summarized the critique perfectly to the publication: "Western consulting companies, contractors, think tanks, NGOs, got a lot of the money that was meant to go to Africa... So Africans were never able to build capacity with this money."[22] Furthermore, they observed that immense pressure to disburse large volumes of funds quickly (the "burn rate") frequently outpaced the absorptive management capacity of local partners, prioritizing financial metrics over actual technical quality or long-term sustainability. The analysis found that massive U.S.-based contractors "were given huge new infusions of cash, while smaller groups in developing countries were all but shut out." Interviewees observed that the reliance on foreign intermediaries created friction with host governments, who preferred that funds flow directly through national treasuries or direct channels rather than through external contractors. While localization agendas were introduced, in some countries they were often executed prematurely without sufficient administrative capacity-building, exacerbating friction between foreign contractors and host governments.

To illustrate these structural challenges, interviewees provided specific examples across the portfolio. In Bangladesh, one official expressed frustration about the agency's overreliance on hiring expatriates from other countries, including the U.S., missing critical opportunities to place "national experts or national-level officials to implement some activity." In Colombia, a former USAID staff member emphasized that the high cost of international contractors reduced the money that stayed in the host country, noting that "their rates were way too high, like 25 to 30% of the activity would stay with them." In Kenya, one implementer highlighted a deep inability for local grassroots organizations to compete against "big boys" for massive grants. Another interviewee felt smaller, reality-grounded NGOs were ignored, observing that "big conservation organizations

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[22] Campbell, Charlie. "Ghana's President Wants to Prove Ghana and All of Africa Can Stand on Its Own." *TIME*, 30 Oct. 2025, https://time.com/7329296/africa-aid-ghana-john-mahama-profile/.

have big overheads... but the small organizations are in touch with reality." In Peru, one individual commented that the procurement system was an "exclusive club" of international contractors who exploited the system for exorbitant compensation. Finally, in Mozambique, an interviewee highlighted friction when USAID refused to put money directly into the Ministry of Finance's treasury, opting instead to use implementing partners, which left the government not "100% willing to buy into some of the strategy."

Long-Term Embedded Presence

Themes

🟢 **Embedded Presence & Commitment**

🟢 **Government Alignment & Political Leverage**

🔵 **Relationship to the Government**

🔵 **Operating in High-Risk & Conflict Geographies**

🔵 **Staff & Institutional Memory**

The Power of Proximity

Interviewees universally felt that USAID's embedded presence, often spanning decades, signaled a profound political commitment that successfully withstood domestic political turnover and frequent changes in host-country political leadership. This sustained, multi-decade continuity distinctly outlasted typical donor cycles. With missions in over 60 countries around the world, staffed primarily by local Foreign Service Nationals with American Foreign Service Officers rotating through, USAID often had a large in-country footprint of both technical and operational staff. In the environment and climate sectors, funding decisions were highly decentralized, and program decisions were made locally, within frameworks established by the U.S. Congress, political appointees, and Washington-based technical teams. Respondents appreciated that the agency provided culturally fluent personnel and long-term, hands-on technical assistance, which involved specialized personnel working directly alongside local counterparts. Participants noted that this sustained physical footprint allowed the agency to build deeply rooted, trust-based partnerships, positioning it as a highly reliable institutional sounding board and technical advisor for supporting complex systemic reforms.

We heard many examples of the strengths of having a long-term embedded presence. In Kenya, an interviewee emphasized that the embedded presence relied heavily on a local workforce of

Foreign Service Nationals (FSNs) who remained in the system long-term to provide deep institutional memory and technical influence. One implementing partner noted that patient engagement explicitly acted as a "cushion" that accommodated the extended timelines needed for reform, allowing them to undertake a "transition process methodically."

In Vietnam, we heard that rather than a standard "fly-in, fly-out" consulting model, having experts live in the host country enabled the establishment of continuous, long-term relationships. An implementing partner noted that this presence allowed experts to engage in informal, daily interactions not only with high-level ministers but also with mid-level officials who draft the policies and regulations. It also meant that technical experts were continuously available to provide immediate, highly targeted support when unexpected needs arose; for instance, one partner highlighted how continuous presence allowed them to help a local counterpart correctly interpret a new law.

Lastly, in Bangladesh, interviewees noted that the embedded continuity over 25 years had established unparalleled trust. One former USAID staff member recalled that the Government of Bangladesh's Forest Department would frequently bypass standard protocols to request technical support directly from the agency because of that deeply rooted working relationship.

Willingness to Take Risks

In Bangladesh, Colombia, and Peru, interviewees perceived USAID as uniquely willing to engage in complex, post-conflict, and politically sensitive environments, actively targeting remote and high-risk geographic areas that other international donors frequently avoided. Crucially, respondents emphasized that this unmatched risk tolerance was only viable because of the agency's long-term embedded presence. Continuous, multi-year engagement provided the time necessary to cultivate the deep relationships required to operate safely in these zones. Within these volatile regions, as well as in conflict-vulnerable areas of Kenya, interviewees felt that the agency's recognizable, politically neutral brand served as a powerful protective shield. In Colombia, participants explicitly noted that the diplomatic weight of the U.S. presence stabilized active conflict zones. At the same time, in other regions, it allowed implementers to gain unhindered access to confront deeply entrenched, politically sensitive issues, such as illegal mining or illicit crops. Interviewees noted that programs intentionally utilized conflict-responsive designs that tied forest and biodiversity conservation directly to peacebuilding, social cohesion, countering violent extremism, and the resolution of historical grievances. By integrating natural resource management with these stabilization efforts, USAID successfully built deep trust, protected environmental defenders, and stabilized marginalized communities. This unique willingness to operate in dangerous, post-conflict zones to achieve environmental goals was a defining characteristic of the agency's strategy in South America. For example, media reports detailed USAID's historical presence in Guaviare, Colombia, a highly biodiverse region previously plagued by FARC guerrilla warfare and coca farming where even Colombians hesitated to travel. USAID was one of the primary international groups willing to enter this volatile area, working directly with former armed guerrillas and coca farmers to convince them that protecting local wildlife and building ecotourism infrastructure could be a viable, legal alternative to destructive illicit activities.[23]

Working in Complex Geographies: Chittagong Hill Tracts in Bangladesh and Northern Kenya

In Bangladesh, government officials and implementers alike noted that the agency's long-term embedded presence enabled it to operate in the Chittagong Hill Tracts, a complex geography governed by a 1997 peace accord with a history of insurgency, where few other development partners were willing to work. As one implementing partner recalled, it took more than three years of engagement just to reach an initial agreement with local indigenous leaders to begin conservation efforts. Meanwhile, a former USAID staff member added that it took seven years to build the trust necessary for state forest departments to work productively with communities. Because of the sustained commitment of the USAID program, they achieved success in using a conflict-responsive design to address historical grievances and periodic unrest. For example, one project leader explained how the initiative empowered indigenous women to serve as a conflict-management group, successfully training them to mediate historical land-boundary disputes. This integration of natural resource management with local mediation not only protected the forests but also built peace and social cohesion across the landscape.

In Kenya, implementers and community leaders highlighted how environmental governance structures were explicitly utilized as platforms to stabilize active conflict zones and counter violent extremism. One implementer noted that by supporting community conservancies, the agency created neutral ground for peacebuilding and brought together historically warring tribes, such as the Samburu, Turkana, and Pokot tribes in Baragoi, a region historically known for bloodshed. Another partner emphasized that USAID-supported programs directly stabilized Al-Shabaab areas, preventing radicalization and trafficking. To further stabilize these marginalized areas, implementers described how the programs specifically targeted vulnerable, at-risk youth who had never gone to school and were previously susceptible to drug use and crime. By integrating these youth into vocational training and conservation-based livelihoods, the initiative successfully tied natural resource management directly to peacebuilding and

[23] Bassett, Laura. "Without USAID, Conservation and Tourism Projects Have Ground to a Halt." *Condé Nast Traveler*, 21 Aug. 2025, https://www.cntraveler.com/story/without-usaid-conservation-and-tourism-projects-have-ground-to-a-halt.

community stabilization, recognizing the direct link between the two seemingly separate development objectives.

Downsides of Staff Turnover

While most interviewees cited the embedded presence as a strength, some also felt that staff turnover due to the rotation of foreign service officers, often at the leadership level, disrupted program continuity, forcing local partners to spend time bringing new officials, who lacked context or historical knowledge of the projects, up to speed. In Peru and Vietnam, implementers noted that the frequent rotation of U.S. officers (typically every two to three years) severely disrupted the continuity of learning. Because turnover at the leadership level was not always managed smoothly, institutional memory was sometimes lost; an implementing partner in Peru noted that when new programs were being designed, there was often "nobody left that understood the context or... the lessons learned that guided the design." This was compounded by what a former agency staff member in Peru described as weak internal knowledge management systems, noting that without accessible archives to capture institutional memory, teams were forced to essentially "build everything again" on new projects.

One implementing partner in Kenya highlighted the extreme variability in technical support due to the inevitable rotation of Agreement Officer's Representatives (AORs). Local partners were forced to repeatedly adapt to different management styles, sometimes losing a "fantastic, inspirational type" only to be replaced by someone overly preoccupied with minute administrative details.

The Political Weight and Imperfections in the System

USAID's embedded presence, along with the scale of funding, meant that it carried immense diplomatic weight, high-level convening power, and strong brand credibility as essential levers for driving systemic governance reform. Interviewees universally felt that the agency had unparalleled access to top-tier political officials, ensuring that environmental interventions were strategically aligned with both the partner countries' national priorities and international climate commitments. Participants noted that this political leverage enabled USAID to act as a powerful convener, bridging historically siloed ministries and uniting multilateral organizations and private sector actors into cohesive, co-financed coalitions. By relying on historically trusted, high-level relationships, the agency successfully navigated complex project approval processes and overcame bureaucratic bottlenecks. This access directly enabled major policy-related wins, such as grounded policy enforcement, regulatory improvements, and effective translation of high-level laws into practical, on-the-ground rules and compliance mechanisms. Ultimately, interviewees viewed the agency as a trusted development partner capable of brokering complex, multi-stakeholder agreements that other international actors lacked the influence to achieve.

For example, in Kenya, interviewees felt the U.S. flag commanded immense soft-power respect, which helped stabilize war zones and areas vulnerable to conflict. USAID also empowered government insiders to pursue internal budgetary allocations; by using the program as a platform, one official noted that she successfully connected air quality goals to climate change to "pursue funding from the government."

In Peru, one project lead emphasized that USAID uniquely targeted the enforcement gap in Peruvian law, noting that "Peru has beautiful policies, but the implementation [is] bad." Another implementing partner shared how the agency used its policy leverage to compel hesitant government counterparts to honor commitments, such as implementing timber traceability and conducting public consultations with indigenous groups. To ensure continuous alignment amidst high political turnover, a former government official observed that USAID staff maintained this leverage by proactively reintroducing themselves and their portfolios to new leadership whenever the government changed.

Of course, the relationship between USAID and partner country governments was not always smooth and collaborative. Structural misalignments that hindered collaboration were often country-specific and largely due to USAID's practice of not providing direct funding to partner country governments, unlike some other bilateral funders. To illustrate this, a former USAID staff member in Colombia noted that because USAID worked through contractors, it did not have formal governing boards with the Ministry of Environment, giving government ministries the impression that USAID was a distant actor. They indicated that the government often reached out to other donors, who would respond more directly to its governance demands.

In Bangladesh, implementing partners highlighted that USAID worked through high-level Memoranda of Understanding (MOUs) with the Ministry of Finance, rather than following the standard partner country protocol of routing projects through the NGO Affairs Bureau. They noted that this sometimes created major bottlenecks on the ground, as local officials would delay project implementation because they were "always waiting for the instruction of their upper tiers" before cooperating.

We also heard about how partner government silos, fragmentation, and unclear priorities impacted collaboration. For example, in Peru, an interviewee said that because "every single Peruvian government agency works separately," USAID projects frequently had to pause their work to serve as a "communication facilitator" between isolated ministries to help them develop a common strategy. In Colombia, we heard similar sentiments, with one individual noting it was virtually "impossible to bring in the environment ministry and the agriculture ministry to work together" on joint portfolios. In Kenya, one implementing partner highlighted that projects were stalling because there were "too many agencies on the ground" (such as the Kenya Forest Service, Wildlife Service, and Water Resources Authority) with unclear or overlapping mandates. He recalled that his team would be in the middle of discussions with one agency, only for another to arrive and interrupt, saying, "No, no, no, no. It doesn't work that way. This is our mandate."

Taken together, these accounts point to embedded presence as one of USAID's most distinctive and consequential characteristics. The willingness to maintain a long-term, in-country footprint enabled a level of trust, risk tolerance, and political access, allowing the agency to operate in geographies and on issues that other donors avoided. At the same time, interviewees were clear that this same model carried real costs in some cases: staff turnover disrupted institutional memory, and USAID's structural distance from partner governments, most notably its reliance on contractors rather than direct government funding, created friction that other bilateral donors did not face. Embedded presence was a defining feature of USAID's model, with some tradeoffs that interviewees experienced directly.

Unmatched Technical and Scientific Muscle

Themes

🔵 **Data-Driven, Technically Sound Decision Making**

🔵 **Making Global Science and Policy Relevant at the Local Level**

🟢 **Technical Independence, Integrity & Quality Assurance**

🟢 **Strategic & Technical Issues**

Technical and Scientific Foundation

Across five focus countries, interviewees identified USAID's technical and scientific muscle as a foundational strength of its assistance. Interviewees perceived USAID as grounding its program designs in rigorous scientific measurement, baseline assessments, and clear theories of change before rolling out interventions. By utilizing geographic and scientific data, interviewees felt USAID was able to target its interventions, ensuring that investments were directed toward specific, high-priority ecosystems or activities.

To illustrate this, interviewees shared examples of deploying advanced, specialized tracking and data tools to modernize host-country environmental monitoring. In Bangladesh, implementers highlighted the introduction of SMART patrolling; in Kenya, one government official noted the establishment of the country's first air-quality monitoring reference stations; and in Peru and regional East African programs, implementing partners emphasized the use of satellite imagery and remote sensing. These tools helped establish a culture of evidence-based governance. Furthermore, by enforcing comprehensive monitoring and evaluation (M&E) systems, one implementing partner in Vietnam noted that the agency demanded accountability that both elevated local technical capacity and ensured measurable, on-the-ground outcomes. Ultimately, interviewees observed that this data-driven methodology ensured that environmental interventions were not only highly targeted and measurable but also uniquely capable of attracting broader external investment.

Translating Global Science to Local Realities

Building on this data-driven foundation, interviewees in four of the five focus countries broadly perceived USAID's distinct value in its ability to bridge the gap between high-level global scientific knowledge and ground-level implementation. For instance, one implementing partner in Vietnam explained how USAID acted as a crucial translator, taking advanced global academic tools, international best practices, and high-level climate policies, which might otherwise be inaccurate or irrelevant locally, and adapting them into functional, context-specific national systems. Respondents universally noted that by providing access to robust U.S. scientific institutions and leveraging a vast interagency network (e.g., the U.S. Forest Service, NASA, and the Department of Energy National Laboratory system), USAID ensured that global science and research directly informed local realities.

One partner in Colombia described the value of this access to global science and institutions as tapping into a "Global Knowledge Hub," which enabled them to learn about best practices and tools and apply them to their local contexts. For example, in Bangladesh, USAID partners introduced the i-Tree software tool to assess and quantify ecosystem services in urban environments. In Vietnam, an implementing partner noted that local specialists were trained to use advanced quality assurance/quality control protocols to modernize national frameworks, specifically to inform national standards for carbon credits and to develop the monitoring platform for Payment for Forest Environmental Services. In East Africa, one implementing partner noted that the USAID-supported ENACTS (Enhancing National Climate Services) initiative modernized regional tracking by merging sparse local weather observations with satellite data to interpolate more accurate climate information. This innovative approach solved data governance hurdles, where countries are often hesitant to share raw data, and successfully democratized access to vital climate information. In Peru, a former USAID staff member shared how the agency translated global technology into local legal frameworks through one such collaborative initiative leveraging NASA satellite data. The project trained environmental prosecutors and indigenous women to use NASA satellite imagery and drones as admissible evidence in court to prosecute environmental crimes. Ultimately, one donor partner emphasized that USAID provided a "massive machinery of information and data available," saving local partners from having to "reinvent the wheel."

Technical Independence and Rigorous Quality Assurance

Interviewees universally perceived USAID as a highly legitimate, neutral broker characterized by rigorous technical independence and integrity. Interviewees felt that USAID set a distinctively high bar for quality assurance, maintaining high standards for technical quality and enforcing strict environmental, social, human rights, and financial safeguards that exceeded the basic protocols of other international funders. By deploying dedicated technical experts and demanding data-driven monitoring and evaluation (M&E) systems alongside stringent financial oversight, USAID ensured that investments translated into concrete outcomes. Implementers observed that USAID was therefore uniquely capable of providing independent, science-based technical advice free from competing commercial mandates. Ultimately, one interviewee shared that these internal rules not only elevated the operational capacity of local partners but also acted as a powerful anti-corruption shield, protecting projects from local corruption and graft, while allowing programs to prioritize genuine development needs over commercial or political interests.

In Peru, one implementing partner emphasized that dedicated technical staff pushed back against superficial metrics (like simple training headcounts), constantly challenging partners by asking the "so what?" behind proposed interventions, ensuring a direct link to outcomes. A former agency staff member recalled how the agency was also noted for conducting joint field visits with implementing partners to actively improve their environmental compliance standards on the ground. In Vietnam, one project leader noted that strict Federal Acquisition rules provided implementers with essential "cover in preventing graft," allowing them to refuse funding requests resembling patronage or bribery that fall outside of the rules. The agency also demonstrated profound technical independence from broader U.S. political and commercial interests; in Vietnam, for example, this same project leader noted that, unlike other bilateral funders, USAID was uniquely positioned as a true development wing, allowing programs to focus strictly on what the partner country actually needed rather than being forced to narrowly promote select American corporate interests. Lastly, one implementing partner in the Philippines described the agency's brand as the ultimate "gold standard of foreign aid," conferring such immense legitimacy that "when it has the USAID brand in it... People know that it is...a legitimate project."

Output Bias, Silos, and Technical Disconnects

Despite these rigorous standards, interviewees across the five core countries observed various strategic and technical misalignments that they felt hampered the overall effectiveness and visibility of USAID's interventions. Respondents perceived that while programs effectively connected global tools to local efforts, they still struggled with a frequent disconnect between rigorous high-level strategic planning and on-the-ground implementation; frequently, intense pressure to demonstrate rapid success drove implementers to prioritize easily measurable, short-term outputs or "low-hanging fruit" over complex systemic outcomes. In Peru, a technical partner recalled how a broad capacity-building project was initially designed to tackle the extremely difficult, systemic issue of training environmental prosecutors to combat conservation crimes (note this is a different project than the one referenced above that successfully leveraged NASA satellite data). However, because the country has very few environmental prosecutors and widespread judicial corruption, achieving systemic reform was an incredibly slow and difficult battle. Facing intense pressure to demonstrate measurable success quickly, implementers abandoned this complex goal. They pivoted to what the partner described as low-hanging fruit, unrelated topics such as fire management where short-term wins were easier to prove. Participants also noted that while integration was a major focus of USAID programs, many interventions still operated in thematic or administrative silos. This led to overlapping mandates, duplicated efforts, a lack of cross-project awareness, and missed opportunities for territorial convergence and broader donor coordination. In Colombia, one implementing partner observed that attempts to integrate overlapping projects often failed because they were forced together during the implementation phase rather than "from the design standpoint." Similarly, in Peru, another implementing partner noted that separating climate change and forest governance into two distinct reporting lines created an internal "competition" that fractured the holistic landscape approach.

Finally, respondents perceived a failure in inadequate broad-audience communication and public visibility. Understaffed communications teams and strict geographic boundaries prevented USAID from effectively sharing its global knowledge. At the same time, a failure to communicate the scope of its projects clearly left local citizens, domestic taxpayers, and high-level ministries without a complete understanding of USAID's footprint, impact, and legacy. In Peru, for instance, one former agency official recalled that out of more than 100 staff members across the entire USAID mission, only three were dedicated to the communications office; this severe understaffing meant communities were often completely oblivious to the donor's impact. Another individual noted that residents complained that the agency did “nothing,” completely unaware that their own profitable, high-quality local coffee businesses were the direct result of quiet, foundational USAID investments. Furthermore, while there was tremendous access to technical expertise and best-in-class tools, communication gaps led to uneven knowledge dissemination. In Colombia, one implementing partner lamented that despite the agency operating massive land and environmental projects globally, there were not enough learning opportunities for them to internalize all the agency's own global best practices.

Locally-Led Development and the Compliance Trap

Themes

🟢 **Localization, Community-Led Governance & Capacity Building**

🔵 **Support for Inclusive Development & Community Economic Growth**

🟢 **Administrative & Reporting Burden**

🟠 **Financial & Cash Flow Rigidities**

A Deliberate Pivot to Local Leadership

Interviewees universally viewed USAID's deliberate strategic pivot toward local leadership and community-led governance as a core distinctive value. Participants felt that while not always perfect or fast enough, USAID was shifting away from top-down, donor-driven models toward direct funding and co-implementation with local organizations. By reducing reliance on international intermediaries, USAID was moving towards functioning as a facilitative partner that built the deep administrative, financial, and technical capacities of local institutions.

Dual Pathways to Localization in Kenya

In Kenya, a former official estimated that over 70% of USAID's activities were carried out through local organizations. To safely achieve this scale without overwhelming grassroots groups under the weight of federal compliance, USAID employed a highly structured, dual-track methodology.

For organizations with a baseline of administrative functions, one implementing partner noted that USAID utilized a direct, phased "journey." As a former USAID staff member explained, the agency conducted Organizational Capacity Assessments (OCAs) to identify specific operational weaknesses. Following this assessment, the implementing partner recalled that USAID utilized small, targeted grants to "first give some resources to work on internal controls" and upgrade financial systems before encumbering them with multi-million-dollar portfolios.

For emerging regional groups that were initially too informal to meet the OCA requirements, USAID deployed an "umbrella" mentorship model. For example, one implementing partner recalled that in some regions, regional landscape associations were so young that their top leadership served as unpaid volunteers. To build them up, USAID engaged established international NGOs and national umbrella organizations as temporary intermediaries. These established primes provided essential administrative support while channeling targeted sub-grants directly to the younger landscape associations. While this specific pathway was highly visible in Kenya, survey respondents working across multiple regions validated the broader value of this historical “umbrella” approach. One academic partner working globally noted that local civil society organizations highly appreciated how support flowed to them as sub-awardees through international non-profits, emphasizing that this structure provided "an engaged, accessible, patient, committed and trusted partner using systems that provided shorter time delays and less bureaucracy from their perspective."

Through this rigorous, intermediary-led preparation, the young associations developed robust governance, human resources, and financial systems. One implementing partner noted that after a "minimum of five years" of dedicated institutional strengthening, these local landscape associations established the track record necessary to "graduate," successfully transitioning from sub-grantees under an international NGO to direct recipients of USAID funding.

Across multiple regions, implementers noted that USAID deliberately invested in building the internal capacity of local institutions, pairing technical training with economic empowerment so that communities could sustain the work themselves. In Vietnam, partners contrasted USAID's long-term embedded presence against traditional "fly-in, fly-out" consulting models. Rather than delivering large, generic workshops, technical experts worked intensively with small, dedicated groups of core local specialists, sometimes just four or five individuals, over several weeks until those local professionals mastered complex tools and could independently lead the implementation. This deep capacity-building was frequently tied directly to inclusive livelihoods. For example, a conservation project in Vietnam empowered residents living near forests by hiring and training them as "community rangers," providing stable jobs. Similarly, in the Philippines, a project helped Indigenous communities secure loans and establish themselves in the commercial bamboo economy, providing the support needed for them to gain a strong economic footing and self-determination. Local governments also benefited from this hands-on approach; a municipal partner in the Philippines praised the extensive preparation for a business empowerment project, noting that after a "training of trainers boot camp," the agency provided continuous coaching sessions to ensure the local government could successfully run the program.

This hands-on approach to capacity building was essential for advancing the agency's localization goals. In Peru, where one implementer recalled a broad agency strategy aiming to direct roughly 60% of the budget to local organizations, USAID directly invested in the administrative infrastructure of its new partners. To ensure these local groups could successfully manage the funds and meet strict reporting standards, the agency fostered a collaborative environment where implementers felt "welcome to a broader community" equipped with shared management tools and knowledge. Furthermore, to institutionalize this expertise, USAID supported a first-of-its-kind university diploma program in monitoring and evaluation, designed specifically to train Peruvian project professionals and government officials in rigorous reporting skills.

However, respondents added nuance to this pivot, noting that the localization process sometimes struggled against USAID's own rigid compliance structures. One implementer in Peru observed that ambitious localization targets occasionally led to situations in which small, grassroots entities were handed multi-million-dollar projects without the preexisting administrative machinery needed to handle USAID's complex reporting burdens. This localized friction was indicative of a broader global tension; practitioners in Bangladesh and Kenya similarly warned that pushing localization without first building robust internal financial and compliance systems often left grassroots organizations overwhelmed and at high risk of programmatic failure, or entirely locked out of USAID funding. These growing pains highlighted that true localization required an incremental "building up process" rather than an immediate handover, though implementers broadly agreed the strategic intention behind the pivot was transformative.

Alternative Pathways to Localization in Colombia

In Colombia, the immense volume of funding directed to the country due to a Congressional mandate meant that USAID frequently had to rely on massive contracts with traditional international firms capable of absorbing and managing resources at that scale. While one former agency staff member noted that this delayed the direct localization agenda by directing significant resources, particularly for overhead costs, within international firms, implementers emphasized that these projects still made strides toward localization through two alternative pathways: empowering local sub-partners and building a robust professional middle class.

First, rather than simply treating local groups as passive participants, USAID programs actively brought them on as sub-awardees, investing heavily in their institutional capacity. For example, one former agency staff member highlighted a project co-managed with 10 ethnic and indigenous organizations that empowered these local groups to manage $21 million for their own communities directly. An implementing partner added that this approach ensured that local organizations gained the financial and administrative experience required to eventually operate as strong, self-sufficient "enterprises rooted in the territory."

Second, interviewees emphasized that USAID's long-term presence successfully cultivated a highly skilled local professional workforce. One implementing partner, reflecting on a nearly $100 million project, proudly noted that the initiative was executed entirely by Colombian staff, with no expatriates on the payroll, and featured a workforce that was 60% professional women. Interviewees broadly noted that this deep investment in local human capital created a formidable cadre of development professionals who gained access to best practices and advanced technical capacities. To illustrate this, the same implementing partner shared how the program fostered relationships with regional universities to develop new master's courses and degrees for local students. Ultimately, implementers felt that even without providing direct funding to grassroots entities, USAID elevated the technical and professional capacity of the partner country's workforce, leaving behind local experts capable of managing top-tier budgets anywhere in the world.

Inclusive Growth and Empowerment

Interviewees in four out of the five focus countries perceived that USAID successfully integrated social and economic imperatives directly into environmental interventions, rather than treating environmental work in isolation. Interviewees viewed this holistic approach as the bedrock of true localization; they noted that community-led governance could succeed only if the foundational economic and social needs of local stewards were met. By creatively leveraging environmental funding to facilitate job creation, conflict resolution, and gender inclusion, USAID effectively championed the rights of vulnerable populations and tackled systemic inequities.

By integrating conservation objectives directly with livelihood generation, programs successfully reduced economic dependence on destructive natural resource extraction. In Bangladesh, for example, one local partner highlighted the introduction of innovative agroforestry models, such as teaching communities to plant coffee in between the existing trees that support betel leaf vines, allowing them to generate dual income without clearing the forest. To ensure the long-term financial sustainability of these alternative economic models, USAID facilitated linkages between local community producers and broader private sector value chains. In the Philippines, one implementing partner noted that a project incentivized improved business operations and reduced ocean plastic pollution by linking informal waste workers directly with major corporate buyers of recycled plastic. Showcasing a similar approach in the agricultural sector, another implementer noted that communities are now working with a major multinational consumer goods company to produce purple yam, and "even after the project is closed, they are continuing their production and doing business with this... private supplier." Similarly, in Mozambique, a project leader highlighted how infrastructure and conservation projects equipped local communities with new skills in civil construction, enabling them to eventually form autonomous associations.

Interviewees felt that programs were purposefully designed to specifically target and empower marginalized demographics, such as slum dwellers and at-risk youth, through dedicated capacity building and economic inclusion. In Kenya, as previously noted regarding the stabilization of northern regions, USAID successfully targeted severe rural vulnerabilities by delivering vocational training to at-risk youth, transitioning them away from illicit activities and into conservation-based livelihoods. Furthermore, interviewees highlighted how USAID programs supported the politically complex process of transitioning informal-sector workers into formal systems; for example, one implementing partner described using USAID grants as the "groundwork [for] reform" to ensure that existing informal transport operators were not left behind during modern infrastructure upgrades.

USAID programs also linked environment and climate outcomes with women's empowerment by elevating women into key resource management, technical, and economic roles where they previously lacked authority. In Bangladesh, one technical partner praised the profound cultural shifts achieved through targeted gender strategies in the Chittagong Hill Tracts, noting that a project successfully elevated indigenous women and youth into the planning and decision-making processes for "Village Common Forest" management networks. Implementers noted that this deliberate empowerment fostered inclusive dialogue and trust-building among marginalized groups, allowing women to play a direct and vital role in mitigating local conflicts, reducing community tensions, and building long-term social cohesion. Similarly, in Peru, a former agency staff member highlighted the technical empowerment of indigenous peoples and women in the field. Beyond training them to use advanced monitoring technology (such as the drones and satellite imagery discussed previously), projects also equipped them with specialized industrial skills to promote safe, legal mining practices. In Kenya, one implementing partner highlighted how social interventions successfully mobilized 500 "community-based waste collectors from women and youth groups" to build a localized coastal plastic supply chain.

Finally, USAID recognized the link between environmental and economic outcomes and the promotion of human rights, inclusive development, and post-conflict stabilization. In Colombia, projects were explicitly tied to mitigating conflict by addressing the root causes of conflict in rural areas. A private-sector partner working on rural electrification noted that the core hypothesis of their work was that "if we were to give these communities more opportunities with the arrival of energy, then we would... mitigate the risk of warfare." Beyond stabilization, USAID championed diversity and equity goals, often addressing the needs of marginalized groups more effectively than host governments. An implementing partner observed that "inclusion for those communities is also something pending in Colombia that USAID was kind of approaching properly or much better than what the government alone is doing." Furthermore, the agency leveraged its political weight to force reluctant governments to respect indigenous rights and legal safeguards. In Peru, when the government attempted to push through modifications to its forestry law without public input, USAID intervened and successfully pressured the Ministry of Agriculture to hold national round tables, ensuring that vital indigenous consultation actually took place.

Empowerment through Formalization and Legitimization

Interviewees highlighted that a defining hallmark of USAID's approach to empowerment was its strategic emphasis on formalization. When describing how the agency empowered marginalized groups, interviewees consistently detailed processes of taking invisible, informal, or legally unrecognized groups and building them into registered, legally recognized entities capable of interacting with mainstream markets and governments. By providing these groups with legal standing, administrative structures, and direct market access, practitioners noted that the agency legitimized their roles and gave them a permanent, structural voice in managing their own resources.

This approach was highly visible in the waste management sector. In the Philippines and Vietnam, implementers detailed how initiatives explicitly targeted informal waste collectors, often marginalized women and operators of informal "junk shops." Projects went beyond simple cleanup efforts by providing these workers with digital tracking tools, advanced business training, and the administrative support necessary to officially register as formal associations or social enterprises. Interviewees explained that this formalization was transformative; it enabled these formerly invisible workers to pay taxes, access municipal capital assistance programs, and eventually establish direct, legal supply-chain contracts with major multinational corporations under Extended Producer Responsibility frameworks. By formally recognizing their labor, implementers observed that the programs elevated these groups from informal scavengers to legitimate business partners.

In the realm of natural resource management, USAID used formalization to legitimize local communities as the rightful stewards of their land. In Kenya, as previously noted regarding the national conservancy movement, programs successfully transformed informal groups into legally recognized community conservancies. They achieved this by investing heavily in the internal capacity of these grassroots organizations, building up their formal governance, human resources, and financial systems. Practitioners noted that this rigorous institutionalization gave the conservancies the legitimacy required to independently negotiate with private investors, manage their own development, and act as a recognized voice for their communities. Similarly, in Bangladesh, USAID pioneered and codified formal co-management structures, establishing a legal framework where forest-dependent communities shared direct decision-making authority with the state's forest and fisheries departments.

Finally, this drive for legitimization extended to land tenure and indigenous rights. In Colombia, practitioners linked land tenure initiatives directly to climate action, working to secure formal land rights for rural communities to mitigate deforestation, reduce illicit economies, and stabilize post-conflict territories. In Vietnam, implementers highlighted major initiatives focused on formalizing forest land tenure. Projects guided communities through the complex legal process of consolidating individually allocated household forest parcels into legally recognized community forest tenure. Implementers noted that this formalization was an essential step for empowering these communities to collectively manage resources, strengthen forest protection, and legally position themselves to participate in national payment-for-ecosystem-services programs and emerging domestic carbon markets. Meanwhile, in Peru, a technical partner emphasized that USAID consistently used its diplomatic leverage to ensure indigenous voices were formally recognized in national legal processes. Furthermore, by reserving dedicated funding to strengthen the institutional and financial capacity of indigenous representative organizations, implementers noted that the agency equipped them with the necessary tools to navigate state bureaucracies and advocate for their own protection.

Administrative & Reporting Burden

While USAID successfully empowered grassroots actors on the ground, interviewees across the datasets also perceived USAID's administrative and reporting requirements as overly burdensome, rigid, and disproportionately taxing on local organizations. They discussed how strict compliance standards, audits, and detailed quarterly reporting deadlines diverted critical time and resources away from on-the-ground implementation. Implementing partners noted that this heavy administrative burden served as an intimidating barrier to entry for smaller NGOs, often undermining USAID's own localization goals.

In some cases, the sheer volume of reporting and compliance requirements forced some partners across regions to build administrative structures that were ultimately unsustainable. In Peru, one partner highlighted that the push for localization was undermined because local NGOs were forced to build administrative units "that just cater to USAID." As Mongabay noted in an analysis of the agency's conservation funding model, aid recipients frequently complained of a severe mismatch between the distant priorities of U.S. officials and the realities on the ground; Resson Duff, the portfolio funding director for Maliasili, pointed out that this heavy-handed oversight often twisted organizations "into shapes they don't want to be in," forcing them to hire unnecessary administrative staff and execute projects that did not align with their institutional needs[24].

While these rigorous compliance standards were designed to ensure accountability, practitioners noted that whether this intense oversight felt supportive or intimidating depended heavily on individual USAID personnel. For example, a former agency staff member in Bangladesh contrasted colleagues who worked "day and night" to assist partners with financial offices that sometimes approached local organizations with a "more interrogative attitude than assistance attitude." This dynamic left grassroots groups fearful of audits and sometimes at risk of having project components canceled when they struggled to comply with the rigorous demands. Similarly, a project leader in Kenya noted that while they sometimes worked with "fantastic, inspirational" oversight officers, staff turnover occasionally left them with officials who were disproportionately fixated on minor administrative details, such as looking for a missing comma in a report. Ultimately, while some partners praised their oversight officers as great advocates, others felt that this occasional preoccupation with administrative perfection distracted from the broader developmental goals of the programs.

Cash Flow Rigidities and Debt Exposure

Related to administrative and reporting burdens, a small number of interviewees in Peru and Kenya stated that USAID's financial structures imposed unexpected burdens on implementing partners. They stated that strict adherence to reimbursement-based funding models and pre-financing requirements created immediate cash flow strains for non-profit organizations. Interviewees noted that because these grassroots organizations often lacked substantial endowments or deep financial reserves, front-loading significant out-of-pocket capital left them

[24] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, https://news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/.

vulnerable to financial strain, extended implementation delays, and even debt exposure while waiting for milestone approvals to trigger payments.

In Kenya, one implementing partner highlighted that this reimbursement model caused significant hardship for non-profits lacking financial reserves, occasionally forcing his team to take out high-interest loans or go into overdraft to cover capital expenses. Another implementer noted that pre-financing was "one of the most [significant] challenges that we faced," explaining that the resulting cash flow issues often delayed the implementation process.

Tension Between Flexibility and Internal Bureaucracy

Themes

🟢 **Flexibility, Co-Creation & Experimentation**

🔵 **Introducing Financial Instruments & Mechanisms**

🟢 **Bureaucratic Delays & Approval Bottlenecks**

🔵 **Washington Effects: Political Cover & Coordination**

Flexibility, Co-Creation, and High Risk Appetite

USAID's environment and climate programming space had been moving towards more collaborative methods of project design, planning, and implementation. USAID used various methods for co-creation, including expanded stakeholder consultations, post-award work planning processes, and procurement approaches that enabled co-creation from the start. Increasingly, USAID's environment sector used approaches that allowed a project's theory of change to be developed with local stakeholders in multi-day workshops. This approach helped balance global goals with local needs.

Partially due to this shift, practitioners across multiple regions perceived USAID's approach as highly flexible and defined by a strong commitment to collaborative co-creation and experimentation. Rather than imposing rigid, top-down mandates, interviewees noted that USAID increasingly embraced design processes that actively incorporated local, government, and civil society stakeholders into foundational planning phases. Interviewees believed this flexibility and dedication to adaptive learning were essential for developing sustainable interventions tailored to complex ground realities. In Bangladesh, an implementing partner highlighted that their bottom-up approach included few prescriptive elements, allowing them to co-create urban initiatives directly with city stakeholders. In Kenya, a project leader noted that co-designing programs directly with communities was vital for translating broad, global climate treaties into practical local actions. This flexibility allowed them to adjust strategies to respect vastly different ecological and cultural realities, for example, designing different conservation interventions for nomadic herding communities than for settled subsistence farmers. Another implementing partner in Kenya noted that grassroots groups were treated as true strategic partners by being explicitly invited to help shape USAID's own environmental strategy for the country. This collaborative spirit extended into project execution; in the Philippines, an implementing partner praised the agency's consultative guidance, noting that instead of merely accepting standard status reports, oversight officers consistently engaged them in discussions on how to improve the work, expand stakeholder involvement, and ensure long-term sustainability.

In addition to flexibility, interviewees emphasized that USAID possessed a uniquely high risk appetite compared to other donors, giving implementers the freedom to pilot untested innovations and push conventional boundaries. In Bangladesh, one implementing partner highlighted that this risk appetite stood in stark contrast to entities that operated more strictly within established frameworks; USAID, by contrast, allowed partners to "try out new things" and pioneer unproven models, such as community co-management. Similarly, an implementing partner in Kenya praised the agency's willingness to explicitly "take a risk" and "push the envelope," allowing partners to experiment with novel ideas, such as sub-awarding directly to grassroots conservancies, that traditional donors typically avoided. This unique operational paradox was perfectly summarized by a survey respondent, who noted: "While inside USAID, the opinion was that the procedures were getting more bureaucratic, there was still a lot more flexibility to respond to local beneficiaries' needs than most of the other organizations."

Along with a willingness to take risks was a commitment to adaptive management, ensuring those experimental bets were carefully monitored and adjusted along the way. To cultivate a culture of learning, USAID utilized phased designs, discovery periods, and mandatory adaptation and learning loops. In Vietnam, one implementing partner highlighted how programs incorporated a dedicated "discovery phase" spanning a full year for economic and political analysis before explicitly identifying the project's key interventions. In Peru, implementing partners highlighted the unique inclusion of mandatory "pause and reflect" sessions; while initially seen as time-consuming, one partner noted that they ultimately found these multi-day workshops "really efficient" for learning and adjusting strategies, and continue to use these practices.

The combination of flexibility, high risk tolerance, and adaptive learning ultimately afforded programs the operational flexibility to pivot mid-stream and break down traditional development silos. In Vietnam, for instance, one technical partner shared how this flexibility allowed implementers to introduce new activities to support domestic carbon standards in direct response to the partner government initiating a new plan, standing in contrast to other international projects that had to strictly adhere to original designs. In Kenya, implementing partners praised

USAID's operational flexibility through milestone-based models, with one noting it gave them full control over how to achieve milestones and significantly reduced bureaucratic hurdles during implementation.

Fostering Innovation Outside Traditional Government Channels in Colombia

In Colombia, a former agency staff member observed that USAID's inability to direct funds to the partner government became a catalyst for innovation. Unlike other international donors who traditionally channeled their environmental support through the host government and were consequently bound by the government's "fixed ideas," USAID was forced to find alternate routes.

This unique funding restriction empowered programs to bypass rigid bureaucratic frameworks and creatively leverage "third parties that were not the traditional" development partners. Specifically, this limitation pushed the agency to pioneer unexpected private-sector alliances, successfully recruiting companies from the dairy sector and the airline industry (such as LATAM) to fund and engage in biodiversity conservation directly.

However, practitioners noted this innovative independence came with a political trade-off. Because USAID could not funnel money directly to the national treasury and did not include government ministries on their project governing boards, high-level officials sometimes perceived the agency as "aloof" or distant compared to other international donors. Yet, while this restriction occasionally alienated central ministries seeking direct budget support, interviewees felt it ultimately allowed the agency to execute highly creative, ground-level approaches to conservation that transformed the typical way of doing business.

De-Risking and Financial Innovation

To crowd in private investments, USAID frequently utilized catalytic seed funding and first-loss capital to absorb initial risk in areas where commercial markets traditionally refused to operate. In Colombia, for example, programs targeted historically volatile, infrastructure-poor regions that private investors inherently viewed as unappealing and financially unviable. Because foundational development and environmental projects in these territories are highly capital-intensive and lack a proven track record, traditional impact investors, who typically demand pre-existing cash flows and a proven business case, were largely unwilling to participate. To overcome this critical barrier, one private sector partner noted the explicit provision of first-loss capital designed to prove that these models could generate sustainable returns. It was explicitly noted that without the provision of initial grant capital, they wouldn't have been able to find commercial investors to scale the model. Ultimately, this willingness to prove the market allowed projects to successfully recruit non-traditional corporate allies into environmental sectors, like biodiversity conservation.

In Peru, one partner praised USAID's financial intervention for bridging the difficult three-year revenue gap inherent in launching carbon forestry projects. By funding the upfront hiring of scientists and community relations teams, he noted that the grant secured the institutional credibility needed to "find better quality clients for our carbon." Similarly, an implementer working with 25,000 small producers of cocoa and coffee in the Peruvian Amazon explained that the agency intentionally designed interventions to make markets work for farmers by providing reliable access to technical assistance, financing, and agricultural inputs. Ultimately, the core mandate was to ensure that once the project finished, the market itself would sustain the solution without requiring any ongoing donor assistance.

This catalytic approach also extended to continental-scale infrastructure. In Southern Africa, an implementer noted that USAID programs provided the critical technical support required to take late-stage energy and climate projects past their initial feasibility studies, helping them secure final commercial financing to achieve "bankability and implementation." Highlighting the immense financial leverage of this strategy, a former agency official shared how providing early seed capital to a climate investment fund successfully absorbed the initial market risk, which ultimately "helped crowd in hundreds of millions of dollars" in subsequent private financing.

To transition projects away from grant dependency, USAID pioneered sustainable, market-based financial instruments. In Kenya, one project leader highlighted the creation of a $26 million revolving fund to enable financial institutions to make loans to enterprises with a climate focus, a model the agency progressively scaled to Uganda and Tanzania once proven. In the Philippines, another project leader noted that USAID pioneered market-based financing for public utilities by combining Official Development Assistance (ODA) with commercial financing, successfully reducing interest rates and opening the commercial lending market to local water districts. The agency also empowered an indigenous startup cooperative to serve as a proof of concept for securing commercial bank loans by helping them overcome significant structural barriers. In the Philippines, a USAID project assisted a newly formed Indigenous cooperative in applying for an agricultural loan from a government finance institution to plant cacao. However, the cooperative faced major traditional banking hurdles: the bank required a three-year financial track record, which they lacked as a startup, and traditional collateral, which they could not provide because ancestral land legally possessed no collateral value. To solve this, the project helped the community develop professional business plans and successfully negotiate a marketing contract with the country's largest buyer of cacao beans. The cooperative then presented this guaranteed corporate marketing agreement to the bank instead of traditional land collateral. The bank accepted this innovative alternative security and approved a loan, serving as a vital proof of concept that indigenous communities could successfully borrow money "even without a track record yet, and without collateral."

Finally, to ensure long-term sustainability, USAID projects emphasized the use of "private sector strategies" to help local partners mobilize diverse funding. One implementing partner detailed how this involved bringing corporate actors in at the very beginning of projects to connect them directly with local farmers, thereby establishing stronger value chains and clear market linkages among all actors. Furthermore, a former agency staff member noted that the agency actively guided several local NGOs to legally and operationally transform themselves into "social enterprises." This structural shift empowered these organizations to sell their technical services directly to private companies, successfully transitioning their mindset away from pure grant dependency toward generating sustainable profits that could be continuously reinvested in the community. Programs also leveraged direct financing and cost-sharing requirements to drive operational ownership. In Kenya, a former agency staff member explained how one program implemented strict 1:1 cost-sharing ratios to ensure private sector partners didn't view the assistance as "free money."

Bureaucratic Delays and Approval Bottlenecks

While respondents universally praised USAID's programmatic flexibility and willingness to pilot novel ideas, they noted a frustrating paradox: this strategic agility was frequently weighed down by severe administrative and operational rigidities. Interviewees universally perceived USAID's internal compliance, clearance, and approval processes as heavily bureaucratic, creating severe bottlenecks that hindered agile project implementation. While these processes were intended to ensure accountability, interviewees felt that reliance on Washington headquarters approvals caused significant delays, consuming valuable implementation time. Participants observed that these protracted timelines and complex procedures caused a mismatch between initial project designs and shifting on-the-ground realities. Ultimately, respondents noted that these stringent administrative requirements frequently constrained local partners, stalled critical innovations, and delayed the deployment of essential infrastructure.

The rigidity of the bureaucracy significantly reduced the agility needed to launch projects effectively. In Vietnam, one implementing partner noted that it took "nine months to get the permit to work" compared to just "one or two months" for other international organizations. However, this delay was largely dictated by the scale and diplomatic nature of the funding; while smaller organizations could bypass the central government and secure permits directly from local authorities, the USAID project was required to obtain formal permissions from 11 different national ministries. In Peru, a former agency staff member noted that the highly praised co-creation processes were sometimes so protracted that they took up to 24 months to complete, causing severe implementation delays. Furthermore, these internal bottlenecks occasionally caused interconnected sub-projects that were meant to be implemented simultaneously to launch years apart. For example, during the rollout of a program in the Amazon, while its sub-projects were designed to run in parallel, they were delayed and staggered. The sub-project engaging the private sector (such as mining, oil, and infrastructure companies) launched first, while the sub-project focused on Indigenous peoples was delayed by over a year. Because the private sector initiative operated alone for so long, it created a highly negative public perception that USAID was only working with extractive industries in the Amazon and ignoring Indigenous communities.

Washington Mandates and Geopolitical Shifts

While USAID's field missions were widely praised for their localized agility, interviewees observed a recurring tension: the flexibility needed to operate effectively on the ground often clashed with rigid bureaucratic mandates and headquarters-driven geopolitical interests. Interviewees in four of the five focus countries felt that high-level directives and internal mandates originating from Washington often complicated or overshadowed genuine field-level needs. Interviewees perceived that when projects were driven by foreign policy priorities, rigid earmarks, or the need to justify value to Congress, they were prone to bypass vital local consultations, alienate host governments, and fail in presenting a cohesive diplomatic front. In Colombia, one implementing partner noted that pre-set environmental directives were perceived as inflexible mandates presented to the government, severely limiting genuine co-design. Similarly, in Bangladesh, one local partner observed that program funding was sometimes dictated by broader geopolitical interests and "trade relation[s]" rather than by actual environmental challenges. Furthermore, a former agency staff member in Colombia noted a missed opportunity in domestic communication, feeling that the agency only provided results to Congress without engaging U.S. taxpayers on "why we were doing what we were doing."

This top-down pressure and headquarters-driven rigidity sometimes translated into operational inefficiencies and rushed implementation on the ground. In Vietnam, one project leader noted that field teams had to divert their time away from critical implementation work to manage high-level visits or address ad hoc directives from Washington. Because these requests were driven primarily by the need to demonstrate project value to the U.S. Congress, the implementer felt they consumed valuable time without adding practical value to the project's ground-level goals. In Kenya, an implementing partner recalled experiencing significant bureaucratic delays when U.S. directives for construction management clashed directly with local Kenyan construction laws. The implementer was left torn over which legal framework to prioritize, and the subsequent wait for headquarters to resolve the mismatch caused unexpected delays on the ground.

Finally, interviewees observed that internal institutional silos and ideological clashes within USAID created friction, mixed signals, and disjointed coordination on the ground. In Peru, one implementing partner reported severe internal ideological clashes among USAID divisions over specific agricultural value chains, such as palm oil. While the environmental team maintained a strict zero-tolerance policy for palm oil support, the anti-narcotics and Washington offices fully supported investment in palm oil, complicating on-the-ground implementation. Similarly, in Vietnam, practitioners highlighted a structural disconnect between global, headquarters-funded initiatives and the local country-level USAID missions. A technical partner from a global program explained that local mission staff often viewed them as outsiders, which hindered their ability to integrate their specialized technical work with the mission's larger, embedded infrastructure. This lack of internal alignment relegated coordination to a one-way street; another technical expert noted that they would submit monthly and quarterly reports to the local mission but rarely received any feedback or direction on how to align with other overlapping USAID projects. Implementers emphasized this was a missed opportunity, as combining the global program's technical approaches with the local mission's communication networks would have presented a unified U.S. government front, drastically increasing their overall impact and visibility with host-country partners. This lack of synergy occasionally extended to external partners as well; in Bangladesh, one implementing partner noted a lack of effective joint coordination among major international donors operating in the same geographic areas, preventing the establishment of truly collaborative, joint working modalities on the ground.

Finding 1: The Leadership Void and Policy Backsliding

Themes

🟢 **Policy, Standards & Institutional Backsliding**

🟢 **Leadership, Strategy & Long-Term Engagement Gaps**

🟢 **Government & Partner Dynamics**

Interviewees across the five focus countries expressed that the withdrawal triggered severe backsliding in environmental standards, institutional accountability, and high-level policy implementation. This regression was validated by the global survey, in which 55% of respondents reported decreased government engagement on environment and climate-related issues, and 29% noted a broader shift in national policy priorities. Illustrating this macro-shift, one survey respondent described how the Iraqi government closed its Directorate of Climate Change following the withdrawal, shifting its focus from long-term environmental strategies to immediate economic and water negotiations with neighboring countries.

Interviewees were careful to note that the backsliding documented as of January 2026 was rarely driven by sudden hostility from partner governments toward the environment. Rather, partner governments face severe resource constraints and competing national priorities, such as health and security. Interviewees felt that without USAID's continuous "soft diplomacy," financial safety nets, and rigorous, data-driven oversight, partner governments lacked the administrative backbone and confidence to finalize complex reforms.

Across five of the focus countries, interviewees also perceived that USAID's departure left a profound void in strategic thought leadership, institutional stability, and long-term environmental engagement. They emphasized that no other single entity possessed the massive financial scale, holistic approach, or high-level convening power required to sustain landscape-level, systemic transformations. Consequently, they expressed that the sector is experiencing an institutional leadership vacuum, leaving local civil society and government actors without a trusted "champion" or strategic sounding board to guide reforms, broker multi-sectoral coalitions, and absorb the risks inherent in complex development. This sentiment was strongly validated in the global survey. As a respondent from a government agency emphasized, "The post-USAID loss of US influence and leadership is immeasurable and irreplaceable." Furthermore, an international NGO respondent warned that this vacuum poses a severe long-term risk, noting that these leadership and capacity gaps "are being filled fast, often by self-interested actors whose priorities don't align with the public good or environmental stewardship."

The Loss of U.S. Diplomatic Influence and Stalled National Mandates

A critical element of this void is the removal of the U.S. as an essential political counterweight with significant diplomatic influence. Respondents noted that USAID utilized its unparalleled diplomatic leverage to provide the powerful external advocacy needed to influence partner government policies and compel environmental compliance. In Colombia, the withdrawal removed the U.S. presence that had previously served as a protective "layer of restraint" against armed groups and a critical diplomatic voice that had pushed the national administration to maintain market-based environmental policies. A bilateral donor official emphasized that other donors cannot replicate this leadership because they remain fragmented and are "not able to talk with one voice." In Peru, the loss of “soft diplomacy” and quiet partnerships abruptly severed the behind-the-scenes negotiations that had previously protected local economies from international threats, such as illegal foreign fishing fleets. The exit also left some aspects of intergovernmental coordination among Amazonian nations unfunded, even as regional governments were eager to collaborate.

This loss of external advocacy handicapped local reformers. In Kenya, the withdrawal triggered an "insider negotiation dilemma." A government official explained that without USAID acting as an external advocate, insiders lost the independent platform required to effectively lobby their own peers and national ministries for internal environmental budget allocations. Additionally, by financing highly qualified technical staff within local institutions, USAID sustained internal "champions" who kept the bureaucratic engine running. When the funding vanished, these champions departed, causing agency performance to collapse and leaving local reformers without the internal allies needed to approve or participate in complex programs.

Without this technical assistance and external pressure, vital national mandates slowed or stagnated. In the Philippines, one partner emphasized the stalling of critical national legislation, specifically noting a "big gap right now in terms of providing assistance... to push the policy reforms" for bills creating a Department of Water Resources and a Water Regulatory Commission. If passed, these bills would structurally revolutionize the sector's planning, policy formulation, and the economic regulation of utilities. In Kenya, an interviewee highlighted the disruption of the

"Ending Drought Emergencies" framework, a highly targeted strategy intended to serve as a global and regional model for proactive disaster risk management. While the comprehensive framework had successfully reached the cabinet level, the sudden loss of USAID's technical support left it hanging and significantly slowed its final approval, despite the government of Kenya's efforts to continue advancing the policy through legislative clearances.

Another interviewee in Kenya explained that the withdrawal of USAID support removed the platform they were using to push for policy action on air quality issues. As a direct result, the country had not yet begun its planned vehicle emissions testing at the time of our interviews. Additionally, plans to mandate that every private emitter install an Emission Monitoring System for real-time, quarterly reporting were also stalled. Furthermore, at the county level, critical regulations were left abandoned mid-draft; for example, guidelines to regulate destructive sand harvesting in Homa Bay were left hanging because the project could no longer pay the consultants writing them, and local governments have not absorbed the cost.

In Mozambique, the withdrawal halted a landmark carbon market policy framework just months before its anticipated approval. Interviewees explained that USAID had spearheaded the framework to help the country mobilize international climate finance; however, implementers lost their funding so abruptly they "didn't even have time to hand it to the government."

In Colombia, interviewees reported that high-level bilateral initiatives that explicitly integrate environmental protection into the counter-narcotics agenda have completely stopped. USAID had successfully inserted environmental issues into the broader U.S. security dialogue, working to address the complex reality that half of Colombian coca is grown within national parks and protected areas. The agency was making critical progress in securing the official adoption of environmental conservation and voluntary crop substitution by the Colombian government's National Planning Department as part of its policy metrics. However, the sudden withdrawal left this foundational work unfinished, with an interviewee noting, "we had a long way to go to get everything in there, and we left, and it stopped." Furthermore, while the Colombian government continues to request assistance to maintain these sustainable substitution strategies, the U.S. Embassy lacks the development mandate to support them, leaving this vital policy intersection completely stalled. Reporting from NPR notes that the Trump administration's broader goals to crack down on drug trafficking are directly threatened by these cuts to Amazon aid programs. Aid workers in the region describe the dynamic as straightforward: when funding for alternative crops disappears, coca cultivation returns.[25]

[25] Tegel, Simeon. "On the frontlines of Peru's forgotten cocaine war." *NPR*, 25 Oct. 2025, www.npr.org/2025/10/25/nx-s1-5580307/on-the-frontlines-of-perus-forgotten-cocaine-war.

The Loss of Diplomatic Safeguards and Peru's Forestry Law

Peru's political landscape has been defined by extraordinary instability: the country has cycled through eight presidents in the past decade[26]. This turnover has left Congress as the country's real center of gravity, and environmental rollbacks have been one of the clearest expressions of its priorities. In January 2024, lawmakers pushed Law 31973[27], amending the Forestry and Wildlife Law to eliminate the requirement that landowners and companies obtain state authorization before converting forested land to other uses, and retroactively legalize past unauthorized deforestation[28], shielding an estimated 10,000 open forest-crime cases from prosecution[29].

Before the withdrawal, USAID consistently used its significant diplomatic leverage to influence the Government of Peru to respect mandatory environmental safeguards and human rights. When controversial modifications to the Forestry Law were pushed through Congress, bypassing public discourse and indigenous consultation, USAID stepped in to mitigate the damage. Through "soft diplomacy," the agency used its convening power to bring together the Ministry of Agriculture, the Ministry of Environment, the Forestry Service, farmers, and NGOs. They successfully pressured the government to agree to hold national roundtables to establish technical safeguards for implementing the new law and its subsequent land titling processes.

However, the day the terms of reference were signed to begin implementing these collaborative safeguards, the USAID funding freeze was announced. The sudden withdrawal immediately removed the trust and diplomatic pressure that had kept the negotiations balanced. Without the U.S. acting as a neutral broker to enforce the agreements, the planned roundtables were abandoned, and the government moved forward with implementing the controversial law without the promised civil society oversight. While the withdrawal did not trigger the forestry modifications, interviewees emphasized that it abruptly removed the protective diplomatic guardrails negotiated to

[26] "Why Has Peru Had So Many Presidents?" *Britannica*, 9 June 2026, www.britannica.com/topic/Why-Has-Peru-Had-So-Many-Presidents.

[27] Campodónico Sánchez, Humberto. "The Soto-Cerrón Law and Deforestation in Peru." *Rights + Resources*, 31 Jan. 2024, rightsandresources.org/blog/the-soto-cerron-law-and-deforestation-in-peru/.

[28] Grattan, Steven. "Amendment to Peru Law Raises Fears of Amazon Rainforest Destruction." *The Washington Post*, 15 Apr. 2025, www.washingtonpost.com/world/2025/04/15/peru-forest-amendment-indigenous-law-constitutional-court-deforestation/02c1de58-19fe-11f0-9160-306c35f9b3a8_story.html.

[29] Gabay, Aimee. "Critics Decry Controversial Bill That Loosens Deforestation Restrictions in Peru." *Mongabay*, 9 Feb. 2024, news.mongabay.com/2024/02/critics-decry-controversial-bill-that-loosens-deforestation-restrictions-in-peru/.

limit the resulting deforestation. Consequently, experts warned that permanent production forests have already decreased dramatically.

Decreased International Climate Ambition

Interviewees perceived that the loss of technical data and mapping capabilities hindered partner governments' ability to qualify for international climate finance. In the Congo Basin, for example, the sudden freeze of the Central Africa Regional Program for the Environment (CARPE) abruptly halted specific support for regional governments to accurately map their forests so they could receive international payments for keeping them intact.[30] A subset of interviewees also perceived that the withdrawal directly impacted the rigor and viability of their countries' international climate and biodiversity commitments. In Latin America, interviewees observed that the abrupt cancellation of specialized U.S. technical support for international climate compliance, specifically for Nationally Determined Contributions (NDCs) and Biennial Transparency Reports, led to weaker climate strategies. Without this embedded technical assistance, one regional technical partner felt that host nations submitted "more modest ambition" on their NDCs, noting that without U.S. experts to help build robust greenhouse gas tracking systems, governments reverted to short-term “band aids” to patch their environmental data gaps. These quick fixes lacked technical rigor and prevented countries from confidently committing to higher, long-term climate targets.

This struggle extended globally, as host nations realized they lacked the domestic resources to fulfill international pledges without USAID's support. In Vietnam, respondents highlighted a technical and financial gap in fulfilling the country's pledge to achieve Net Zero by 2050. One interviewee noted that the U.S. government was a key signatory to Vietnam's Just Energy Transition Partnership (JETP), and that the sudden drop in USAID's foundational support for that transition represented a "massive loss" to the country's ability to meet its international energy commitments. Likewise, in Kenya, one project leader warned that because mitigation projects were halted mid-stream, projects that were supposed to feed into the country's NDC are now halted or only partially being undertaken, hindering the country's ability to meet its NDCs.

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[30] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/

Abrupt Reversals and the Degradation of Community-Led Governance

Finally, respondents perceived that without the administrative scaffolding and continuous diplomatic presence provided by USAID, local community-led governance structures began to unravel, and governments occasionally rolled back established environmental agreements.

In Bangladesh, interviewees observed a devastating reversal of 25 years of co-management agreements; one implementing partner noted that the moment U.S. funding ended, the government restricted community access to the Baikka Beel wetland, effectively reclaiming sole control and ignoring the decades of community stewardship. Furthermore, another implementing partner observed that community-based organizations lost operational momentum, stopped holding regular meetings, and abandoned established financial management practices, while momentum to officially register legal land rights for "village common forests" was abruptly halted.

In Kenya, one implementing partner observed that the withdrawal of core administrative funding, which had previously funded vital personnel such as accountants, grant managers, and monitoring staff, caused the administrative frameworks of young community conservancies to begin to break apart. Without the continuous presence of USAID acting as a "neutral body" to provide oversight and mediate local politics, this partner warned that these fragile community organizations are now highly susceptible to "elite capture." Writing in Business Daily, conservationist Dr. Tuqa Jirmo emphasized this exact breakdown, noting that donor withdrawals and leadership disputes have left rangers unpaid and communities losing motivation. As these community-led surveillance and support systems unravel, he warns that bushmeat poaching is already experiencing a resurgence.[31] In this administrative vacuum, a small group of individuals could easily consolidate power, hold exclusive elections, and distribute resources in ways that ignore the broader community's best interests. Furthermore, another implementing partner emphasized that the loss of this community-level engagement abruptly halted the momentum to expand conservancies into new, critical wildlife corridors, leaving those unprotected lands highly vulnerable to imminent land subdivision and alienation.

In Vietnam, one implementing partner highlighted the impact of the loss of forest land tenure formalization efforts. The initiative was designed to help communities consolidate individually allocated household forest parcels into community forest tenure, enabling collective management, strengthening forest protection, and positioning communities to participate in payment-for-forest-ecosystem-services programs and the emerging domestic forest carbon market. To complete this transition, participating households voluntarily relinquished their individual Forest Land Use Right Certificates so that the government could formally allocate

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[31] Jirmo, Tuqa. "Wildlife crisis may undermine tourism boom worth billions. " Business Daily, 11 May 2026, https://www.businessdailyafrica.com/bd/opinion-analysis/letters/wildlife-crisis-may-undermine-tourism-boom-worth-billions-5455064.

community forest tenure through the local forest land allocation process. The interviewee described this as households temporarily returning their land rights to the Commune People's Committee for reallocation. The project had successfully conducted the community consultations, secured local consent, and completed the initial paperwork; however, when the funding abruptly stopped mid-stream, the land was left stranded in bureaucratic limbo as "unallocated land" under the local government's control. The partner emphasized that this disruption actively made the situation worse, effectively turning "secure land back to insecure land" and potentially costing the community their chance to secure formal land rights.

The Stalling of Co-Management Revenue Sharing in Bangladesh

For over two decades, USAID was a pioneer of the “co-management” model in Bangladesh, striving to transition conservation from a "fortress model" that primarily focused on national parks to a more collaborative model that engaged communities as stewards of natural resources. A critical milestone in this long-term strategy was the establishment of Protected Area Management Rules, which included a groundbreaking revenue-sharing mechanism.

Under this framework, money generated within protected areas, particularly from ecotourism, would be legally required to be reinvested directly back into those protected areas and their local community co-management organizations at a specific ratio. One implementing partner emphasized that this mechanism would have "dramatically shifted the power dynamics" by providing sustainable, independent financing that empowered local communities to lead conservation efforts long after donor projects ended.

However, actualizing this policy was bureaucratically complex. Bangladesh's Forest Department was inherently hesitant to relinquish financial control, and the national auditing bodies required highly detailed Standard Operating Procedures to specify exactly how these shared funds would be used securely once released. USAID played an essential role in supporting the process, acting as a trusted facilitator to overcome bureaucratic hurdles, address audit observations, and collaboratively draft the necessary implementation guidelines with high-level policymakers.

The tragedy of the abrupt withdrawal was that this decades-long effort was halted at the absolute finish line. The Standard Operating Procedures had been fully drafted, reviewed by the Forest Department, and were sitting on the government secretary's desk awaiting a final signature. Yet, when USAID's funding and strategic leadership suddenly disappeared, the external political nudge and continuous "hand-holding" required to push the guidelines through final approval vanished. Multiple interviewees, including the government official and a former agency staff member, lamented that without the donor actively navigating the bureaucratic complexity and pushing the policy forward, the implementation of this vital revenue-sharing model remained stalled (as of January 2026).

Finding 2: The Collapse of Data, Monitoring, and Transparency

Themes

🟢 **Data, Monitoring & Institutional Memory Loss**

The Erasure of Institutional Memory and Digital Public Goods

Interviewees in all five focus countries stated that the abrupt cessation of funding triggered a significant loss of institutional memory and historical learning across the environmental sector. Interviewees felt this erasure was in part due to the sudden shutdown of USAID's centralized knowledge management platforms, specifically the Development Experience Clearinghouse (DEC), which a former evaluating consultant referred to as the "Open Library," as well as various sector-specific hubs such as Globalwaters, Biodiversity Links, and Climate Links. They explained that abruptly taking these websites offline eliminated the public's access to decades of accumulated research, project evaluations, and essential tools that local governments and NGOs relied on to make evidence-based decisions.

In Colombia, an evaluator explained that the disappearance of the DEC removed access to diagnostics, evaluations, and tools, reducing the availability of high-quality evidence that local governments had relied upon for decision-making and replicating past successes. Similarly, in Peru, a former agency staff member recalled that because "everything was in the [DEC]," the sudden shutdown meant an "amazing amount of knowledge" and decades of historical documents and reports "do not exist anymore" for local use. This loss has not only blinded local practitioners but also obstructed independent journalists attempting to track the global fallout of the cuts. Media reports highlight this exact phenomenon, noting that the abrupt decision to delete large parts of USAID's website removed vital, publicly available documentation overnight, effectively obscuring the global picture of what conservation efforts were suddenly at risk.[32] This fear was echoed globally in the survey, with a former USAID staff member warning decision-makers about the critical danger of losing "highly valuable USAID institutional memory, lessons learned, and networking."

The withdrawal also severed or disrupted access to external scientific public goods. In East Africa, under-resourced national meteorological services relied heavily on platforms such as the International Research Institute (IRI) Data Library and Famine Early Warning System Network (FEWS NET), for day-to-day climate and agricultural forecasting. Following the funding withdrawal, interviewees noted that access to FEWS NET's decades of validated products was completely cut off, though practitioners note they are now "coming back slowly." The impact on the IRI Data Library was more permanent; interviewees explicitly noted that the independent Columbia University platform did not close exclusively because of USAID; the broader loss of funding meant the institute lacked the staff to keep the data portal operational, forcing it to phase out. An interviewee emphasized that these open-source tools served as vital public goods that "democratized access to climate information," providing critical data to countries whose meteorological agencies might have only "two people." Without these open-source platforms, vulnerable nations have abruptly lost the foundational baselines required to track and plan for climate change and protect local agriculture. A survey respondent from Columbia University validated this exact gap, citing the massive "disruption to networks and funding that provide evidence-based decision-making tools and information."

This erasure of digital public goods extended into critical environmental health monitoring. As reported by Devex, the State Department abruptly ended its Global Air Quality program, pulling air pollution data from public-facing apps such as AirNow and ZephAir. This move stripped communities in more than 50 countries of access to trusted, independent air-quality measurements. In 17 of those nations, including the Democratic Republic of Congo, Myanmar, and Togo, the U.S. embassy monitors provided the only publicly available air quality data. Without access to this open-source baseline data, local advocates are now flying blind, lacking the public transparency and reference points needed to push for clean air policies effectively and hold polluters accountable.[33]

This loss of centralized data also impacted in-country projects. In Bangladesh, an implementing partner noted that a massive initiative to develop a national data repository intended to consolidate decades of natural resource management and conservation data from the Government of Bangladesh, USAID, and other donors was disrupted midstream. The partner explained the goal was to democratize access so that stakeholders could "just click to get all the

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[32] Mukpo, Ashoka. "Across the world, conservationto push for clean air policies effectively projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, https://news.mongabay.com/2025/02/across-the-worldconservation-projects-reel-after-abrupt-us-funding-cuts/.
[33] Root, Rebecca L. "Why did the US State Department stop sharing air quality data?" Devex, 30 Jun. 2026, https://www.devex.com/news/why-did-the-us-state-department-stop-sharing-air-quality-data-112810.

information," but without the final push, the platform failed to launch. Additionally, practitioners warned that project-specific raw data are trapped in implementing partners' internal systems. In Vietnam, for example, environmental survey data intended to inform local government policy now sits in an NGO's internal SharePoint, with no clear procedure for transferring it to the state.

The Degradation of M&E and Accountability Mechanisms

Implementing partners reported that the withdrawal severely weakened local monitoring and evaluation (M&E) systems, resulting in a perceived loss of rigorous accountability mechanisms and the inability to track granular climate metrics. In Bangladesh, partners emphasized that USAID's uniquely rigorous M&E standards historically ensured high quality and prevented the misuse of funds; they expressed concern that transitioning to donors with highly flexible or less rigorous oversight could result in funds failing to reach the intended communities. In Vietnam, implementers similarly praised USAID's rigorous M&E frameworks, noting that USAID invested heavily in standard indicators that measured direct, sustainable impacts rather than relying solely on performance-related, indirect metrics, such as the number of people trained.

Project Leaders in Peru and Vietnam lamented the loss of USAID's Collaborating, Learning, and Adapting (CLA) framework. They explained that USAID was a pioneer in using rigorous "Theories of Change" and mandatory "pause and reflect" sessions to continuously analyze data and adjust strategies mid-stream, with a former U.S. government official describing it as a game-changer for the sector. Without this structured learning, partners feared a return to short-term, uncoordinated projects that do not track long-term systemic impact. This qualitative loss is reflected globally, with survey respondents overwhelmingly reporting a "severe impact" on their access to evidence and learning.

The abrupt withdrawal of funding disrupted the learning process; in Vietnam, implementers lamented being deprived of the opportunity to evaluate their final results, so critical evidence and lessons learned could not be documented for future upscaling or policy development. The loss of this framework also isolated organizations; partners in Vietnam noted they lost the unique, cross-project learning spaces where implementers could collaboratively problem-solve and establish shared norms.

However, the deep investment in these frameworks left a resilient legacy. In Peru, local NGOs found the rigorous structures so vital for tracking long-term policy goals that they have internalized them independently. Implementers reported that they still conduct their own internal "pause and reflect" sessions and are actively applying USAID's Theory of Change methodologies to their work with new philanthropic donors, who typically lack such comprehensive, long-term structures.

Interviewees also warned that this structural loss of tracking was actively distorting regional climate data and exacerbating inequalities in private sector funding. In Kenya, an implementing partner explained that the withdrawal exposed a critical nuance in global climate finance tracking: the loss of USAID-funded M&E resources made the climate adaptation impacts of micro, small, and medium enterprises (MSMEs) virtually invisible. The partner explained that while a farmer purchasing drought-resistant seeds is practicing climate adaptation, local financial institutions simply classify this as a standard agricultural loan unless explicitly guided to track it otherwise. They warned that without dedicated USAID resources to pay M&E teams to clean and categorize this granular data, legitimate grassroots adaptation is being erased from global climate finance metrics and simply placed "in a file."

Consequently, this lack of subsidized environmental tracking has broader systemic consequences for private-sector accountability. Implementers warned that this structural lack of verifiable tracking inadvertently increases the risk of corporate “greenwashing,” as global climate finance naturally defaults to larger entities that already possess internal reporting capabilities. Furthermore, even for corporations actively pursuing sustainable practices, the loss of USAID's technical frameworks severely hampered their operations. For example, in Colombia, major private sector dairy companies working on nature-based solutions at the farm level lost the carbon accounting methodologies provided by the project, severely limiting their ability to monitor and report their environmental impacts formally.

Interviewees perceived that the collapse of accountability also extended to civil society oversight and the survival of independent journalism. In Colombia, an implementing partner warned that the abrupt loss of funding threatened the survival of independent media groups that were crucial not only for reporting on environmental crimes but also for providing vital transparency data to Colombia's Congress, universities, and other public entities. The partner emphasized that this impact is largely invisible to the broader public, who are unaware of how heavily these watchdogs relied on USAID. As regional conflicts intensify, they fear that the loss of these media groups could mean environmental realities and crimes in remote areas go completely dark.

This devastating blow to transparency was echoed in Peru, where an implementing partner reported the loss of a partner organization dedicated to combating "information deserts" in the Amazon region by supporting local, grassroots journalists. This initiative had successfully published critical online investigative reports exposing the complex financial web connecting illegal gold mining, corruption, and global gold markets. Interviewees reported that when the funding was suspended, the Latin American director and their entire team were dismissed within a month, immediately cutting off vital micro-grants to small journalistic organizations and individual reporters. This localized collapse of environmental oversight in places like Colombia and Peru reflects a sweeping, transnational crisis for civil society. A joint assessment by Internews Europe, BBC Media Action, and Free Press Unlimited confirmed that the withdrawal of U.S. funding has forced watchdog outlets across 22 Latin American countries to scale back drastically, with some closing entirely. Without these specialized, donor-backed organizations, investigations into corruption and environmental crimes are left unchecked, while local reporters are exposed to escalating physical and legal threats.[34]

This paralysis of independent oversight has effectively halted accountability in some of the world's most critical and high-risk geographies. Media reports also documented how the loss of USAID-backed grants has damaged cross-border investigative networks like InfoNile. Without these resources, specialized reporters can no longer investigate biodiversity loss or expose illegal logging networks in the Congo Basin, severely crippling civil society's ability to hold perpetrators accountable.[35]

The Loss of the "Neutral Calculating Agent" in East African Climate Insurance

USAID previously funded the Intergovernmental Authority on Development (IGAD) Climate Prediction and Application Centre (ICPAC) to provide vital satellite data and climate diagnostics across 11 East African countries. Interviewees explained that a crucial function of this support was ICPAC's role as a "calculating agent" for index-based micro-insurance products designed to protect vulnerable farmers. Implementers noted that because many of these insurance products were originally developed by agencies outside the region, the exact satellite data thresholds (such as Normalized Difference Vegetation Index, or NDVI, values) required to trigger a drought payout often clashed with local realities, leading to disputes. ICPAC acted as an objective, science-backed mediator, convening insurance providers and member states annually to harmonize data, evaluate payout thresholds, and resolve conflicts. Before the funding was cut, ICPAC was actively working to develop and harmonize new, customized micro-insurance products specifically for the region. Interviewees warned that this neutral mediation is now unfunded, leaving threshold disputes entirely in the hands of service providers and inherently disadvantageous to the vulnerable communities who rely on these frameworks for grassroots climate adaptation.

Stranded Data, Unmonitored Landscapes, and Squandered Baselines

Interviewees expressed concern that the abrupt funding halt left large amounts of physical data sitting unused and critical environmental landscapes unmonitored. In Colombia, where the exit

[34] Copeland, Rafiq. "Crisis in Journalism: The Impact of the U.S. government Funding Cuts on Global Media." Internews Europe, BBC Media Action, and Free Press Unlimited, June 2025, internews.org/wp-content/uploads/2025/06/FINAL-Crisis-in-Journalism.pdf.
[35] Deighton, Ben. "Science journalism on the ropes worldwide as US aid cuts bite." *Nature*, 19 Feb. 2026, https://www.nature.com/articles/d41586-026-00117-7.

occurred mid-process during the automation of the National Land Agency's information systems, a former project director warned that over 70,000 rural land tenure cases and vital cadastral data were left stranded and at risk of simply sitting “in a drawer” without the final technical support needed to process them, meaning thousands of vulnerable rural families will not receive their formal land titles. Furthermore, this data stranding actively prevents local municipalities from updating their boundaries to collect taxes and undermines the broader strategy of using secure land rights to mitigate deforestation and combat illegal economies. Stranded data have also created unexpected security vulnerabilities. In Kenya, a former project director noted that highly precise wildlife location data, collected over three years using advanced tracking systems like SMART and EarthRanger, is now sitting unmanaged; they warned that without operational oversight and with the sudden dismissal of trained staff, this valuable data could be commercialized and sold directly to poachers, turning a conservation tool into a direct threat.

On the ground, practitioners warned that the lack of monitoring resources has left highly vulnerable ecosystems and critical early-warning networks in the dark. In northern and coastal Kenya, community conservancies previously fed real-time surveillance into a central digital hub, providing essential data not only on wildlife but on illegal firearms, bushmeat, and extremist movements like Al-Shabaab. Following the withdrawal, one project leader reported that this interaction dropped to a minimum, removing a vital source of regional intelligence. In Vietnam, a former agency staff member warned that the loss of funding directly affected biodiversity monitoring, abruptly ending a major inventory in a highly diverse region that has lacked reliable statistics for 20 years. This leaves the government without reliable statistics on critically endangered species or forest resources to inform conservation efforts. This degradation of baseline environmental monitoring is also blinding conservation efforts in the Congo Basin. In Cameroon, for example, the funding freeze severely disrupted vital climate adaptation and forest protection programs. As reported by Mongabay, this created an immediate operational vacuum in which field activities slowed, and day-to-day environmental monitoring was drastically reduced, leaving local communities without the technical oversight needed to manage their resources.[36] In a separate media report, researcher Matthew Hansen explained that his lab had been working directly with regional governments in the Congo Basin to accurately map their forests so they could receive international payments. However, the funding freeze halted the project midstream, with Hansen telling the publication, “We just had the plug pulled on us, and we don't have a plan right now.”[37] These blind spots are a global issue, as 48% of all survey respondents reported "reduced data/monitoring systems" following the withdrawal.

[36] Mabo, Fanta. "African environment programs still try to fill funding gap since USAID freeze." *Mongabay*, 11 Dec. 2025, https://news.mongabay.com/2025/12/african-environment-programs-still-try-to-fill-funding-gap-since-usaid-freeze/.
[37] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, https://news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/.

Finding 3: Escalating Risks to the Environment and Marginalized Communities

Themes

🟢 **Biodiversity, Environmental & Other Risk Escalation**

🔵 **Risks to Vulnerable Populations & Communities**

Across the focus countries, interviewees perceived that the sudden removal of financial and diplomatic support exacerbated direct physical danger for frontline defenders, removed the guardrails on illicit economies leading to environmental degradation, contracted independent civic space, and drove marginalized communities back toward destructive survival tactics as socioeconomic lifelines were severed. While interviewees widely acknowledged that escalating environmental risks are driven by complex domestic politics, systemic poverty, and pre-existing regional conflicts, they emphasized that the abrupt withdrawal of U.S. funding and oversight acted as a catalyst.

Direct Physical Risks to People and Communities

Interviewees emphasized that the visible presence of USAID-backed initiatives previously acted as a powerful protective mechanism for vulnerable populations and environmental defenders operating in high-risk conflict zones. In Colombia, a former agency staff member noted that USAID effectively served as a "layer of restraint" against illegal armed groups controlling industries like illicit gold mining. Without the U.S. flag on the ground, they warned that these armed actors are now acting "more blatantly," leaving local beneficiaries highly exposed to violent retaliation. Another former agency staff member explained how this danger is particularly acute for local leaders and farmers who had collaborated with USAID Alternative Development programs. These initiatives involved entering into highly sensitive agreements to voluntarily eradicate illicit crops in exchange for support in transitioning to sustainable, legal livelihoods such as agriculture or ecotourism. Because the funding and physical protection abruptly vanished, they warned that these farmers were left stranded and exceptionally vulnerable to the cartels and armed groups who dominate those regions. Highlighting the severity of this abandonment, they noted that farmers "were getting threatened by illegal actors because they were in this model of substitution... and we just left." Media reports on the Colombian Amazon perfectly capture the whiplash of this abandonment. Previously, USAID had invested heavily in transitioning farmers away from illicit economies, but the sudden freeze of $70 million in conservation grants for Colombia halted these efforts mid-stream.[38] In regions like Guaviare, USAID funding had successfully convinced former FARC guerrillas and coca farmers that protecting local wildlife could provide a viable, legal income through ecotourism. However, when the conservation grants were suddenly frozen, these vulnerable populations were left alone. Local organizers warn that without the capital to complete this sustainable tourism infrastructure, marginalized farmers feel deceived and are highly likely to revert to logging and coca cultivation out of sheer economic necessity.[39]

Also in Colombia, an implementing partner explained that USAID's presence had previously provided crucial visibility and oversight, which protected social leaders in high-risk zones. Establishing the baseline danger these individuals face, another implementer bluntly noted that "[In] Colombia, we have a terrible situation in terms of murder... [of] social environmental leaders... in the struggle for the protection of the environment." Interviewees explained that while USAID did not always offer physical security, its active due diligence and embedded presence ensured that any threats to these leaders were immediately escalated and made highly visible to the press, local media, and the U.S. Embassy. With that oversight gone, implementing partners warned there is a devastating risk that violence against these leaders will occur in the shadows. This localized fear is actively playing out across the broader region. A survey respondent managing climate action and land tenure programs in Latin America explicitly reported that their operational context is now suffering from "regional security and safety of leaders." At the same time, a former

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[38] Griffin, Oliver. "USAID environmental funding worth $70 mln frozen in Colombia, minister says." Reuters, 13 Feb. 2025, https://www.reuters.com/business/environment/usaid-environmental-funding-worth-70-mln-frozen-colombia-minister-says-2025-02-13/.

[39] Bassett, Laura. "Without USAID, Conservation and Tourism Projects Have Ground to a Halt." *Condé Nast Traveler*. 21 Aug. 2025, https://www.cntraveler.com/story/without-usaid-conservation-and-tourism-projects-have-ground-to-a-halt.

agency staff member warned that the ecosystem shock will "weaken safeguards for equity and inclusion, and silence minority voices." To make matters worse, in Colombia, a former agency staff member noted that local leaders are now facing an escalated threat of violent retaliation specifically because they previously collaborated with an American agency; without the U.S. "layer of restraint" to hold anti-American armed groups back, former partners are left highly exposed and targeted for their past alliances. Ultimately, as one local implementing partner stressed, sudden project closures are "human events, with direct impacts on the lives, safety, and dignity of entire communities," and concluded that "funding the environment in Colombia is, inevitably, funding the defense of rights."

The vacuum of USAID's presence was also deeply felt in Peru, where indigenous peoples are at the epicenter of territorial threats. While interviewees acknowledged that environmental crimes in the Peruvian Amazon are currently "out of control" due to a range of complex factors, they stressed that USAID's withdrawal compounded the crisis. The sudden loss of U.S. support meant a reduced on-the-ground presence, less funding for surveillance, such as overflights of mining sites, and, crucially, a significant drop in political pressure on local governments to act, creating "very favorable ground for illegal activities."

Interviewees emphasized that USAID's diplomatic efforts have historically provided vital support for environmental defenders, leveraging its political weight to pressure the Peruvian government on human rights issues, even when it made the government "uncomfortable." Furthermore, the agency proactively ensured that indigenous groups had a seat and a voice in national policy discussions, a dynamic that the Peruvian government did not always welcome. Over years of sustained engagement, USAID built such deep trust with indigenous leaders that when these communities needed to communicate grievances or seek help navigating conflicts with their own government, they went directly to USAID leadership to act as their liaison and diplomatic bridge.

Without USAID playing this role, indigenous environmental defenders are facing escalated threats of physical violence and judicial harassment, forced to confront the expansion of illicit economies on the front lines without the protective backing of a powerful international ally. This vulnerability is currently playing out with deadly consequences. As the Associated Press reports, the unchecked expansion of illegal gold mining, logging, and drug trafficking into remote rainforests is bringing a wave of violence against the very indigenous groups trying to steward the land. Without diplomatic and financial backing, these environmental defenders are highly exposed; for example, rights groups note that killings of Indigenous defenders, such as the 2023 assassination of Quinto Inuma Alvarado in Peru, frequently go unpunished as criminal networks expand.[40] Compounding this physical vulnerability, the withdrawal also abruptly severed the dedicated funding USAID had reserved to strengthen indigenous representative institutions, including vital training in financial

[40] Grattan, Steven. "Indigenous Amazon groups urge the UN to curb organized crime, not militarize territories." *AP News*. 11 May 2026, https://apnews.com/article/amazon-united-nations-indigenous-mining-latin-america-3743e4dfb3068fe5721561fb4e96139e

planning and safeguards, leaving these communities structurally less equipped to advocate for their own protection amid escalating crises.

In Bangladesh, the abrupt loss of funding directly endangered frontline conservation volunteers, particularly women who were actively stepping in to monitor environmental crimes. A former USAID staff member noted that female community patrollers were directly involved in reporting and visiting sites where illegal deer poaching was occurring. Because these community members were at risk of retaliation from wildlife criminals, USAID was actively developing critical safeguards and transitioning to anonymous digital reporting apps to protect them from backlash. However, the sudden withdrawal of funds froze these protective measures mid-stream, leaving indigenous people and local volunteers highly exposed to physical risks without the planned safety nets to shield them from the perpetrators they were monitoring. The global survey data directly validated this breakdown in protection; as one respondent working in South Asia reported, "Safeguards for local communities and organizations do not exist anymore, especially volunteers and patrollers involved in reporting environmental and wildlife crimes."

In Kenya, interviewees discussed how the withdrawal poses physical risks to communities in regions where environmental programs doubled as crucial peacebuilding and anti-radicalization initiatives. Implementers highlighted a reconciliation project in Baragoi, an area historically synonymous with bloodshed due to fierce inter-tribal conflict among the Samburu, Turkana, and Pokot tribes. Through community conservancy structures, USAID helped stabilize these former "war zones." Because inter-tribal violence is fundamentally driven by competition over scarce natural resources, USAID programs utilized collaborative environmental management as a neutral platform to forge peace, offering at-risk community members alternative vocational training to keep them away from illegal activity and resource extraction. With funding and oversight abruptly gone, local partners noted that active peacebuilding programs were halted, resulting in an immediate backslide into violence "at a scale that was beyond control." Stripped of alternative livelihoods and stability, communities were forced back into destructive survival tactics, resulting in severe ecosystem degradation. This erosion of community-level conflict prevention is exacerbating violence across the broader region. An investigation by Devex highlighted that USAID had historically funded vital mediation efforts and coordination forums across northern Kenya to manage disputes over grazing and water. With that financial support now gone, communities are confronting intense climate pressures and resource scarcity with virtually no tools or neutral forums to manage the friction, paving the way for organized, armed livestock raids and inter-tribal violence.[41]

[41] Mersie, Ayenat. "A year without USAID: In Kenya, the shock reaches herders and hospitals." Devex, 4 Mar. 2026, https://www.devex.com/news/a-year-without-usaid-in-kenya-the-shock-reaches-herders-and-hospitals-111978.

Direct Threats to Biodiversity and the Environment

Interviewees across the focus countries warned that the dismantling of USAID would lead to a rapid escalation in environmental risks, primarily due to the sudden loss of frontline law enforcement and direct biodiversity monitoring, as discussed in Finding 2. In Mozambique, for instance, USAID had been the lead donor supplying direct operational support, including helicopters, vehicles, and the training of approximately 300 law enforcement officers, judges, and prosecutors. This deep investment led to historic milestones, including achieving "zero elephant poaching" in Gorongosa since 2018 and significant reductions in lion killings. A former agency staff member warned that without the USAID presence to fund patrols, there is extreme frustration and fear regarding isolated areas like the Niassa Special Reserve, which is now dangerously vulnerable to unchecked wildlife crime. By suddenly closing the door on the operational side of law enforcement, the private operators, local rangers, and communities living near the reserve have been stripped of their protection, leaving them highly exposed to physical violence and the unchecked resurgence of heavily armed poachers.

In Kenya, we heard from a project team that when funding was cut, essential support covering salaries, rations, vehicle fuel, and uniforms for local wildlife rangers was abruptly terminated. This sudden loss of financial support effectively brought "boots on the ground" security operations to a standstill, leaving vast rangelands without their primary line of defense. In Vietnam, one project leader told us about how the withdrawal immediately halted community patrols that protected a newly rediscovered, critically endangered population of Delacour's langurs, leaving the fragile group of 13 individuals highly vulnerable to poachers. In other regions of Vietnam, another project leader expressed how the loss of patrols, paired with the abrupt halt in deploying technical law enforcement tools such as SMART patrolling systems and camera traps discussed in Finding 2, has left fragile habitats completely unmonitored.

Beyond potential threats stemming from a lack of law enforcement capacity, we heard from interviewees about direct environmental threats and backsliding. On a global scale, the sudden loss of operational funding for anti-poaching patrols has had immediate consequences; one practitioner reported that "dozens of animals... have been poached," specifically noting the loss of highly vulnerable rhinos. This backsliding extended across the specific focus countries as well.

In Peru, a technical partner noted the lack of support and oversight from USAID coincided with a rapid spike in unauthorized infrastructure, pointing out that illegal landing strips used for smuggling gold and drugs in the Ucayali region of the Amazon rainforest more than doubled, from 62 to 141, shortly after the withdrawal disrupted regional interventions. They were careful to note that this increase was "not because USAID directly fought the illegal deforestation," but rather because USAID's "actions and the policies and the boots on the ground helped to control some of it" by giving local institutions the actual tools they needed to fight these crimes. When that funding was lost, those tools and support vanished, making way for the expansion of illegal activities.

In Colombia, an interviewee explained that the collapse of the previously discussed Alternative Development programs has not only left participating farmers and environmental defenders physically vulnerable but has also driven a direct regression in land use. They explained that without the financial incentives provided by the programs to keep them in legal markets, vulnerable farmers are being driven back to illicit economies. A former agency staff member and a U.S. government partner explained that as armed groups have filled the vacuum, there has been an immediate upswing in deforestation; one former project director noted that illicit coca cultivation, a major driver of environmental degradation, had "doubled" in Catatumbo in the last year. The environmental fallout of this reversion to illicit markets is already measurable on a macro scale. According to data from Colombia's environment ministry reported by Reuters, national deforestation rapidly surged by 43% in 2024, reversing a 23-year low. Authorities explicitly cited the expansion of illicit crops like coca leaves, alongside land-grabbing and illegal road construction, as primary drivers for the destruction of over 113,000 hectares of forest, the vast majority of it located in the fragile Amazon region.[42] While this alarming trend began before the U.S. funding freeze, the abrupt withdrawal of USAID removed a critical countervailing force, effectively pouring fuel on the fire. As noted previously regarding the stranded ecotourism projects in Guaviare, when funding to finalize alternative livelihoods evaporates, the resulting reversion to logging and illicit agriculture poses an immediate and severe threat to the region's biodiversity.[43]

This unchecked extraction is also devastating landscapes in East Africa. In Kenya, implementing partners lamented that the loss of alternative livelihood support meant "all the tree cutters…[and] charcoal burners are now out in the loose," exacerbating deforestation in an area that's already losing 3,000 hectares of ancient acacia woodlands per year to this unregulated extraction. This sudden withdrawal also rippled through coastal environments; the general manager of a local Kenyan social enterprise pointed to a specific, immediate halt in plastic waste recovery operations, noting that "straight away, that volume of plastic that was being recovered from the environment just dropped overnight." He warned that the sudden loss of these recovery efforts left sensitive marine ecosystems, including valuable coral reefs and mangrove forests, vulnerable to massive amounts of plastic pollution.

Similar regressions in habitat management were observed in Asia. In Bangladesh, the loss of community-led conservation support left 226 formerly managed community forests highly vulnerable to a "tragedy of the commons" scenario, marked by surging illegal harvesting and the halting of planned protections for highly sensitive transboundary Asian elephant corridors. Finally, in Vietnam, the sudden loss of funding actively compromised vulnerable species. For example, as

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[42] Bocanegra, Nelson, and Luis Jaime Acosta. "Colombia deforestation surges 43% fueled by fires, land-grabbing." *Reuters*, 31 Jul. 2025, https://www.reuters.com/sustainability/climate-energy/colombia-deforestation-surges-43-fueled-by-fires-land-grabbing-2025-07-31/.
[43] Bassett, Laura. "Without USAID, Conservation and Tourism Projects Have Ground to a Halt." Condé Nast Traveler, https://www.cntraveler.com/story/without-usaid-conservation-and-tourism-projects-have-ground-to-a-halt.

the organizational scope contracted drastically (detailed further in Finding 5), implementers of one project in Vietnam were forced to abandon patrols across vast tracts of primate habitat. Consequently, critically endangered species were left highly vulnerable, with active hunting immediately resuming in the unpatrolled zones.

Severe Socioeconomic Risk to Marginalized Demographics

Interviewees across the focus countries observed that the abrupt withdrawal of USAID funding stripped highly vulnerable populations, including indigenous groups and marginalized women, at-risk youth, and informal workers, of their primary economic lifelines, physical safety nets, and hard-fought pathways to formal markets. Without the continuous engagement and targeted empowerment previously funded by the USAID project, interviewees warned that these demographic groups are now being structurally excluded and increasingly vulnerable to predatory exploitation and humanitarian crises. The global survey data confirms this is a widespread threat, identifying "reduced support for community-level adaptation" as one of the top critical risks emerging across the sector. Summarizing this severe human toll, a survey respondent working across Latin America and the Caribbean warned: "USAID supported organizations that provided critical services for highly vulnerable people and protected fragile ecosystems globally. Without this support, these organizations are rapidly disappearing, increasing social, environmental, and health risks for these communities and our world at large."

Interviewees also detailed how the withdrawal devastated initiatives designed to bring marginalized, informal workers into safe, formalized markets and skilled jobs. In the Philippines, project staff explained that the sudden funding freeze stranded hundreds of informal female waste pickers across Metro Manila who were part of an economic empowerment program. Because these newly formed women's associations lost access to advanced business training and regular engagement, implementers observed that they were left so financially unsupported that members now struggle to afford even the basic bus fare required to convene meetings. Furthermore, interviewees pointed out that even when proactive municipal grant systems exist to help these groups, they contain bureaucratic hurdles, such as requiring an email address to apply, that structurally exclude the poorest informal-sector waste workers, thereby restricting local government support to only the middle tiers of value chains.

This structural exclusion of women and specialized workers was echoed by local implementers globally. In Kenya, the immediate collapse of coastal plastic waste recovery operations exposed sensitive marine ecosystems to severe pollution and simultaneously "created socio-economic gaps and risks to coastal communities through loss of jobs and income." The enterprise's general manager emphasized that this specifically devastated marginalized women and disabled individuals who had been successfully elevated from informal beach cleaners to trained machine operators. In Peru, former agency staff noted that the collapse of support dismantled a groundbreaking organization of female artisanal miners in Madre de Dios, abruptly cutting off their technical pipeline for recovering degraded soils, producing mercury-free gold, and connecting to legal global markets.

Interviewees highlighted that Indigenous communities and rural populations, who face severe baseline vulnerabilities, were also directly impacted by the loss of targeted economic programs. In the Philippines, the broken project commitments for one project (discussed in Finding 5) had severe economic consequences. For example, the withdrawal struck just as equipment was being ordered and harvesting protocols were being finalized for a commercial bamboo processing plant, abruptly cutting 20 expected green manufacturing jobs for an indigenous tribe. In Colombia, an implementer explained that a massive standalone program focused on Afro-Colombian and indigenous empowerment was abruptly canceled. They stressed that this wiped out targeted initiatives that were providing historically marginalized community leaders with unprecedented access to higher education and the capacity to manage multimillion-dollar projects for their own communities autonomously. In Peru, interviewees expressed fear that without independent guidance or financial means to secure fair, alternative partnerships, vulnerable indigenous communities are also now falling prey to predatory "carbon cowboys." These "carbon cowboys" are opportunistic brokers who approach resource-strapped communities to secure the carbon rights to their forests, often deceiving them into signing exploitative, 100-year carbon credit contracts.

Finally, interviewees warned that the loss of community-based economic models has heightened exposure to food insecurity, climate disasters, and severe poverty. In Bangladesh, a "tragedy of the commons" scenario is accelerating environmental degradation across 226 community forests, where the withdrawal abruptly halted livelihood co-benefits that had helped forest-dependent communities overcome poverty and build resilience. Within this same watershed co-management project, the withdrawal dismantled a vital multi-sectoral support network that had previously provided medical care, case management, family reintegration, and alternative livelihoods for over 2,000 survivors of gender-based violence, a lifeline that recognized how environmental degradation, climate change, and violence against women are deeply interconnected in the region. In other remote areas, indigenous groups like the Khasi lost alternative agricultural programs that supplemented their incomes, limiting their ability to access basic services they otherwise lack due to discrimination and geographic isolation, such as vaccines and quality schools. Furthermore, project staff reported that stipends that previously kept Rohingya youth in refugee camp education and English language training programs were abruptly withdrawn, driving the dropout rate to more than 50%. At the same time, implementers noted that a highly successful Youth Conservation Corps pipeline targeting vulnerable school dropouts was effectively cut in half by the sudden loss of funding. Such examples are not isolated. According to data aggregated in The Aid Report by Devex, the funding cuts abruptly closed 22 trusted safe spaces in Yemen, terminating counseling and protection services for an estimated 11,000 women and girls in high-risk areas. Similarly, in Nepal, the termination of USAID-supported inclusive education programs forced hundreds of girls out of school, leading local officials to warn of a soaring, immediate threat of child marriage and human trafficking.[44]

[44] "The Aid Report - Documenting the real-world impacts of US foreign aid cuts." Devex, Feb. 2026, https://static1.squarespace.com/static/68daaa80aff98f78bf74c64d/t/6980b0bb35b0dc54b6177f10/1770041531970/Report.pdf

Finding 4: Donor Contagion and Leverage Collapse

Themes

🟢 **Financial Leverage Loss & Funding Contagion**

🟢 **Disrupted Public-Private Linkages**

🟢 **Donor Diversification & Substitution**

There was a universal consensus among interviewees that the abrupt withdrawal of USAID heavily damaged the global environmental funding ecosystem, both directly and indirectly. There was widespread perception that the U.S. political dynamics surrounding the loss of USAID triggered a donor contagion, prompting remaining international funders to retreat or reduce their commitments. Across multiple regions, interviewees reported that the loss of U.S. ODA directly removed the "anchor capital" required to sustain public-private leverage and cross-donor confidence. Taken together, this has further shrunk the pie of resources, and local organizations reported feeling "squeezed" further as they had to scramble for smaller, fragmented, and highly competitive replacement funds that, as expected, could not fill the massive financial void.

The Macro Funding Shock

Interviewees, including those from other donors and local organizations receiving funds from multiple donors, reported that the U.S. exit had a chilling effect on remaining donors and global philanthropies, who became increasingly hesitant or risk-averse about the viability of their own investments. These perceptions are bolstered by numerous media reports that the political forces behind the loss of USAID have also led other major bilateral, multilateral, and philanthropic funders to shrink their presence, reduce their financial commitments, or divert priorities away from climate change entirely. For example, the UK is reducing its overseas development assistance from 0.5% to 0.3% of its gross national income by 2027,[45] specifically cutting its international climate finance programs, like the Biodiverse Landscapes Fund.[46] These British cuts are projected to be the most extreme of any G7 country, driving its overseas development assistance to the lowest level in over a decade.[47] Sector reports corroborate the scale of this donor contagion, with the Organisation for Economic Co-operation and Development (OECD) confirming a historic 23.1% contraction in global ODA in 2025, the largest annual contraction on record, as other major donors like Germany and France simultaneously slashed their foreign aid contributions.[48] Norway, the largest donor to the UN Environment Programme (UNEP), placed its funding agreements on hold amid shifting domestic political debates over environment and climate spending.[49] These cuts not only led to direct reductions in bilateral assistance funds, but also to multilateral funds to which they contribute. Observations on the ground corroborate these media reports. Respondents from our global survey noted that while European bilaterals (such as the UK and Germany) were the most frequently mentioned alternative donors, these nations are also reducing their operative funding due to shifting national priorities and security threats, exacerbating the overall financial void.

Interviewees noted that as USAID programs were being terminated, other donors cut, restricted funding, or shifted away from climate-related topics. In Colombia, a project leader explained that one bilateral funder reacted to the withdrawal by immediately reducing their own funding, shortening timelines, and restricting eligible costs beyond direct staff time, such as for computers and other critical equipment, even for projects already underway. Furthermore, interviewees observed that large research and implementing organizations that relied on USAID faced a "double squeeze," having to compete for European cooperation funds that were simultaneously shrinking and becoming highly specific. One example noted that available funds were increasingly abandoning general rural development for highly specific "Amazon-centric" targets.

Ultimately, interviewees noted fear as a driver for other donors following the collapse of USAID, exacerbating the stress and harm to implementing organizations. This manifested as donors prioritizing humanitarian response in Bangladesh (forcing local NGOs to aggressively repackage

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[45] Cullinan, Maeve. "UK cuts aid further than any G7 country, including the US." *The Telegraph*, 16 Feb. 2026, https://www.telegraph.co.uk/global-health/climate-and-people/uk-cuts-aid-further-than-any-g7-country-including-the-us/

[46] Harvey, Fiona. "UK slashes climate aid programmes for developing countries." The Guardian, 2 Mar. 2026, https://www.theguardian.com/environment/2026/mar/02/uk-slashes-climate-aid-developing-countries.

[47] Cullinan, Maeve. "UK cuts aid further than any G7 country, including the US." The Telegraph, 16 Feb. 2026, https://www.telegraph.co.uk/global-health/climate-and-people/uk-cuts-aid-further-than-any-g7-country-including-the-us/

[48] "A historic decline in foreign aid: Preliminary 2025 ODA data." OECD, 9 Apr. 2026, www.oecd.org/en/data/insights/data-explainers/2026/04/a-historic-decline-in-foreign-aid-preliminary-2025-oda-data.html

[49] Bryce, Emma. "Norway puts UN project funding on hold raising fears for plastics treaty talks." The Guardian, https://www.theguardian.com/environment/2026/may/11/norway-un-environment-programme-funding-plastics-treaty-talks

their climate work into humanitarian appeals just to survive), donors pausing out of fear that the collapse of USAID threatened their own significant investments in local organizations in Kenya, and increased philanthropic caution in Peru to avoid becoming targets of political scrutiny. This philanthropic hesitation is a global trend; sector analysis reveals that global philanthropy has been much slower to respond to these aid cuts than it was during the COVID-19 pandemic, with funders paralyzed by geopolitical risks and "waiting for the other shoe to drop."[50] In some cases, philanthropic funders pulled back entirely. The Children's Investment Fund Foundation (CIFF), for instance, recently pulled $553 million of funding from U.S.-based organizations, a move one commentator described as a "flight from uncertainty" amid a broader loss of faith in the U.S. policy environment.[51]

The Collapse of Co-Investment and Public Leverage

Interviewees across most countries noted examples of how the withdrawal caused the collapse of highly leveraged co-investment mechanisms that had previously mobilized millions in philanthropic matching and domestic public resources. Because USAID frequently required cost-sharing or acted as a neutral guarantor, its funding served as the "anchor capital" required to unlock broader investments.

For example, in Colombia, a highly leveraged funding model where every dollar invested generated eight dollars from local partners was disrupted. In Kenya, a cost-sharing structure where county governments in highly climate-vulnerable regions had already committed their first tranche of funding (often 30% to 40% of the total cost) for climate resilience projects was also canceled, leaving those local governments financially stranded and halting projects mid-construction. In Bangladesh, the withdrawal derailed a policy framework designed to reinvest enhanced local government revenues and corporate CSR funds back into communities (discussed in Finding 1), disrupting a model that could have served as a global exemplar for long-term financial sustainability. In Mozambique, USAID matched a Foundation's $6 million annual investment dollar-for-dollar, generating $12 million annually for one protected ecosystem. With the withdrawal, local partners stressed that no other donor is currently capable of matching private philanthropy at that scale.

(For a detailed discussion on how the loss of this anchor capital specifically disrupted private-sector momentum by removing the critical "first-loss" buffers and corporate tax mechanisms required to de-risk commercial markets, see Finding 8.)

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[50] Musaddique, Shafi. "Philanthropy 'slower' to respond to foreign aid cuts than Covid pandemic." *Alliance magazine*, 30 Dec. 2025, www.alliancemagazine.org/blog/philanthropy-slower-to-respond-to-foreign-aid-cuts-than-covid-pandemic/.
[51] Musaddique, Shafi. "$6 billion foundation pulls plug from US 'no longer confident' in political environment." Alliance magazine, 28 Oct. 2025, alliancemagazine.org/blog/6-billion-foundation-pulls-plug-from-us-fearing-political-instability/.

Broken Interagency Pipelines

In some countries, particularly where clean energy and infrastructure-related programming was prevalent, specific project leaders in Southeast Asia and global energy initiatives pointed to the loss of funding and the loss of local "boots on the ground" as specifically leading to the breakdown of specialized commercial pipelines for other U.S. agencies, such as the Development Finance Corporation (DFC) and U.S. Trade and Development Agency (USTDA). This perception that executing strategic deals without the foundational, on-the-ground technical expertise previously provided by USAID is difficult has been borne out, evidenced by a sluggish fiscal year 2025 in which the DFC made just over $3 billion in new commitments[52] compared to the "$145 billion boost to its portfolio investment cap," announced by the Trump administration.[53]

In Vietnam, USAID project teams served as a crucial technical bridge, preparing a pipeline of energy and transportation projects for DFC investment. Because the DFC does not have extensive on-the-ground technical teams, they depended on USAID implementers to provide the necessary support for pre-approved projects. Specifically, project teams handled the heavy technical lifting, including market assessments, finance models, and environmental and social protection manuals. This was especially critical for emerging technologies, such as large-scale green hydrogen and electric mobility projects.

Fragmented Donor Substitution and Hyper-Competition

There was an expected universal consensus that other donors have not been able to substitute the large-scale loss of USAID funding. The global survey data confirms the severity of this shortfall, with only 1.1% of surveyed organizations reporting that other donors had "substantially" stepped in to fill the gap and almost half (49.1%) indicating that no other donors had stepped in yet. Consequently, respondents overwhelmingly ranked the “loss of long-term, flexible funding” as the number one most critical risk emerging in the post-USAID landscape.

However, other donors are stepping in in specific cases. In Vietnam, multiple practitioners noted that some bilateral donors established new programs that seemingly sought to fill the void left by specific USAID climate activities. At the same time, major multilateral actors also expanded their engagement. Similarly, regional experts in Colombia noted multilateral expansion in Latin America with the launch of new funds to operate at the large scale previously occupied by U.S. assistance. In the conservation space, practitioners in Vietnam and Peru mentioned the creation of emergency philanthropic funds that served as vital stopgaps to rescue critical mid-operation projects from collapsing.

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[52] Collinson, Erin, Jocilyn Estes, and Julia Brownell. "US Congress Says Yes to Foreign Aid—Now Comes the Hard Part." *Center For Global Development*, 16 Jan. 2026, www.cgdev.org/blog/us-congress-says-yes-foreign-aid-now-comes-hard-part.
[53] Collinson, Erin. "DFC Reauthorization: What's New and What It Means." Center For Global Development, 9 Jan. 2026, www.cgdev.org/blog/dfc-reauthorization-whats-new-and-what-it-means.

Many interviewees felt that these sources of funding offered a small but critical potential lifeline for implementing organizations, and implementers across multiple regions described an immediate and aggressive pursuit of alternative funding from European nations, multilateral banks, and corporate/private philanthropies to bridge the gap. In this pursuit, representatives from local organizations in particular noted significant administrative struggles and capacity gaps as they attempted to navigate new donor landscapes, unfamiliar terminology, and complex multilateral proposal processes. Furthermore, practitioners across all regions noted that "replacement" funding by other funders is often fragmented, small-scale, and highly thematic, which they contrasted with the comprehensive, large-scale ecosystem approaches previously funded by USAID. For example, in Kenya, an international NGO described having to force their core technical approaches into popular, restricted donor trends (such as favoring specific technologies over systemic solutions).

This hyper-competitive environment has actively fractured alliances; 57% of respondents in the global survey reported “reduced coordination/alignment,” and 48% of respondents noted “weakened civil society networks” as major shifts in their operational contexts. Overall, there was widespread agreement that the scramble to compete over a drastically shrunken pool of resources has made collaboration more difficult, precisely at a time when donors may be expecting it the most. Implementing partners described having to spend more time on business development with a lower success rate, adding to indirect costs and limiting their ability to spend unpaid time coordinating efforts. While the majority of practitioners described an overwhelmingly difficult funding environment, some local NGOs, such as one in Bangladesh, were successfully able to repurpose the robust capacity they built under USAID to confidently secure new, independent funding from other donors to carry on their work directly.

Finding 5: Direct Harm to Local Organizations

Themes

🟢 **Abrupt Cessation & Program Disruption**

🔵 **Trust Erosion, Credibility Loss & Reputational Damage**

🟢 **Workforce Loss, Brain Drain & Organizational Contraction**

🟢 **Organizational Downsizing, Survival & Reinvention**

🟠 **Risk to Civic Space**

Universally, across all focus countries, there was evidence of direct harm to local organizations. This is a major concern given that local organizations consistently prove themselves to be the indispensable backbone of global environmental and climate progress. To ensure their realities were accurately captured, 20% of the experts interviewed for this assessment directly represented local non-profits, community-based organizations, and domestic enterprises. As explored in the subsequent sections on the Localization Paradox and the Direct Harm caused by the funding withdrawal, practitioners explained that these grassroots entities provide the vital institutional capacity and deeply rooted community trust required to translate high-level global goals into sustainable, locally led governance. While massive international frameworks and foreign donors may set the overarching strategic agendas, project leaders across the portfolio emphasized that it is these local actors who ultimately shoulder the implementation, mobilize marginalized populations, and ensure that environmental momentum endures far beyond the lifespan of any single external grant.

Despite being the indispensable backbone of this global environmental work, interviewees reported that local organizations suffered disproportionate harm from the abrupt withdrawal. Lacking the deep institutional "shoulders" and unrestricted reserves of large international NGOs, and, as highlighted by the experience of former consultants, unable to simply shift business lines or walk away like for-profit contractors, these grassroots entities absorbed the full force of the financial shock. The sudden loss of funding triggered severe organizational contraction and forced surviving organizations to scramble to adapt to the new, more difficult landscape. In the global survey, when asked about specific areas of organizational impact, respondents overwhelmingly reported that “Operational funding” suffered the highest concentration of “Severe impact” across the board, followed closely by “Technical program implementation”. With 83% of respondents to the global survey reporting immediate gaps in funding for specific technical areas, many local groups were stripped of the resources needed to keep their doors open. Implementers added that the chaotic cancellation of programs also forced NGOs to reduce the scale and scope of their activities, which has been particularly harmful for the most marginalized and vulnerable communities. Ultimately, implementers across multiple regions, including Bangladesh, Colombia, and Kenya, reported being stranded with unanticipated financial liabilities and left to bear the full weight of broken promises, political exposure, and reputational damage within their own communities.

The Structural Vulnerability of Local Organizations

Interviewees noted that because local organizations operated without the massive endowments or deep financial buffers that large international NGOs (BINGOs) could use to continue, pause, or pivot, they were uniquely vulnerable to the shock. Furthermore, multiple practitioners explained that these groups were heavily exposed to debt through strict reimbursement models and could not simply shift geographies like for-profit contractors. The media confirms this devastating reality with former officials publicly highlighting that hundreds of implementers were left unpaid for work completed months before the freeze, an "egregious breach of trust" that caused many local organizations, who lacked international financial safety nets, to go "completely belly-up."[54]

Without funding reserves, practitioners noted that local organizations were heavily disadvantaged by these strict reimbursement-based funding models. To cover daily expenses and capital investments, specific organizations were forced to front-load costs, sometimes taking out high-interest bank loans or overdrafts. When the stop-work orders hit, it was a breach of long-term stability assumptions. For example, a coastal social enterprise in Kenya reported that they had already spent capital but were abruptly cut off from milestone reimbursements, leaving them stranded with unpayable debt, severe loan default penalties, and the immediate need to lay off vulnerable staff. As local organizations struggled through these financial hardships, there were several accounts of personal dedication to the continuation of programs, such as conservation leadership in Kenya taking pay cuts to keep their enterprise alive, or local conservationists in Bangladesh using their own personal capacity and money to protect highly vulnerable wildlife, like sea turtle hatcheries, when grant funds disappeared.

[54] Frantz, Brian. "3 things we have lost with the dissolution of USAID." *Devex*, 12 Nov. 2025, www.devex.com/news/3-things-we-have-lost-with-the-dissolution-of-usaid-111308.

The Severe Loss of Local Expertise

To survive the immediate financial crisis, practitioners from all focus countries reported that implementing organizations universally downsized. Across multiple regions, practitioners observed that highly specialized technical teams were disbanded, and remaining staff were forced to take significant pay cuts to keep basic operations afloat. For example, in Kenya, a project team reported cutting over 70% of their staff, while the remaining staff took pay cuts of 70%. One of the project leaders vividly described the immediate devastation to local livelihoods, saying that "staff [were] going through mental agony." The burden on surviving staff increased dramatically across the portfolio. In Bangladesh, a project leader shared that their workload became overwhelmingly high. To maintain their salary, they reported being forced to shift toward commercially focused projects, causing them to lose their focus on conservation. Similarly, in Colombia, a former agency staff member described an intense "burnout" environment for surviving organizations, noting that the scramble for funds forced staff to work long hours for less compensation.

These massive staff reductions reflect a systemic collapse in human capital across the sector. In the global survey, respondents overwhelmingly categorized “Staff retention and capacity” as suffering a “Severe impact,” with 61% of respondents reporting a direct “loss of technical expertise/advisors in-country”. Because of this widespread brain drain, respondents ranked “weakened local organizational capacity” as the second most critical risk emerging in the post-USAID landscape. This has been documented in other sectors as well, pointing to a larger weakening of local civil society support in low- and middle-income countries, especially serving the most vulnerable populations. According to the Global Democracy Coalition, over 40% of organizations working on democracy, rights, governance, and peacebuilding lost more than half their budgets, forcing widespread downsizing and layoffs.[55] In Peru, the U.S. funding freeze forced Capaz, a local disability organization, to instantly liquidate its projects and dismiss all its workers.[56] In Madagascar, some 15 local NGOs have closed in Le Grand Sud, while large NGOs have also been significantly reducing their footprint, with American charity Catholic Relief Services notably closing several offices and cutting 300 staff roles."[57]

Practitioners across different regions spoke of the loss of deeply embedded institutional memory and local leadership, particularly the vast networks of community-level "champions" and Foreign Service Nationals (FSNs), which a former official in Kenya described as a "huge network" of

[55] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." Global Democracy Coalition, Nov. 2025, https://globaldemocracycoalition.org/when-aid-fades-impacts-and-pathways-for-the-global-democracy-ecosystem/.

[56] Hinojosa, Ricardo, and Jhonny Salazar. "PROGRAMAS SOCIALES Y AMBIENTALES EN JAQUE EN PERÚ POR SUSPENSIÓN DE AYUDA DE ESTADOS UNIDOS." *Convoca*, 29 Jan. 2025, convoca.pe/agenda-propia/programas-sociales-y-ambientales-en-jaque-en-peru-por-suspension-de-ayuda-de-estados

[57] Ferris, Nick. "The climate crisis, aid cuts and deepening poverty are combining to drive a crisis in Madagascar." *The Independent*, 4 Jan. 2026 www.independent.co.uk/climate-change/aid-un-climate-madagascar-crisis-b2884725.html

irreplaceable human capital and local influence. The funding withdrawal specifically disrupted several established training and educational pipelines. For example, in Bangladesh, a highly successful youth environmental training program was forced to cancel an expansion that would have doubled its cohorts and trained hundreds of new community leaders; one project leader there lamented that the pipeline of potential climate leaders "was basically cut in half." In global interagency programs, an initiative that had successfully sponsored dozens of professionals from Africa to attend a specialized master's course on international wildlife trade was frozen, halting future cohorts. Similarly, a million-dollar grant designed to provide specialized mentorship for local conservationists in Kenya to address the human and social drivers of wildlife trafficking was stopped just as the coordinator was being hired. The sudden halt of funding also ended a structured career training and promotion pipeline for community wildlife rangers.

Reduced Scope and Scale for Vulnerable Populations

Given the massive loss of funding and the immediate need to cut staff, multiple project leaders said surviving organizations also had to reduce the scope and scale of their work, cutting off or eliminating exploratory, innovative, or supplementary social programs to focus on specific donor interests, revenue-generating aspects of their work, or organizational survival. For example, in Colombia, a private-sector partner described having to "eliminate all the productive infrastructure" from rural electrification plans. The immediate consequence of these reduced scopes is a direct threat to the most at-risk populations. In the global survey, respondents consistently ranked “reduced support for community-level adaptation” as a top emerging risk, highlighting the widespread fear that marginalized communities are being left without the resources to build resilience against immediate climate impacts.

Project leaders reported that geographic footprints also contracted drastically. A Kenyan social enterprise noted that they had to abandon plans to expand plastic recycling to Mombasa (Kenya's second most populated city) specifically into multiple marine protected areas. In one critically endangered primate conservation project in Vietnam, the implementing organization was forced to abandon a comprehensive, community-led approach that originally included training protection teams, educating students, and running awareness campaigns. To survive the abrupt termination of their funding, the organization had to shrink its secured protection zone from more than 3,000 hectares to just 700, focusing all limited emergency resources on basic survival operations for one primate group while cutting broader educational initiatives and leaving the rest of the landscape unmanaged. Media reports globally corroborate this desperate downsizing. In Indonesia, the Leuser Conservation Forum was forced to reduce patrols protecting rhinos and orangutans, redirecting funds originally meant for building ranger outposts just to keep basic operations running[58].

[58] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/

In other cases, the scramble to reduce project activities forced implementing organizations to abandon their complex, multi-sectoral interventions and break long-standing commitments, directly cutting off vital livelihood support for the most at-risk populations. For example, an NGO in the Philippines was forced to halt the procurement and construction of a promised bamboo aggregating facility. At the same time, a project team in Colombia had to break highly sensitive organizational agreements supporting voluntary coca substitution. This organizational contraction also meant specific NGOs could no longer sustain cross-sectoral models. In Bangladesh, one project team had to dismantle a multi-sectoral support network for gender-based violence survivors that had been carefully integrated into a watershed co-management project. Ultimately, organizations abruptly lost the operational capacity to execute the expansive climate-smart agricultural support and targeted employment initiatives they had promised in places like the Amazon, Mozambique, and Kenya. (For a detailed examination of the physical and socioeconomic harm these broken organizational commitments caused to the vulnerable populations themselves, see Finding 3).

External Trust Erosion and Political Exposure

Interviewees overwhelmingly perceived that the abrupt, uncommunicative nature of the funding withdrawal caused profound and immediate damage to institutional credibility and trust across all regions. Multiple project leaders emphasized that because local implementers were the face of the projects, they suffered the reputational fallout directly. The abrupt, uncommunicative nature of the "stop work orders" meant that when local NGOs were left unable to deliver on promised community benefits, those communities viewed it as a direct betrayal by the local NGOs themselves, severely damaging hard-won grassroots credibility.

Beyond the grassroots level, this erosion of trust extended into the international donor landscape. Practitioners across several countries felt that local organizations lost the vital "credibility validation" that USAID's backing previously provided at regional forums. In Mozambique, project leaders highlighted that the agency's mere presence alongside a local NGO served as a powerful endorsement to other funders that the organization was a safe and capable investment. As one respondent noted, having the agency there to echo their capabilities signaled to alternative funders, "Okay, if you give us money, we can do the job." This same respondent noted that without this prestigious institutional co-signer, local NGOs were stripped of the reputational validation they needed to secure replacement funding in an increasingly competitive environment.

Fueling Anti-NGO Campaigns in Peru

In Peru, the chaotic withdrawal actively fueled a pre-existing anti-NGO and anti-civil society movement in the country. Philanthropic partners and project directors noted that detractors weaponized the U.S. government's own political narrative to legitimize their claims, providing "massive fuel" to political actors seeking to dismantle environmental and human rights organizations. Detractors used the withdrawal to tell the public that even the U.S. government recognized these NGOs were corrupt or working against national interests, causing segments of the general public to support the loss of USAID funding and making central government ministries increasingly reluctant to partner with civil society groups. One former USAID official highlighted the impossible position this put local actors in, noting the logic used by host-government authorities was: "Why should we trust you if your own government doesn't trust you?"

More critically, the sudden loss of U.S. diplomatic pressure emboldened the government to push forward restrictive legislation, specifically empowering the Peruvian Agency for International Cooperation (APCI) to reject donor-approved work plans and punish organizations that challenge political interests. Before the withdrawal, USAID had actively pushed back against these regulatory changes. As external media reports confirm, the U.S. withdrawal directly emboldened the Peruvian government to reintroduce a controversial "foreign agent law" in April 2025, a bill it had previously been forced to withdraw in December 2024 due to U.S.-led international pressure. Following the USAID freeze, this law passed "without much international objection," as the withdrawal "created space to reintroduce controversial bills undermining civil society, in the expectation of reduced international scrutiny."[59]

Because the APCI agency now holds immense power to reject donor-approved work plans or punish organizations that challenge political interests, a former agency official noted that local organizations are now feeling "scared to death to speak up" against controversial government actions, such as opening protected areas to extractive operations. They warned that this law actively suppresses organizations with human rights and environmental defender agendas, leaving them operating with the constant fear that a political "guillotine is still swinging" over them if they become too uncomfortable for the government.

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[59] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." Global Democracy Coalition, Nov. 2025, https://globaldemocracycoalition.org/when-aid-fades-impacts-and-pathways-for-the-global-democracy-ecosystem/.

The Global Democracy Coalition stresses that the withdrawal of U.S. diplomatic pressure has allowed governments globally to be on a "backsliding path to restrict civic space amid diminished international pressure further." Rather than simply dealing with the loss of funds, organizations are facing governments that are seizing this moment of vulnerability to re-table dormant laws and actively enforce regulations designed to constrain civil society activities. For instance, in El Salvador, the president weaponized the U.S. withdrawal to accuse independent journalists and NGOs that previously received funding of participating in "a global money laundering operation" to promote a law explicitly designed to suffocate them.

In Bangladesh, a project leader noted that the sudden lack of communication and abrupt loss of funding occurred against the backdrop of the country's volatile political uprising, and generated political rumors regarding US political interference. Specifically, public conspiracies spread that the U.S. government had halted its environmental and development programs to funnel that money covertly to the political opposition. The reputational damage bled into local civil society, which maintained a permanent physical presence in these territories and became the face of the abrupt cancellations. When promised initiatives and community funds were suddenly halted, these local NGOs were thrown into what one implementer described as a massive "image crisis." Implementers explicitly reported losing their credibility not only with marginalized communities, but also with local government bodies and corporate social responsibility partners whom they had previously convinced to co-invest. Similarly, in Vietnam, practitioners felt the US, and by extension US partners, were suddenly viewed as "unreliable partners," with one implementing partner noting the reputational damage was so severe that “criminal” narratives emerged in the press. Ultimately, practitioners warned that the abrupt nature of the exit destroyed stakeholder trust in a way that will "take years to recover."

Finding 6: Reduction in Implementation and Technical Capacity

Themes

🟢 **Loss of Technical Validation & Specialized Expertise**

🟢 **Technical & Sectoral Gaps**

🔴 **Stranded Assets & Wasted Infrastructure**

Universally across all five focus countries, interviewees noted that the withdrawal removed access to critical technical support across the environmental sector, making it more difficult for governments and organizations to make environmental progress quickly. Because USAID's programs were uniquely comprehensive and provided multi-level support, interviewees described capacity gaps across every tier of the ecosystem. At the highest institutional level, host governments abruptly lost the neutral, non-conflicted technical validation and unparalleled U.S. interagency expertise they previously relied upon to confidently advance complex policy frameworks. Local implementers, regional experts, and utility specialists were deprived of the granular, hands-on mentorship required for day-to-day execution, such as applying complex project templates, writing technical specifications, and establishing rigorous monitoring systems. In contrast, local governments lost the specialized assistance needed to prepare "bankable" projects for large multilateral loans.

Practitioners felt that decades of accumulated tacit knowledge, specialized data systems, and customized hand-holding were suddenly lost, leaving local actors severely unsupported. Without these expert validations and independent scientific backing, implementers noted that remaining institutions struggled to scale models, navigate complex developmental hurdles, or validate policy results independently. The global survey strongly validates this finding, with survey respondents consistently ranking “reduced technical assistance and expertise” as one of the top three critical risks emerging across the sector. As one former USAID official stated in the survey, "without a field presence in-country... local intel and knowledge is lost, as are critical local relationships and institutional capacity."

The Loss of Independent Validation and U.S. Expertise

Implementers in the Philippines and Southeast Asia noted that because USAID provided purely technical assistance and grant funding without being tied to loans or commercial interests, it acted as a trusted, objective "neutral broker." An implementing partner in the Philippines explicitly contrasted this approach with that of International Financial Institutions (IFIs) and multilateral development banks, which can be "conflicted" by their inherent interest in increasing lending. In the Philippines, this independence allowed implementers to provide objective policy reform support, such as pushing for a Department of Water Resources and a water regulatory commission. Crucially, this project leader stated that their team could act as a trusted convener that brought fragmented government entities to the same table, ultimately helping the government strategically prioritize its limited resources and build the capacity needed to attract outside commercial financing. As detailed in Finding 1, without this neutral broker continuously driving the process, the legislative mandates for these water reforms have stalled.

This same independence carried over to Vietnam's energy sector, where a project leader described USAID's ability to provide partner governments with objective guidance on energy market reforms, which is particularly important in highly commercialized sectors like energy. He highlighted that USAID uniquely prioritized "what the countries need" over purely commercial interests, saving partner nations from making "bad commercial decisions" and instead supporting long-term market transformation. Following the funding withdrawal, the government lost access to the independent technical modeling it needed to validate complex policies for high-level ministers. For example, one project leader pointed to complex policies like the Direct Power Purchase Agreement, noting the government no longer has access to USAID teams to conduct model selection, financial modeling, and impact analyses for complex questions.

The sector also lost access to unparalleled, practitioner-to-practitioner expertise previously provided by U.S. agencies such as the National Renewable Energy Laboratory (NREL), the U.S. Forest Service (USFS), and the U.S. Geological Survey (USGS), which were often anchored in USAID's long-term, locally embedded programs. These interagency partnerships allowed for the deployment of elite U.S. personnel, such as wildland firefighters, energy regulators, and geospatial experts, for direct knowledge transfer. In Vietnam, experts from NREL were brought in to train VinFast, the country's leading electric vehicle (EV) manufacturer. This project leader emphasized that the exceptional competence and specialized expertise provided by NREL scientists simply cannot be found or hired through standard private consultants. In Colombia, regional USFS experts spoke to the value of connecting peer government employees from USFS who could share their deep operational experience to help partner countries manage their own vast natural resources. This dynamic fostered unique trust and enabled continuous, multi-decade partnerships, such as a 20-year collaboration on Colombia's forest inventory design. Peru saw the same loss play out in a different domain: host governments lost vital access to highly specialized measurement, reporting, and verification (MRV) capacity, satellite data access, and risk mapping. Practitioners stated they heavily relied on free, high-quality U.S. government data, such as NASA and Landsat satellite imagery, to evaluate landscape changes and monitor deforestation. The withdrawal severed access to some of this information and, importantly, the specialized support required to interpret it. This included cutting off indigenous women and leaders from training on how to use GPS, drones, and satellite imagery to monitor and defend their own territories.

Media reporting illustrates the immediate paralysis of this scientific capacity. In the Congo Basin, the funding freeze abruptly halted the specialized mapping initiatives that regional governments relied upon to validate their forest protection efforts to receive international payments. As a result of the cuts to the Central Africa Regional Program for the Environment (CARPE), four regional researchers who were collaborating with a U.S. lab to map the rainforest accurately lost their salaries, shutting the critical technical validation work down midstream.[60] The same collapse hit air quality monitoring: the shutdown of the U.S. Global Air Quality program (detailed in Finding 2) stripped local government scientists of the reference-grade technical validation they relied upon to calibrate their own lower-cost sensors and confidently shape local emissions regulations.[61]

This erosion of scientific infrastructure reached Africa's meteorological systems too: the abrupt withdrawal of funding severed a regional climate center and East African meteorological and agricultural agencies from vital U.S. scientific collaborations, specifically by halting their access to the IRI Data Library and NASA crop monitors. As historical data platforms disappeared (as noted in Finding 2), regional experts noted that local meteorological agencies were forced to transition rapidly to unfamiliar European data portals, such as Copernicus. However, without USAID-supported funding for dedicated capacity building and hands-on training, these under-resourced agencies lack the technical capacity to interpret and apply this new data immediately. Ultimately, an academic partner expressed deep concern that the loss of these freely accessible scientific tools would erode vital public sector forecasting capabilities and force vulnerable nations to rely on expensive commercial actors and AI. Global survey respondents also overwhelmingly reported a “Severe impact” on their “Access to evidence and learning,” confirming that local agencies have lost access to the baseline information required for confident decision-making.

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[60] Mukpo, Ashoka. "Across the world, conservation projects reel after abrupt US funding cuts." *Mongabay*, 14 Feb. 2025, news.mongabay.com/2025/02/across-the-world-conservation-projects-reel-after-abrupt-us-funding-cuts/

[61] Root, Rebecca L. "Why did the US State Department stop sharing air quality data?" *Devex*, 30 June 2026, www.devex.com/news/why-did-the-us-state-department-stop-sharing-air-quality-data-112810

The Deficit in Practical Day-to-Day Support for Implementation

The cancellation of multilevel programming resulted in the loss of day-to-day, hands-on mentorship local entities needed to execute complex projects and scale up "bankable" projects to leverage larger sources of funding and finance. Across Southern and West Africa, a technical advisor noted that while virtual capacity-building, high-level strategy, or top-down dialogues could more easily continue, they are largely insufficient for utilities and other operational partners that need immediate "practical, hands-on implementation." These partners have lost access to experts who previously could physically sit down with them to provide and apply templates and tools to their existing projects. In South Africa and the broader region, practitioners working with local governments and power utilities discussed the need for locally-based specialists to spend sufficient time physically working with local officials during the implementation phase to provide real-time, in-depth support. This was borne out in the global survey, where “Technical program implementation” was identified as one of the most severely impacted operational pillars, with the vast majority of respondents reporting a “Severe impact” on their ability to execute on-the-ground programs without consistent guidance. By contrast, a project leader noted, World Bank and UN funding typically flows through national governments, leading to administrative and technical hurdles that lower-capacity local governments and organizations have significant difficulty navigating without USAID's preparatory assistance.

This abrupt transition to domestic resources exposed severe structural capacity gaps, revealing that local facilities were sometimes dangerously reliant on embedded external donor staff for basic functioning. In Southern Africa, for instance, a technical advisor noted that an embedded USAID advisor at the national electricity utility in Mozambique was so effective that they essentially became the primary driver of transmission infrastructure projects, masking the utility's own capacity gaps. This reliance wasn't limited to one utility: project leaders across the global portfolio reported that without USAID's steady support, local partners struggled to retain the technical staff needed to maintain basic monitoring and community empowerment programs, leaving critical initiatives paralyzed.

Project leaders expressed that without day-to-day guidance, organizations and local governments are struggling to execute their core work. In the Philippines, local government units were caught mid-process, with a local government official noting a "sudden, like, stop or halt in the process" while they were tailoring training modules, severely disrupting the local government handover. In Peru, an initiative to convert an illegal municipal dumpsite in Máncora into a proper sanitary landfill was paralyzed at the finish line. The local municipality had prepared all the necessary regulatory documents. Still, a former agency official explained that because the funding was cut and USAID partners were abruptly barred from communicating, the local government missed a critical January 30th submission deadline, completely stalling the infrastructure upgrade.

Vietnam shows how this capacity gap compounds when it collides with domestic upheaval: project staff emphasized that a nationwide administrative restructuring severely compounded the withdrawal's impact. They explained that the government recently overhauled its structure, removing administrative tiers and bringing in new personnel who are unfamiliar with their roles or the highly complex project approval processes. Previously, USAID projects would have provided the vital guidance needed to navigate this bureaucracy and formally hand over operations. Instead, the sudden loss of support during this chaotic transition effectively wiped out institutional memory; without the resources to properly document past achievements in sustainable forest management, a technical partner reported being left unable to record their progress, causing on-the-ground environmental progress to stagnate. Furthermore, long-standing administrative burdens have made some government agencies highly reluctant to assume implementation roles at all. One implementing partner reported that local Vietnamese authorities no longer welcome ODA projects due to the historically time-consuming administrative processes, preferring that international donors handle the organization directly.

A critical impact of this capacity gap is the stalling of the groundwork required to make projects "bankable" for multilateral development banks (MDBs) and central development funds. In Kenya, a project leader anticipated that the shift from direct NGO implementation to centralized government flows would cause slower, less efficient service delivery, warning that funds left strictly with the central government would not flow to communities as easily. For example, the World Bank made massive pools of capital available through the Financing Locally-Led Climate Action (FLLoCA) program. However, county governments lacked the internal resources and specialized expertise to design clear water resource management strategies and package their project documentation into the exact formats the bank required. Previously, USAID implementers provided the essential technical hand-holding to bridge this gap. Without this dedicated support, multilateral funds face utilization challenges because local entities hit "serious hard caps" in their ability to absorb the capital, leaving vital funding for rural infrastructure stranded at the national level. This was echoed in Bangladesh, where an implementing partner noted that local government employees often lacked the time or specific technical skills to independently write the complex, competitive project proposals required to unlock central development funds. Motivated city officials are now left without the technical assistance needed to successfully secure alternative domestic funding.

Project leaders across different regions shared examples of how USAID's technical assistance complemented MDBs by taking on foundational governance challenges outside traditional loan packages. In the Philippines, one project leader explained how a program successfully targeted small, community-based water utilities that were not yet creditworthy and were historically dependent on public funds. By providing targeted reform assistance and establishing trailblazing mechanisms, such as a revolving fund that successfully blended development money with commercial finance, the program transformed these utilities into professionalized entities capable of meeting national drinking water standards and ultimately absorbing larger, market-based investments. However, this leader noted that the withdrawal stalled momentum on complex policy reforms, halting the localized rollout of water security plans and critical legislation. Peru presents a parallel case: USAID programming achieved high-level policy wins where public water authorities collected millions in revenue for watershed conservation. Still, the project team noted that local developers struggled to implement the work and mobilize the funds at scale because they lacked the practical expertise to act as formal public sector contractors. Previously, this project team provided dual-sided mentorship, supporting government authorities to prepare evaluation methodologies while training local developers to build a viable pipeline of public proposals, which has now stalled.

The same dynamic played out at city scale in Vietnam, where one project leader explained how a USAID project served as an essential technical bridge to help Ho Chi Minh City access larger World Bank financing for a cluster of waste-to-energy projects. Because local governments often lack the internal staff and technical resources to manage these large investments independently, this hands-on assistance was critical to preparing the city to handle the capital. However, the sudden withdrawal of funding halted this support just a year and a half into implementation, jeopardizing the city's ability to absorb the World Bank capital successfully. The same last-mile risk showed up regionally, too. As discussed in Finding 7 regarding the loss of transboundary coordination, USAID was poised to provide crucial, late-stage support to update feasibility studies for the Tanzania-Zambia power interconnector to meet World Bank environmental standards. This hands-on implementation support was the necessary technical step required to unlock larger World Bank capital for the region. However, when funding was cut at the 11th hour, a technical advisor reported that the original donor who funded the early-stage studies was forced to scramble back to their own government to plead for more money to complete the final updates. This highlights the severe risk stranded projects face when this specialized preparation vanishes.

Stranded Assets and Wasted Infrastructure

A visible result of the loss of technical and administrative support is stranded infrastructure and equipment because local entities lack the capacity and budgets to maintain them. Practitioners shared that without follow-up phases for maintenance planning, capacity building, or installation, major capital investments are at high risk of abandonment. In Kenya, one implementing partner highlighted that projects were halted just as they were ready to install expensive, highly specialized equipment (such as a UHT milk processing line to help remote dairy farmers access markets) because the funding for the main investment was cut. The risk isn't limited to new investments: complex infrastructure systems already in place, such as rural boreholes and automatic weather stations, face imminent failure because local communities and government departments lack the budgets or technical capacity for maintenance. In some cases, this may indicate insufficient sustainability planning. Still, for most projects, the abrupt nature of the withdrawal did not allow implementing partners any time to execute transition or sustainability plans, and in some cases sustainability components were specifically cut.

Mozambique illustrates this pattern directly: USAID funded an initiative to construct resilient schools and health centers using a "build back better" approach following the devastation of Cyclone Idai. Because of its high-impact nature, the physical construction of these buildings was granted a temporary exemption to continue despite the broader funding freeze. However, the critical subsequent phase of the project, which was intended to train local professionals in the technical skills needed to maintain these buildings over the long term, was not continued. Without this vital follow-up maintenance support, project leaders warn that these massive community investments are at severe risk of deteriorating. Media reporting highlights additional cases where critical climate-adaptation infrastructure was abandoned. In Madagascar, where severe cyclones and droughts are escalating, plans by NGOs to install clean water infrastructure for the state utility have been "severely curtailed" following abrupt 40% funding cuts, leaving vulnerable populations without resilient water systems.[62] The same abandonment risk surfaced in Jakarta, Indonesia, one of the world's fastest-sinking cities due to climate change and groundwater extraction, where USAID's withdrawal from the Indonesia Urban Water, Sanitation and Hygiene program has halted the installation of master water meters. Former officials warn that without the agency acting as a technical "catalyst," local communities lack the capacity to independently build this infrastructure as sea levels rise and groundwater salinization accelerates.[63]

[62] Ferris, Nick. "The climate crisis, aid cuts and deepening poverty are combining to drive a crisis in Madagascar." *The Independent*, 4 Jan. 2026, www.independent.co.uk/climate-change/aid-un-climate-madagascar-crisis-b2884725.html.

[63] Ponpa, Angeles, et al. "How the loss of USAID funding affects Indonesia's ability to fight climate change." *PBS News Weekend*, 9 Nov. 2025, www.pbs.org/newshour/show/how-the-loss-of-usaid-funding-affects-indonesias-ability-to-fight-climate-change.

Finding 7: A Shift Away from Unified, Long-Term Strategies

Themes

🟢 **Donor Coordination, Leadership & Brokerage Vacuum**

🟠 **Loss of Collaborative Networks**

The withdrawal of USAID's scale, scope, and 5-to-10-year project horizons eroded partners' ability to tackle complex sectoral challenges at a landscape scale. Because so many global environmental challenges are deeply interconnected systems problems, they require sustained, cross-sectoral support. Yet, practitioners universally noted that the remaining donor landscape is now more fragmented, without a clear leading convener to achieve the scale of funding needed. At the same time, multiple project leaders observed, and the media has reported, increased movement toward more transactional, short-term aid models. Practitioners spoke of the resulting risk of smaller, more isolated impacts, fracturing stakeholder networks and severely weakening the collective voice for policy reform.

The Regression to Transactional, Short-Term Aid

Without the 5-to-10-year project horizons historically provided by USAID, implementers across the portfolio said organizations were forced to abandon long-term, systems-level strategies and shift toward short-term, transactional aid aligned with available funding. Practitioners reported that organizations had to cover fragments of their previous work using smaller, narrowly focused, and short-term grants. This perceived regression is backed up by our global survey, which found that 57% of respondents reported “reduced coordination and alignment.” Furthermore, when asked what they need most from new philanthropic actors to survive the current landscape, global survey respondents overwhelmingly cited “multi-year, flexible funding” as their most critical need, pleading for patient capital rather than the rigid, short-term project grants that currently dominate the market. The Global Democracy Coalition's survey respondents also listed long-term funding as one of the top two major challenges, with one specifically stating, "We do not expect to have large and long-term programmes in the coming years. Most likely, our work will depend on scattered small grants, which will force us to focus only on the most critical areas. This significantly limits the possibilities for strategic planning and institutional development."[64]

In Peru, one practitioner spoke of a frustrating regression in how international aid is distributed, reverting to what he described as an outdated "petty cash" model. He felt that the environmental sector had been focused on achieving systemic results based on a theory of change, but was now seeing a reversal toward this fragmented, short-term approach where some donors fund ad hoc administrative expenses, such as a coffee break for a meeting, rather than pursue complex, systemic outcomes. This practitioner recounted an example of a donor offering to fund part of an ongoing workshop in exchange for access to a high-level official. This experience highlighted his concern that international cooperation is increasingly being reduced to funding highly visible, transactional expenses.

In Southeast Asia, a project leader described a regional program that reduced its technical support scope from deep capacity building to transactional, one-off interventions. Following the funding transition, the program was repurposed into a reactive "response mechanism" driven by short-term diplomatic priorities. They observed a strategic shift toward doing "just one thing at one time," effectively abandoning the broad, big-picture engagement and step-by-step mentorship required to achieve meaningful, long-term developmental impact. Media reports confirm that this regional experience reflects a broader, global policy shift toward "nakedly transactional" aid. Analysts note that the new U.S. approach explicitly replaces unified, long-term development with strict, short-term deal-making, using aid as a "strategic mechanism to further our bilateral interests."[65] This transactional shift is exemplified in Africa, where the U.S. has attempted to leverage life-saving health funding to secure preferential access to countries' critical mineral resources and mining sectors.[66]

Project leaders across several countries also described a reduction in geographic scope, particularly in remote, conflict-prone regions, eroding landscape-level programmatic coverage with consequences for both environmental impact and regional stability. A representative from a bilateral donor in Colombia noted that USAID possessed unique operational capacity to venture

[64] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." Global Democracy Coalition, Nov. 2025, https://globaldemocracycoalition.org/when-aid-fades-impacts-and-pathways-for-the-global-democracy-ecosystem/.
[65] Cullinan, Maeve. "The aid system is 'unfit for purpose'. So what comes next?" *The Telegraph*, 23 Mar. 2026, https://www.telegraph.co.uk/global-health/climate-and-people/aid-africa-uk-budget-cuts-donor-investor/.
[66] Khan, Mishal. "US pressure on Zambia shows that Western aid has become nakedly transactional." *Chatham House*, 26 Mar. 2026, www.chathamhouse.org/2026/03/us-pressure-zambia-shows-western-aid-has-become-nakedly-transactional

"deeper into the bushes" where other international actors cannot access. Operating in remote regions requires massive, specialized investments in security personnel, intelligence, hardware, and infrastructure that their agency finds economically inefficient to support. Consequently, this donor representative stated that they have to target the "low-hanging fruit" in areas where access is easier. In countries like Colombia, the withdrawal of USAID from these specific areas is particularly devastating, as discussed in Finding 3, because these remote territories are precisely where illegal armed groups actively battle the state for influence. In these highly contested zones, international donor contributions provide crucial support to the Colombian government to maintain regional stability.

In Bangladesh, as a survival tactic, an implementing partner reported modifying their proposals to fit a "humanitarian angle," recognizing that global emergency relief funds are less likely to be cut. For example, a separate project team previously focused on establishing community co-management to protect the Sundarbans mangrove forest, framed this ecosystem preservation as a vital, long-term strategy for disaster risk reduction that ultimately saves human lives and community assets. With patient funding gone, this team reported an emerging donor preference to fund immediate recovery operations only after a specific disaster strikes. This dynamic is further exacerbated in crisis zones like Cox's Bazar, where USAID funding previously blended immediate humanitarian response with long-term environmental restoration, such as proactively re-greening the degraded forests and game reserves around the Rohingya refugee settlements. Following the funding withdrawal, these vital environmental restoration components were de-prioritized by remaining UN agencies.

Fractured Coordination and a Weakened Collective Voice

While USAID programs were larger in scale than most other donor efforts, the scale required to achieve global environmental goals requires coordination among donors and implementers. Practitioners across multiple regions spoke of the loss of a central organizing hub that previously united disparate actors, such as government ministries, multilateral organizations, and civil society actors, into cohesive coalitions, which one implementer in Kenya described as losing the sector's "glue." The damage to international donor coordination and existing stakeholder networks not only risks duplication of effort, but also severely weakens the sector's collective ability to exert pressure on governments for necessary policy reforms. This loss of collective bargaining power is also identified in the global survey, where respondents highlighted “decreased policy influence and advocacy space” as a top emerging risk in the post-USAID landscape, validating fears that uncoordinated, isolated actors are losing their ability to push for systemic legislative changes.

In Kenya, an implementing partner described USAID as the convener for fragmented development actors, a role illustrated by their creation of county-level Water, Sanitation, and Hygiene (WASH) forums. Another project leader in Kenya noted that USAID brought NGOs, donors, and government officials to the same table, asking, "How can we synergize? How can we collaborate and learn and adapt and avoid duplication?" However, this project leader noted that the withdrawal of funding halted support for these vital coordination mechanisms. They spoke of Isiolo County, describing fragmented donor efforts, with one donor's water project in one corner and another donor's restoration program in another, with no central entity left to bring them together to collaborate or prevent overlapping efforts. Media reports also note that with USAID no longer acting as the central convener, formal working groups (such as the Food Aid Consultative Group) have dissolved, leaving organizations to duplicate efforts and rely on informal encrypted chats because the platforms for real-time problem-solving disappeared.[67] Experts warn that the resulting "aid fragmentation," where multiple agencies now work in silos on small, competing projects, creates massive inefficiencies and high transaction costs for the entire development ecosystem.[68]

A separate loss played out at the national level in Kenya: a government official described losing a vital coordination platform that brought together NGOs, private sector actors, and government regulators. The official relied on this external USAID platform to advocate for internal policy changes and funding allocations, noting the difficulty of only "negotiating from within" to advance a policy priority. When the platform was halted, the collective push for policy action slowed significantly, stalling the same vehicle emissions testing and monitoring mandates described in Finding 1, this time from the coordination angle rather than the advocacy angle.

Bangladesh shows the same breakdown at the inter-ministerial level: an interviewee described the halting of their efforts to facilitate complex inter-ministerial coordination to address land tenure issues and break down government barriers preventing the handover of wetland management rights to local communities. An implementing partner also discussed how the withdrawal of small grants designed to provide line ministries with locally-specific technical information meant that local actors lost the platform to provide science-based information to the government, particularly impacting their ability to influence policy on behalf of poor fishers. This breakdown also abandoned overarching policy dialogues, such as those addressing the vital water security issues linking forest conservation in the Chittagong Hill Tracts to the economic viability of national assets like the Matarbari deep seaport. USAID's presence had elevated this from a localized environmental concern to a matter of critical national economic importance, actively facilitating high-level policy advocacy to help government stakeholders connect the dots and show that the long-term viability of these massive downstream infrastructure projects is entirely dependent on preserving the upstream forest ecosystems. When USAID's funding and strategic leadership were withdrawn, these crucial dialogues ceased. This project leader emphasized that this represents a

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[67] Grady, Caitlin, Maryam Z. Deloffre, Erica Gralla, Sydney Pryor, Marcia Croft, and Emilie Greenhalgh. "Surveying the Food Aid Ecosystem: Six Months Post-USAID." *Global Food Institute, The George Washington University*, Oct. 2025, https://globalfoodinstitute.gwu.edu/sites/g/files/zaxdzs5956/files/2025-11/gfi-2526-194-gfi-white-paper-oct2025-web-optimized.pdf.

[68] O'Sullivan, Olivia. "The UK should go ahead with its plans to host a global conference on the future of development." *Chatham House*, 13 Nov. 2025, www.chathamhouse.org/2025/11/uk-should-go-ahead-its-plans-host-global-conference-future-development.

significant loss not only for regional forest conservation but also for the broader national economic strategy. This paralysis is clearly reflected in the region's survey data. A respondent from a multilateral institution working in Bangladesh confirmed this dynamic, writing that the withdrawal has 'significantly weakened the policy advocacy activities and impacted on the protection of forests.' At the same time, a former USAID staff member operating in the country directly noted that “interministerial coordination to address environmental policy barriers has stopped.”

In Colombia, project leaders noted that USAID was uniquely able to bring together national ministries, multilateral banks, companies, research institutes, and community organizations that were essential for regional solutions. In the realm of land rights and environmental protection, an implementing partner noted the erosion of the structure for policy discussion, since USAID was the primary actor connecting siloed lines of dialogue discussions. In Kenya, USAID had successfully coordinated efforts across 14 different counties under the Lake Victoria Region Economic Block to produce recommendations on water security that were successfully adopted by the regional governor's conference. However, following the withdrawal of USAID's leadership and funding, one project leader lamented that "nothing has moved since then."

In Peru, one former agency official described USAID as a "communication facilitator between Peruvian government agencies." Because Peruvian ministries typically operate in strictly isolated silos with competing mandates, they historically struggle to collaborate on complex issues. USAID used its neutral, trusted position to bring the Ministry of Agriculture and the Ministry of Environment, along with the Forestry Service and Congress, to the same table for policy dialogue on controversial forestry laws, to support rural farmers without increasing deforestation. Another former agency official noted that because these agencies typically "work in a separate way," the project's mediation was vital to help them identify common ground and build a "common strategy plan." Similar facilitation occurred in the water sector, where an implementing partner noted that a project team broke down barriers between the Ministry of Finance, the Ministry of Environment, and local water utilities to create a shared regulatory network. However, following the funding withdrawal, the former agency official who highlighted USAID's facilitation role warned that "nobody's playing this role right now." Without USAID acting as the essential bridge to connect these disparate departments, he observed that government agencies risk reverting to working in a "separate way," which stalls the development of the "common strategy plans" required to solve large-scale environmental problems.

The Erosion of Regional and Transboundary Coordination

Fragmentation has specifically damaged cohesive regional efforts and forced actors to abandon complex, cross-border initiatives that depend on unified, multi-country alliances. Because global environmental threats, whether organized wildlife trafficking, shifting climate patterns, or transboundary river flows, do not respect national borders, solving them requires cohesive, multi-national coordination. Practitioners across several regions stated that USAID was uniquely positioned to shepherd these complex regional architectures, providing the diplomatic weight and financial scale necessary to unite disparate countries.

The loss of coordination also stalled transboundary infrastructure, climate forecasting, and diplomatic negotiations across the globe. In Southeast Asia, a project leader described the loss of a regional energy security program supporting important regional organizations working on regional grid interconnection. In Africa, a technical advisor described the loss of similar efforts, like crucial late-stage feasibility support for the Zambia-Tanzania interconnector, connecting the East African power pool to the Southern African power pool for the first time. When funding was cut at the 11th hour, it forced other donors to scramble to save the project, thereby reducing available funds for other funding priorities. Regional climate experts highlighted another example describing the loss of USAID support for a regional effort to enable national meteorological agencies to downscale regional climate data. As detailed in Finding 2 regarding the loss of open-source tools and Finding 6 regarding the loss of technical capacity, the fracturing of this regional coordination has left under-resourced national services without the collective baseline data needed to adapt. Lastly, in Vietnam, a project leader noted that USAID's diplomatic weight helped the Vietnamese government negotiate transboundary water and dam issues in the Mekong Delta with upstream countries, particularly China. (For a detailed examination of how the loss of this coordination cedes strategic territory and leaves a severe geopolitical "power gap" for Vietnam against competitors like China, see Finding 9).

The Collapse of Transboundary Wildlife and Crime Defenses

Because illicit wildlife trafficking networks frequently cross national borders and use the same clandestine routes as drug, arms, and human trafficking, combating them requires a coordinated, transnational response. The United States previously anchored these efforts; as a former U.S. government official noted, a recent World Bank report identified the U.S. as the top global donor for combating wildlife trafficking over the last decade. Through USAID, several regional initiatives were established to fight these sophisticated syndicates through joint intelligence and cross-border enforcement. However, following the sudden withdrawal of U.S. support, these specialized networks have deteriorated. A project leader warned that other funders are not stepping in to address transboundary issues like conservation crimes, meaning the abrupt U.S. exit has left complex enforcement, civil society, and private-sector monitoring networks completely stranded.

USAID previously funded a comprehensive regional project with the UN Office on Drugs and Crime (UNODC) that allowed six South American nations to track the financial networks driving environmental crime collaboratively. This regional architecture enabled prosecutors and financial intelligence units from countries like Peru, Ecuador, Colombia, and Brazil to exchange critical data and build joint cases targeting the shark fin trade and the deeply entrenched nexus between coca production and illegal gold mining in highly porous border zones. An interviewee shared that when the regional funding collapsed, so did the ability to exchange this cross-border financial intelligence. To create a permanent regional defense, USAID had successfully brokered the establishment of SudWEN. Peru had formally agreed to chair this vital platform, explicitly relying on USAID's commitment to provide the technical and financial support needed to launch its first activities. When the funding was abruptly withdrawn, they stated that Peru was no longer able to fulfill its commitment, effectively stalling the regional enforcement network before it could begin. A practitioner also spoke of a U.S. Fish and Wildlife Service effort that had recently launched, utilizing U.S. government funds, to dismantle the entire trade chain of songbird trafficking across South America. These birds are heavily trafficked, driving 15 different species toward decline. However, the funding freeze hit just six months into implementation, halting a $3.7 million portfolio comprising seven interconnected projects.

Across Asia, the loss of regional coordination has similarly damaged efforts to secure critical wildlife corridors and manage major global transit hubs. A local conservation leader noted that Vietnam is a critical global transit country where illicit wildlife from Africa and Southeast Asia is consolidated before being smuggled into China. Despite the urgency of this transboundary flow, dedicated cross-border counter-wildlife trafficking projects are now critically underfunded, with this leader emphasizing that the government prioritizes local climate issues over international wildlife transit. The same funding collapse hit Bangladesh's wildlife corridors: a project team reported that the withdrawal abruptly abandoned plans to secure transboundary wildlife corridors designed to link the Chittagong Hill Tracts with tiger sanctuaries in India and biodiversity hotspots in Myanmar, leaving vital migratory routes entirely unmanaged.

The transboundary void also extends to global oceans and illegal fisheries. According to media reports, the U.S. had previously spent about $40 million annually on marine conservation in developing countries, much of it combating illegal, unreported, and unregulated fishing—but now only one of its 25 marine conservation programs remains active. For instance, the funding cuts in Ghana are directly threatening years of hard-won progress against illegal fishing by foreign fleets.[69]

[69] Carver, Edward. "Under Trump, US retreats from global fisheries and oceans leadership." *Mongabay*, 29 Apr. 2025, news.mongabay.com/2025/04/under-trump-us-retreats-from-global-fisheries-and-oceans-leadership/

Practitioners warned that ultimately, the loss of this essential "glue" forces host nations and local organizations to fight large, transboundary, and interconnected crises in greater isolation. By dismantling the overarching coordination that united disconnected actors, they warned, the resulting fragmentation leaves developing regions structurally disadvantaged in addressing complex and large-scale threats.

Finding 8: Forced Pivot Toward Private Sector Models

Themes

🟢 **Pivot to Private Sector, Enterprise Models, & Blended Finance**

🔵 **Private Sector Dependencies & Drivers**

Universally, across all five focus countries, interviewees noted that the sudden loss of bilateral donor funding forced the environmental sector into a rapid pivot toward private-sector and enterprise models, but with limited reach given the loss of USAID's catalytic grant funding. While private sector leadership is a positive move toward sustainability, overreliance on commercial models threatens to commercialize public goods and abandon the most vulnerable communities because pure-profit markets inherently fail to address high-risk, low-margin, and marginalized environmental needs without external de-risking.

The Scramble for Market-Based Survival

At the organizational level, as flexible grant funding diminishes, practitioners spoke of reassessing their financial models. Recognizing that relying exclusively on traditional donor support poses long-term sustainability risks, project leaders described proactively pivoting toward market-based solutions. To compensate for the abrupt loss of traditional grants, practitioners observed that organizations are attempting to transform into social enterprises, independent consultancies, or revenue-generating entities to escape donor dependency permanently.

One social enterprise working on plastic pollution in Kenya took the abrupt loss of USAID grant funding to realize they could not be "continuously and totally dependent on grants" going forward. To sustain and expand their operations, the organization underwent formal corporate restructuring, explicitly designed to make the organization "investment ready," so it could attract commercial impact investors. The company is focusing on gaining access to global plastic credit platforms (similar to carbon credits) and international export markets, which would theoretically double the value of their recycled plastics and allow them to scale operations without relying on future donor subsidies. At the same time, the enterprise's general manager noted that this transition is highly capital-intensive, and the loss of grant funding complicates and likely delays this path. They previously relied on grant funding specifically to cover heavy capital expenditures, such as the procurement of specialized, mechanized plastic processing equipment, which was the critical stepping stone needed to reach the massive operational scale required to attract commercial investors.

In Vietnam, a former USAID official noted that local partners are pivoting from traditional NGOs into social enterprises for similar reasons. This was particularly effective in circumstances where USAID grant funding enabled a path to formalization that could be leveraged post-withdrawal. For example, as detailed further in Finding 10 regarding grassroots resilience, a project team member highlighted how a formalized "junk shop" enterprise utilized its new digital and financial accounting skills acquired through a USAID program to adapt by selling tax and business workshops to other informal waste collectors. In Bangladesh, one researcher emphasized that to survive future crises, research and development non-profits must proactively establish independent "business cells" focused on revenue-generating activities to supplement their grant funding.

For organizations working on conservation, project leaders described a different kind of pivot to relying on revenue to support conservation efforts. Previously, umbrella organizations in Kenya subsidized the administrative and security costs of member conservancies, which enabled tourism operators to pass their standard "bed-night fees" directly to the communities as pure revenue. However, with the loss of flexible grant funding that paid for the salaries, uniforms, and vehicle fuel for local wildlife rangers, one project leader noted that several local tourism operators had to step in, redirecting funds from paying community dividends to cover baseline operational survival.

At the project level, across different regions, practitioners highlighted a rapid shift toward private-sector diversification, adapting projects to build alternative sustainable revenue streams driven by corporate demand for carbon credits and supply-chain sustainability. For example, an interviewee speaking about a private forestry concession in Peru detailed how they abandoned traditional logging entirely to move into the "business of conservation," using rising carbon prices to generate sustainable profit and attract better-quality corporate partners. However, similar to the plastics example, this transition was heavily dependent on USAID grant funding to survive the perilous three-year revenue gap required before a forestry project receives its first tradeable carbon credits. The grant allowed them to hire dedicated scientists and community relations teams to achieve prestigious environmental standards (such as the Climate, Community and Biodiversity Standards), which ultimately attracted much higher-paying corporate clients.

In Vietnam, a project team also spoke of targeting multinational corporations that source materials from Vietnam, pitching sustainable supply chain transformations as a way for these companies to fulfill their global Environmental, Social, and Governance (ESG) responsibilities. For example, by aligning with corporate water targets, this team successfully negotiated grants from a corporate foundation to support wetland and species conservation linked directly to their own water replenishment goals. Similarly, in Bangladesh, a former agency official noted that large multinational corporations are exploring ways to offset their own negative environmental impacts by directly funding local wetland and biodiversity protection efforts after the dissolution of co-investment agreements with USAID projects. An official in the country also said the national government is actively evaluating proposals from foreign and domestic investors to transform 100,000 hectares of coastal forest land strictly into private carbon project developments, and is inviting multilateral banks to help structure these large public-private partnerships.

In Colombia, following the end of a USAID sustainable agriculture project, a former agency official said that large dairy and food corporations stepped in to self-fund nature-based solutions and best productive practices at the farm level. They are independently driving these soil protection efforts to mitigate the commercial risks of droughts and floods caused by climate change. However, they currently lack the technical capacity to conduct the necessary carbon accounting without donor support.

Overall, in areas where grants were previously used to de-risk untested markets, practitioners noted that organizations are being forced to optimize their models to survive purely on private capital. In Colombia, a former agency official now working in impact investment noted a mindset shift across the sector, with local NGOs constantly reaching out to ask how they can transform their operations to become attractive to impact investors rather than traditional donors.

The "First-Loss" Vacuum and Geographic Retreat

As seen in the plastics and forestry examples above, achieving full private-sector participation in environment and climate interventions carries significant risks, particularly when operating in untested markets or volatile geographies. To bridge this gap, donor grant funding historically played a critical, catalytic role in mitigating these risks, acting as an essential buffer that absorbed upfront costs and initial market uncertainties. Stripped of this protective capital, project leaders said that corporate partners and financial institutions are finding the risks too high to bear alone, stalling private investment in critical environmental initiatives and forcing capital to retreat from the most vulnerable regions.

A private-sector partner and a former donor official emphasized that the private sector relies on catalytic "first-loss" or seed capital previously provided by USAID to de-risk investments in volatile areas. Without this grant buffer to absorb initial hazards, these experts said corporate partners are hesitant to engage. In Colombia, the private-sector partner explained that to achieve rural electrification in conflict-affected territories, USAID provided up to 50% of the capital structure as "first-loss" capital. This grant was explicitly designed to de-risk the portfolio, showcasing to private investors that these untested, highly subsidized models could reach a break-even point. Working through this initial subsidy model with USAID grant funding enabled their team to learn as they went, eventually realizing that the subsidy could be smaller than initially designed. Their team also used grant funding to test a hypothesis that energy infrastructure should be paired with "productive infrastructure," such as providing solar solutions to power expensive coffee bean drying facilities for local farmers. This pairing ensured that communities, who were not accustomed to paying utility bills, could generate the necessary income to pay for their electricity, leading to long-term sustainability for the electric utility and ensuring that energy access actually leads to economic development. However, because the capital expenditure for the productive infrastructure was just as expensive as the energy solution itself, its inclusion required grant capital. To survive purely on private equity and debt, their organization had to make the hard choice to eliminate the productive infrastructure.

Media reports on USAID's Health Electrification and Telecommunication Alliance (HETA), a flagship program initially designed to power 20,000 rural African clinics, point to the need for publicly funded demonstrations of commercial viability. When HETA was terminated, private companies were forced to broker partnerships to continue the work independently. In this case, companies could leverage a pilot in Tanzania that had already electrified 1,000 clinics in a single month to prove the model's commercial viability to new investors, enabling the program not only to continue, but grow. Following six months of planning, this privately backed effort is now poised to far exceed the original USAID mandate, aiming to electrify 50,000 facilities across 10 countries. This example also points to the imperfection of donor support. As one executive driving the private initiative noted, "Perversely, the decline of USAID was the catalyst that was needed to drive private investment into what we're doing."[70]

These particularly volatile areas are where a project director and investment specialist warned that the financial risk is now too high to bear alone, causing future private investments to bypass the most vulnerable, high-risk regions in favor of safer, stable areas. In Colombia, one project director noted that private capital is retreating from violent or marginalized zones like Caquetá and Catatumbo. They explained that if a private corporate buyer can source high-quality coffee in a safe, stable region like Antioquia, they will avoid these high-risk areas because the danger of operating there is simply too high to bear without a donor to help mitigate the risks. In the same region, the loss of geographic de-risking also severed the use of vital public-private financial tools. A project leader highlighted how the USAID project played an essential role in bridging a severe trust gap between corporations and the Colombian government using a mechanism called Obras por Impuestos (Taxes for Works). This government tool, approved a decade ago, allows private companies to direct their tax payments toward developing critical infrastructure and solutions in the country's most conflict-affected areas. The program was piloting and simplifying this mechanism so that companies could use their taxes specifically to fund environmental conservation in the highly volatile Catatumbo region. However, because the private sector lacked

[70] Mersie, Ayenat. "How a USAID exit sparked a private drive to power Africa's health clinics." *Devex*, 25 Sep. 2025, www.devex.com/news/how-a-usaid-exit-sparked-a-private-drive-to-power-africa-s-health-clinics-110917

confidence in the government, a dynamic that the implementer noted worsened around 2022, companies were reluctant to utilize the mechanism on their own. The grant-funded project provided the neutral oversight and structuring needed for companies to use this incentive to work in marginalized territories.

Loss of catalytic capital for impact investing

A climate-focused revolving fund in Kenya survived the withdrawal, but the loss of supplementary grant support made capital too expensive for many local beneficiaries. One implementor emphasized that USAID played a unique, catalytic role in pushing financial institutions to engage in the highly marginalized arid and semi-arid lands of Northern Kenya. With USAID support, the implementing organization established a multi-million dollar capital base designed to provide sustainable loans to climate-focused financial institutions and enterprises. This specialized revolving fund provided a combination of lower-cost capital and intensive technical assistance, such as helping lenders design specific agricultural finance products and variable payment obligations specifically tailored for agribusinesses highly prone to extreme droughts and floods. To further de-risk these investments, the project also included a non-commercial "impact incentive window," providing small grants to financial institutions if they successfully increased their lending to marginalized groups (like women, youth, and smallholder farmers) and climate-adaptation businesses.

Because this was a returns-based model, the fund itself was able to continue operating after the U.S. withdrawal. However, USAID grant funding had previously subsidized the fund's operational overhead, such as staff salaries and rent. This subsidy enabled it to provide free technical and governance support to clients receiving the loans. Once the operational subsidy was abruptly removed, the fund's internal costs significantly increased. To remain solvent without the donor's backing, the fund was forced to restructure its lending terms, raising its interest rates from 5%, a highly accessible rate, to 8.5%, which priced out many climate-related enterprises. Furthermore, without these grant subsidies, they could no longer offer the crucial technical assistance or fund the "impact incentive window" to incentivize local lenders. As a result, the implementer noted that financial institutions are retreating to conventional, safer loans rather than taking risks on climate-smart businesses in vulnerable regions.

Multinational corporate partners in the global survey directly corroborate this retreat from volatile areas. One corporate representative noted that while the company remains committed to long-term climate action, the loss of donor engagement "constrains the scope and pace of impact, particularly where public funding enabled scale, coordination, and inclusion of higher-risk landscapes." For this reason, global survey respondents frequently cited 'Risk capital for innovation' as one of the most valuable resources they now need from future philanthropic actors. The sector is desperate for new funders to step in and absorb the upfront risks that commercial markets inherently reject.

Pure-Profit Market Failures and Greenwashing

While the pivot to the private sector and blended finance offers a necessary alternative funding stream, practitioners provided examples of how relying exclusively on commercial interests carries severe risks. When profit becomes the sole driver, systemic environmental and developmental goals are frequently sidelined. Corporate funding inherently gravitates toward high-visibility, high-return investments, failing to address complex, low-margin problems or the needs of marginalized groups who cannot generate a commercial return. Furthermore, practitioners in Kenya and Vietnam warned that leaning heavily on corporate partnerships introduces a risk of "greenwashing," where funding is driven by branding priorities rather than long-term environmental impact. Compounding these market failures, the political climate surrounding the withdrawal has actively chilled corporate ambition; a technical advisor in Southern Africa observed that multinational corporations have begun actively cutting their own environmental and Diversity, Equity, and Inclusion (DEI) commitments out of fear that they will be unable to do business with the new U.S. administration if those policies remain in place.

Multiple project directors and technical specialists emphasized that pure-profit models fail to address unglamorous, high-risk, or low-margin environmental issues. For example, an interviewee for the same Kenyan plastics enterprise discussed earlier in this finding noted that while commercial recycling companies exist in the region, their primary interest is necessarily maximizing profit. Consequently, these commercial actors prioritize aggregating high-margin materials over the laborious, community-based collection of degraded, ocean-bound plastics. Without donor-backed financial incentives, such as targeted buy-back schemes to subsidize this difficult work, the social enterprise was forced to drastically scale back its plastic recovery by 80%, leaving a void in activities specifically focused on the ocean plastic pollution crisis.

In Peru, a former government official highlighted that private markets and philanthropies actively avoid the complex, low-margin socio-economic work required to transition vulnerable populations away from illicit economies. They contrasted conventional climate projects, which they described as desirable for funders, with interventions related to justice, illegal mining, and coca replacement, which commercial and philanthropic funders actively avoid because they do not offer quick returns, carry high security risks, and cost political capital with the government. Consequently, vulnerable groups are left without viable economic alternatives and are forced to revert to illicit economic activities to survive.

This expert also discussed the loss of public goods and services and the risks posed by their commercialization. They warned about the dangers of commercializing weather and climate data. In many developing countries, national meteorological services are severely underfunded and lack the basic observation stations required to produce tailored, useful forecasts. Because they cannot produce marketable or highly useful products, finance ministries are reluctant to increase their budgets, trapping them in an underfunded cycle. Advancements in AI have made it much easier to generate climate forecasts even with poor ground data, allowing commercial actors to step into this public void quickly. They warned that some smaller, under-resourced nations may simply abandon building their own internal capacity and completely outsource their national meteorological services to private companies. This actively shifts the control of basic climate information out of the hands of sovereign governments and concentrates it among a few commercial actors who do not have the same transparency or sustainability as the public sector. They pointed to a past example where a private weather company once partnered with the Kenyan Ministry of Agriculture to develop interactive climate and agricultural maps; however, when the company went out of business, the government was abruptly left without its own data infrastructure. Previously, USAID recognized this risk and funded open-source public goods, like the IRI Data Library and the ENACTS initiative (detailed in Part A), to democratize climate forecasting for African nations. With USAID gone and these free public platforms sunsetting, this expert warned that private AI and commercial actors are increasingly taking over climate forecasting from sovereign governments.

The greenwashing risk raised earlier in this section played out concretely across the portfolio. In Vietnam, a project leader warned that because some NGOs are filling their funding gaps with corporate money, the funding priorities have shifted to please the new private investment system. Furthermore, a local conservation leader added that because corporate funding often comes from "branding and marketing" departments, priorities shift to achieving short-term, highly visible public relations actions that are easy to sell to the community, rather than long-term, sustainable biodiversity conservation. In Kenya, an interviewee also highlighted that grassroots micro, small, and medium enterprises implementing genuine climate-smart adaptations, such as a small trader using solar power or a farmer using drought-resistant seeds, are overlooked by financial institutions because they do not know how to market themselves as "climate-smart." Instead, they stated that climate finance flows exclusively to a handful of large corporate players who are simply "large enough to capture data and use words that climate financiers want to see," bypassing legitimate grassroots businesses. To combat this threat of greenwashing, corporate actors themselves recognize the need for ongoing civil society engagement. As one multinational company noted in the global survey, it is a "pivotal moment" for donors to support companies that want to implement sustainable activities "in collaboration with expert climate and biodiversity NGOs." Without donor support to fund these vital NGO watchdogs and partners, corporate initiatives risk remaining superficial.

Ultimately, while the pivot to enterprise models and blended finance offers a necessary lifeline for some organizations, the forced reliance on the private sector exposes severe market failures.

Because pure-profit models cannot independently solve high-risk, low-margin, or foundational public policy challenges without external de-risking, relying solely on commercial markets threatens to commercialize public goods and abandon the most vulnerable communities.

Finding 9: The Geopolitical and Diplomatic Void

Themes

🟢 **Geopolitical & Political Economy Shifts**

🔵 **Development & Diplomatic Imbalance**

The withdrawal of U.S. assistance transcends the loss of environmental funding; interviewees across all focus countries universally perceived it as a massive geopolitical misstep that is actively ceding critical strategic, commercial, and soft-power territory to authoritarian competitors. They described how, by removing deep, embedded technical operations, the U.S. has fundamentally replaced collaborative, "development-first" partnerships with shallow, transactional diplomacy. Former agency officials and project leaders argued that this abrupt exit has stripped embassies of their ground-level intelligence, escalated national security risks in volatile border regions, and left allied nations vulnerable in an increasingly fragmented global landscape.

The Loss of Ground-Level Intelligence and "Soft Diplomacy"

The transition from a deeply rooted, specialized technical development agency to a reduced diplomatic footprint has, practitioners said, created a profound intelligence and influence vacuum for the U.S. government. By stripping embassies of their "eyes and ears" on the ground and replacing collaborative development with top-down, transactional diplomacy, they argued, the U.S. has surrendered its unique soft-power leverage. This contraction, they warned, leaves critical strategic regions vulnerable to the rapidly expanding influence of authoritarian competitors, structurally degrading the U.S.'s ability to negotiate behind the scenes or navigate complex, localized security and environmental threats.

Former USAID officials and regional project directors emphasized that the drastically reduced physical footprint means the State Department has lost nuanced, relationship-based insights. In Bangladesh, one former USAID official explained that the U.S. embassy's political and economic sections previously relied heavily on technical field staff to feed them regular, on-the-ground intelligence. With the withdrawal, embassies lost this vital flow of information, leaving diplomatic officials "craving inside information" that only embedded partners could effectively provide. It's also worth noting that this relationship was described as deeply symbiotic; they noted that the embassy would regularly share high-level political intelligence regarding what ministers and top advisors were thinking, which in turn allowed them to navigate their own project meetings more effectively.

In Colombia, regional conflict and poor security conditions pose a significant barrier, severely limiting the ability of U.S. Embassy officials to travel to difficult, remote regions. Consequently, one project director noted that the diplomatic wing relied heavily on USAID implementing partners, specifically those running land and agriculture programs in conflict-affected areas, to gather real-time intelligence on local conditions and regional political dynamics. A former agency staff member emphasized that USAID was uniquely capable of reaching 'the very heart of Colombia,' operating in areas where even the national military or police could not go. In these highly sensitive areas, the recognizable U.S. brand acted as a powerful protective shield and a deterrent against illegal armed groups controlling industries like illegal gold mining. Because these projects are no longer operating in these highly volatile territories, critical feedback loops have been severed. Furthermore, now that this protective flag and high-risk tolerance are gone, other international actors struggle to step in to fill the leadership gaps. This same project director warned that private-sector investors and other donors are retreating from high-risk areas.

A former agency official in Peru highlighted a similar geographic constraint, noting that USAID programs maintained active, daily relationships with regional authorities, local governments, and indigenous peoples deep in the Amazon and the remote highlands. Because USAID was the 'only visible face' of the U.S. government on the ground in these areas, they noted that its withdrawal removed the primary mechanism the embassy had to gather localized intelligence and engage directly with remote populations. A project team in Peru expanded on this, noting that this withdrawal created a severe information vacuum regarding ground realities that cannot be captured by the news alone.

Technical sector leads and former project leads also noted that diplomatic entities institutionally lack the granular expertise required to manage complex portfolios. In Bangladesh, an interviewee pointed out that Department of State counterparts focus primarily on high-level diplomacy and lack the technical mandate or expertise to interact with the mid-level partner government officials responsible for drafting and implementing complex environmental policies. In Southeast Asia, a project leader shared their experience that programs moved under the State Department were shifted away from engaging partners on regional needs and toward becoming a "response mechanism" for top-down U.S. diplomatic priorities. They warned this shift causes programs to lose their ability to influence long-term, specialized development outcomes.

As a result of the loss of these on-the-ground "eyes and ears," practitioners observed that the withdrawal removed the quiet, behind-the-scenes political leverage the U.S. previously wielded. In Peru, one funding partner noted that this loss of “soft diplomacy” severed the unpublicized, background negotiations that previously leveraged U.S. influence to protect local economies and marine environments from major international threats, such as the encroachment of illegal foreign fishing fleets. In Kenya, a project team noted an "immense loss of American soft power," and warned that losing this grassroots trust directly undermines U.S. homeland security interests, as USAID environment programs achieved multiple objectives, including stabilizing highly volatile border zones threatened by extremist groups like Al-Shabaab.

A former U.S. government official and multiple project leaders warned that the drastic reduction in physical presence creates an enormous geopolitical vulnerability, leaving the door wide open for competitors to expand their influence. In Southeast Asia, a project leader highlighted that removing a robust USAID mission and now only relying on "a handful of people" from the DFC or USTDA leaves highly strategic regions open to actors like China. Concurrently, a former U.S. government official warned that the withdrawal from the South Pacific leaves the "door wide open" for trafficking, unchecked resource exploitation, and corruption. A technical advisor in Southern Africa said the diplomatic shift is already underway, with African counterparts increasingly turning to China or Gulf States who are willing to quickly build infrastructure without demanding the rigorous governance and environmental standards the U.S. previously championed.

The Strategic Implications of Transactional Aid

As discussed in Finding 7, implementers and former USAID officials observed a stark shift across the Western donor landscape from collaborative development toward transactional diplomacy. That shift carries a distinct geopolitical cost: as media reports have noted, in Africa the U.S. has attempted to leverage life-saving health funding to secure preferential access to countries' critical mineral resources, mining sectors, and pathogen data, trading long-term partnership for short-term strategic access.[71] While acknowledging that diplomacy is a critical objective, practitioners warned that this top-down approach sacrifices authentic partner buy-in, squandering the long-term engagements that ultimately benefit U.S. global leadership. A representative from a bilateral donor confirmed this shifting narrative has not been confined to the U.S., noting that internal budget cuts and changing political dynamics in European countries are forcing their agency to adopt a transactional lens, explicitly focusing on their own commercial advantage and geopolitical interests.

Project leaders emphasized that the loss of this "development first" brand of foreign assistance was particularly damaging when the withdrawal coincided with profound domestic political

[71] Khan, Mishal. "US pressure on Zambia shows that Western aid has become nakedly transactional." *Chatham House*, 26 Mar. 2026, www.chathamhouse.org/2026/03/us-pressure-zambia-shows-western-aid-has-become-nakedly-transactional.

turmoil. In these cases, they felt that partner governments not only lacked the capacity to manage the abrupt and unexpected exit of USAID, but also lost critical support to navigate their own political crises.

A Vacuum During a Fragile Democratic Transition in Bangladesh

A former USAID official explained that the U.S. withdrawal hit Bangladesh right as it was navigating a profound political and social transition in the wake of the August 2024 student-led protests that saw the ousting of Prime Minister Sheikh Hasina.[72] For nearly two decades, government agencies in Bangladesh had maintained an established working relationship with USAID. The new interim administration entered office with a broad mandate to aggressively overhaul and reform sector priorities before the upcoming 2026 elections. However, because they "entered the room" exactly when USAID was dismantled, this former official noted that the U.S. lost its seat at the table with the new leadership, which, in turn, was left without the agency's specialized technical support to help guide these massive transitions. Before the cuts, USAID had contributed nearly $500 million in 2024 alone. Media reports explicitly warn that halting these programs "undermines America's ability to support a fragile democratic partner as it undergoes a critical period of political transition."[73] While interviewees noted that the new interim environmental advisors are pro-conservation and have quickly introduced helpful new environmental rules, a project leader observed that they are struggling to execute and apply these reforms "in real life" without donor support.

Consequently, the withdrawal compounded the domestic political shock; instead of seizing this window for democratic reform, critical environmental initiatives and co-management rollouts have stalled. This exact risk is echoed by the Global Democracy Coalition, which emphasizes that "although USAID funding retrenchment does not in itself account for Bangladesh's protracted transition, it has materially weakened civil society precisely when robust capacity is most needed."[74]

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[72] "US aid cuts may weaken democratic transition in South Asian countries" *The Daily Star*, 24 May 2025, www.thedailystar.net/news/bangladesh/news/us-aid-cuts-may-weaken-democratic-transition-south-asian-countries-report

[73] "US aid cuts may weaken democratic transition in South Asian countries" *The Daily Star*, 24 May 2025, www.thedailystar.net/news/bangladesh/news/us-aid-cuts-may-weaken-democratic-transition-south-asian-countries-report

[74] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." *Global Democracy Coalition*, Nov. 2025, https://globaldemocracycoalition.org/when-aid-fades-impacts-and-pathways-for-the-global-democracy-ecosystem/.

In other countries, rather than simply adapting to a loss of funds, philanthropic partners, former USAID officials, and media analyses warned that the loss of U.S. diplomatic pressure has had immediate consequences for democracy, providing an opening for anti-democratic forces to crack down on civil society and expand their territorial influence. As detailed in Finding 5 regarding the contraction of civic space in places like Peru and El Salvador, this dynamic emboldens governments to push through restrictive legislation without fear of international pushback. This weaponization extends globally; media reports indicate that authorities in Serbia, for example, have used the withdrawal narrative to justify raiding anti-corruption NGOs, while the government in Georgia has reintroduced restrictive "foreign agent" laws. Furthermore, a former USAID official warned that the diplomatic retreat has allowed anti-democratic armed groups in Colombia to rapidly expand their territorial control and influence in areas where the U.S. previously operated. Ultimately, this diplomatic retreat actively emboldens authoritarianism, signaling to the world that governments and illicit actors can rapidly dismantle civic space, silence environmental defenders, and expand their influence while the U.S. sits on the sidelines.

Ceding Strategic and Commercial Territory to Competitors

Interviewees also widely discussed how the abrupt loss of USAID opened the door for strategic competitors, most notably China, to expand their influence over global markets. They said that by abruptly severing embedded technical partnerships, the U.S. damaged its reputation as a reliable ally, allowing authoritarian actors to weaponize this unreliability to advance their own agendas. In their view, this retreat extends beyond a loss of diplomatic soft power, surrendering commercial opportunities for American firms, facilitating the unchecked exploitation of strategic resources like rare earth minerals, and ceding large-scale infrastructure pipelines to adversaries.

A former USAID technical lead warned that authoritarian competitors are heavily exploiting the sudden withdrawal and the subsequent loss of trust in the U.S. In Vietnam, a project leader noted that the reputational damage and perceived unreliability of the U.S. are "being taken advantage of by... China or Russia," allowing these nations to advance their own geopolitical agendas at the expense of U.S. diplomatic capital, warning that the diplomatic "credit we have been building for dozens of the years, [is] being washed out within days or months." This geopolitical vulnerability extends beyond Southeast Asia. In Southern Africa, an implementer warned that as the U.S. withdraws, vulnerable countries are forced to seek new partners to sustain their development, meaning "the Russians or the Chinese will come in and fill the gap." However, practitioners cautioned that these competitors operate with fundamentally different agendas; rather than providing transparent technical assistance or capacity building, Chinese support frequently relies on direct infrastructure construction or "mineral swap arrangements." Similarly, in Bangladesh, a project leader noted that local funding and project survival are increasingly dictated by shifting trade relations and regional dynamics involving China, India, and Myanmar. External media and sector reports confirm that authoritarian actors like China have moved to strategically exploit the vacuum left by U.S. aid cuts. However, they are not necessarily doing so by replacing U.S. projects dollar-for-dollar. Instead of taking over abandoned U.S. programs, which analysts note serve as useful "memorials" to American unreliability, Beijing is expanding its soft power by targeting vulnerable institutions, approaching civil society and independent media outlets with offers of grants.[75] Concurrently, China has shifted its aid strategy in regions like the Pacific toward smaller, more frequent, and locally targeted community initiatives; as The Guardian reported, this allows Beijing to "strengthen political and grassroots ties while spending remains flat."[76] Media reports also note that following the political upheaval in Bangladesh, Chinese diplomats actively developed close relations with the interim government to capitalize on the withdrawal of U.S. funding.[77]

Several implementing partners emphasized that the void is commercial as well as political. A former project lead explained that USAID funding routinely opened doors for American companies to engage in foreign regions. In Southeast Asia, the sudden halting of U.S.-backed feasibility studies, funded through USTDA, disrupted regional energy infrastructure projects, diminishing broader commercial opportunities for American consulting and engineering firms. Similarly, in Southern Africa, a technical advisor noted that while the U.S. historically provided technical assistance to ensure transparent and competitive energy procurement, Chinese actors offer a different, highly attractive model with fewer governance strings: "they come and do the feasibility studies and build the plant for you." As a direct result of this shifting dynamic, the technical advisor explained that one major hydropower plant contract in Malawi, where the U.S. had been supporting open procurement, was awarded to a Chinese company instead.

In Vietnam, the U.S. had been actively working to secure community forest governance in the Northwestern region. This area holds one of the world's largest reserves of rare earth elements, which are critical to the U.S. semiconductor and microchip industries. One project leader warned that without USAID empowering local communities to manage and secure these forests, the region has been left highly vulnerable to unchecked illegal mining heavily influenced by China. The same interviewee shared their concern that this void could allow Chinese actors to illegally export these strategic resources and dominate the supply chain, directly threatening U.S. strategic interests.

In Colombia, a former agency official reported that Chinese mining companies are actively planning to increase their operations and influence in the country now that USAID is gone. Because international mining companies rely on funding local community development projects to

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[75] Root, Rebecca L. "After USAID exit, China hasn't moved to fill Asia's funding gap." *Devex*, 4 Dec. 2025, www.devex.com/news/after-usaid-exit-china-hasn-t-moved-to-fill-asia-s-funding-gap-111405
[76] "Australia 'increasingly alone' in countering China's influence in Pacific, aid report shows." *The Guardian*, 27 Oct 2025. https://www.theguardian.com/world/2025/oct/27/australia-increasingly-alone-in-countering-chinas-influence-in-pacific-aid-report-shows.
[77] "US aid cuts may weaken democratic transition in South Asian countries" *The Daily Star*, 24 May 2025, www.thedailystar.net/news/bangladesh/news/us-aid-cuts-may-weaken-democratic-transition-south-asian-countries-report

gain a "social license to operate," Chinese firms are benefiting from the U.S. abandoning the field, as they can now step in to fund these community projects themselves and solidify their territorial foothold.

An energy specialist highlighted the missed commercial opportunity in the Lobito Corridor, a highly strategic infrastructure and trade route linking the Democratic Republic of Congo and Zambia to global markets via Angola. Because China is already "heavily present" and extracting significant resources from the region, they noted that the U.S. had a massive strategic opportunity to counterbalance this by supporting the corridor's development. However, this specialist observed that the sudden withdrawal of U.S. projects meant the U.S. forfeited a prime opportunity to embed American commercial and diplomatic influence in one of the continent's most critical economic arteries.

A former U.S. government official highlighted the severe geopolitical consequences of losing USAID funding that was previously used to build up law enforcement and police forces related to wildlife trafficking in the South Pacific. They explicitly warned that without U.S. funding to support these forces, the door is left "wide open for trafficking... and corruption." Consequently, they noted that Chinese dollars are now driving development impact and building critical security alliances in a highly strategic region, advancing the influence of a country that does not share U.S. democratic values.

Retreating from Global Platforms and Escalating Security Risks

Practitioners across the focus countries stated that the abrupt pivot away from embedded development programs has generated a dangerous vacuum in global governance and border security. By retreating from international negotiation platforms and halting active peace-building efforts in highly volatile regions, they warned that the U.S. has surrendered its role as a stabilizing diplomatic force. This retreat is playing out visibly in global environmental governance. The media highlights how the U.S. administration has circumvented multilateral institutions, such as the U.N.-affiliated International Seabed Authority, to unilaterally expedite deep-sea mining permits, while simultaneously disengaging from the landmark High Seas Treaty. Former U.S. officials explicitly warn that abandoning these international negotiation platforms is a massive strategic error that "will give China an upper hand globally on the nearly 50% of the planet that is high seas."[78]

This retreat exposes partner nations to outsized pressure from strategic competitors in complex transboundary disputes, heavily escalates transnational security threats, including radicalization and illicit economies, and leaves allied nations highly vulnerable in an increasingly fragmented global landscape. The media confirms that this strategic withdrawal is actively isolating democratic

[78] Carver, Edward. "Under Trump, US retreats from global fisheries and oceans leadership." *Mongabay*, 29 Apr. 2025, news.mongabay.com/2025/04/under-trump-us-retreats-from-global-fisheries-and-oceans-leadership/

allies. In the highly contested Pacific region, reports highlight that the real cost of the U.S. aid cuts is "measured in lost trust," leaving key allies like Australia "increasingly alone in countering Chinese influence." As Washington steps back, Beijing is rapidly capitalizing on this perceived American unreliability to win "narrative dominance" and recast itself as the region's steady partner.[79]

Practitioners emphasized that host governments lost a powerful diplomatic backer in complex regional disputes, and the U.S. lost its seat at the table. In Peru, experts pointed to a distinct lack of U.S. presence at major international forums. A former government official noted the absence of the US at recent global climate negotiations, which previously served as a major anchor for U.S. influence. Furthermore, one project leader highlighted diminished support at Asia-Pacific Economic Cooperation (APEC); previously, USAID used the APEC arena to bring in forensic and screening experts to strengthen regional customs labs, but they noted that transboundary support has now been withdrawn.

Similarly, in Vietnam, a climate expert warned that the loss of U.S. support created a critical "power gap" for the country in transboundary negotiations. Because Vietnam sits at the extreme downstream end of the Mekong River, it is highly vulnerable to the impacts of upstream dams operated by nations like China, Laos, and Cambodia. These upstream activities directly exacerbate extreme flooding, landslides, and saline intrusion, threatening agriculture, which is the primary economic activity of the Mekong Delta. To navigate these existential threats, Vietnam relied heavily on U.S. diplomatic and technical support. They explained that the U.S. role extended beyond simply providing funding; its geopolitical weight helped Vietnam negotiate more equitably over these water and dam issues with its larger upstream neighbors. Without the U.S. acting as a strategic counterweight, they warned that Vietnam faces a compounded "financial, technical, [and] power gap," leaving the country highly vulnerable in these critical multinational negotiations.

Practitioners in four countries warned that the withdrawal from highly volatile cross-border areas severely jeopardized both local and U.S. national security interests. In Kenya, one project leader emphasized that in highly sensitive border regions, environmental conservation had been inextricably linked with counter-terrorism. By utilizing environmental management to successfully engage at-risk youth from the Samburu, Turkana, and Pokot tribes, they noted that the U.S. had disrupted recruitment pipelines for violent extremism and transnational trafficking networks. When the funding was abruptly stopped, this project leader felt that the region had become more volatile, directly undermining U.S. counter-terrorism interests and regional stability.

A separate project team described attempting to make the case to visiting State Department officials that these community conservation programs also previously served as a vital frontline defense for American homeland security. Because these programs functioned in and effectively

[79] "Australia 'increasingly alone' in countering China's influence in Pacific, aid report shows." *The Guardian*, 27 Oct 2025. https://www.theguardian.com/world/2025/oct/27/australia-increasingly-alone-in-countering-chinas-influence-in-pacific-aid-report-shows.

stabilized highly vulnerable Al-Shabaab territories, they argued that the U.S. withdrawal actively removed the interventions that were successfully preventing youth radicalization. They detailed how they specifically targeted at-risk youth who had never gone to school and were vulnerable to drug use and illegal economic activity, successfully transitioning over 1,000 of them into vocational training and conservation jobs. Furthermore, this team noted that local conservation organizations functioned as a massive intelligence-gathering network along the borders of Somalia and Ethiopia; local scouts actively tracked and reported Al-Shabaab sightings, the movement of drugs, and illegal firearms, sharing this critical security data with the government. They warned that without these programs acting as a stabilizing force, the loss of these community scouts means this vital intelligence can no longer be captured. Consequently, they fear the region has been left highly susceptible to the unchecked expansion of human and wildlife trafficking.

A former agency official and an implementing partner highlighted a similar escalation of extremist violence in Mozambique. The withdrawal of U.S. operational support severely deteriorated the protected status of isolated border areas, most notably the Niassa Special Reserve. Because the national government was suddenly left without the rapid-response resources previously provided by USAID, these experts warned that the region is experiencing a worsening threat of terrorism, with violent extremist networks capitalizing on the loss of U.S.-backed security resources to expand their territorial footprint.

Taken together, practitioners concluded that, by retreating from the field, the U.S. has sacrificed decades of built trust and ground-level intelligence, handing significant strategic and territorial advantages directly to authoritarian competitors while leaving highly vulnerable allied nations to navigate escalating security risks alone.

Finding 10: Isolated Bright Spots

Themes

🟠 **Potential Bright Spots**

🟢 **Community Self-Reliance, Continuation & Momentum**

While the abrupt withdrawal of bilateral assistance sparked high-level political hopes that the shock would accelerate local self-reliance, interviewees observed that genuine structural "bright spots" remain isolated. Nevertheless, they pointed to how the immense long-standing investments in human and technical capacity enabled greater grassroots resilience, where highly skilled professionals, enduring community networks, and proactive local governments are independently internalizing and sustaining environmental momentum.

The Political Hope vs. The "Heroic" Reality

Media reports indicate that the sudden reduction in foreign aid has been viewed by some leaders, including Zambia's President Hakainde Hichilema and Rwanda's Paul Kagame, as a long-overdue opportunity for African countries to achieve self-reliance.[80] Some experts also suggested the withdrawal may constructively force developing countries to focus on domestic resource mobilization rather than external dependency. Some interviewees echoed this sentiment. A former agency official felt the U.S. withdrawal would create a "moment of reckoning," constructively forcing national treasuries to finally "step up" and invest their own tax revenues into environmental protection and public goods, rather than defaulting to foreign assistance.

Media reporting confirms that several global leaders have explicitly embraced this harsh transition. To achieve this self-reliance, nations are increasingly asserting sovereignty over their natural wealth to retain profits. Ghana, for example, recently opened its first commercial gold refinery. However, relying on natural resources to replace foreign aid brings inherent risks, as utilizing these resources has historically been linked to "pollution, corruption, human rights

[80] Campbell, Charlie. "Ghana's President Wants to Prove Ghana—and All of Africa—Can Stand on Its Own." TIME, 30 Oct. 2025, time.com/7329296/africa-aid-ghana-john-mahama-profile/

abuses, [and] criminal infiltration."[81] Academic research corroborates this concern, noting that the U.S. withdrawal is already spurring highly transactional "minerals-for-security" deals in places like the Democratic Republic of the Congo. Researchers point out that USAID previously funded programs specifically designed to mitigate the "damaging environmental impacts" of the mining industry, and shifting toward transactional mineral extraction without this stabilizing humanitarian support leaves countries vulnerable to unchecked environmental and human rights conflicts.[82]

Practitioners spoke of the highly limited circumstances in which genuine self-reliance was actually achieved following the abrupt withdrawal. For projects that had successfully neared the end of their capacity-building stage, the path to sustainability (or "self-reliance") was available. The global survey data validates that genuine 'self-reliance' is not yet materializing on a large scale. When asked if they were seeing any positive adaptations or bright spots following the withdrawal, nearly 83% of all survey respondents indicated a negative outlook, stating it was either “Too early to tell” (49.1%) or outright “No” (33.7%). With only 17.1% of the sector reporting any positive adaptations, the survey shows that where resilience does exist, it is the exception rather than the rule, frequently characterized as “heroic” rather than structural. In Colombia, interviewees lamented that grassroots continuity is being sustained by voluntarism, high emotional costs, and fragile, informal alliances among community members, rather than robust institutional safety nets. Similarly, in Kenya, interviewees talked about communities relying on deep group solidarity (Harambee) to survive the absence of external support. This extreme, heroic dedication is also documented in global sector surveys. For example, a testimonial from an independent news agency in Myanmar, published in the Global Democracy Coalition's When Aid Fades report, described how their journalists have continued to report and work entirely without pay to keep their organization alive despite losing their USAID funding.[83]

The Enduring Legacy of Human Capital

While formal institutional hand-offs were frequently severed mid-stream, the withdrawal revealed a profound and enduring silver lining: the massive historical investments in local human capital. Even as formal projects collapsed, the rigorous technical and administrative capacity-building provided through USAID projects left behind a highly skilled professional workforce and empowered grassroots networks. Today, this resilient human capital, ranging from independent youth leaders to "smarter" local organizations, is helping drive autonomous

[81] Campbell, Charlie. "Ghana's President Wants to Prove Ghana—and All of Africa—Can Stand on Its Own." TIME, 30 Oct. 2025, time.com/7329296/africa-aid-ghana-john-mahama-profile/
[82] Hayward, Rosie, Peter Klimek, and Asjad Naqvi. "United States and European Union aid cuts risk exacerbating links between aid, trade, and human and environmental crises." *Communications Sustainability*, vol. 1, no. 12, 2026, https://doi.org/10.1038/s44458-025-00011-9
[83] Global Democracy Coalition. "When Aid Fades: Impacts and Pathways for the Global Democracy Ecosystem." *Global Democracy Coalition*, Nov. 2025, https://globaldemocracycoalition.org/when-aid-fades-impacts-and-pathways-for-the-global-democracy-ecosystem/to sustain the momentum of abandoned programs independently.

environmental action, forming spinoff initiatives, and leveraging their acquired expertise to independently sustain the momentum of abandoned programs.

Multiple implementing partners emphasized that the deep investment in human capital successfully cultivated a highly skilled professional middle class within partner nations. As discussed in Part A, in Colombia, an implementor noted that a large-scale land and environment project was executed entirely by Colombian staff, with zero expatriates on the payroll, a majority of whom were women. When the program suddenly closed, all full-time staff members transitioned into new roles within universities, the partner country government, and other development sector institutions. They stressed that working for the agency provided these professionals with a "school" of best practices, ensuring that their elite technical expertise remained deeply embedded within the sector, ultimately allowing them to buy homes, build families, and become highly reliable leaders in their own communities.

Former USAID officials and implementing partners noted that in other countries, former staff and trained youth have taken immense personal initiative to independently establish new NGOs and business models to keep momentum alive. In Kenya, a former mid-career staff member who spent years managing USAID projects pooled their expertise with a colleague to launch a brand-new grassroots organization focused on climate resilience and environmental restoration. Operating entirely without salaries or major funding, the founder explicitly credited the world-class institutional management and evidence-based programming skills they learned under USAID as the legacy that allowed them to build this new organization from the ground up. Because of this elite technical capacity, they have already gained significant early traction, securing a seat on a local county steering group and recently being given the lead role to organize a regional youth summit. Similarly, in Bangladesh, a former USAID staff member established small spinoff non-profits using their own personal capacity and passion. Dubbed a "mini USAID" by colleagues, the organization uplifts forest-dependent indigenous communities. This same staff member also used their personal capacity to help sustain struggling micro-projects managed by local partners, such as protecting sea turtle hatcheries that would have otherwise been abandoned.

Philanthropic partners and implementing partners highlighted how rigorous compliance requirements ultimately forged stronger, highly competitive local organizations. In Peru, the arduous grant processes and strict monitoring systems required by USAID effectively served as an advanced training ground for local professionals. A former agency official noted that local staff who worked with USAID learned how to build complex results chains and develop clear indicators. At the same time, an implementing partner added that this rigorous training forced teams to "think backwards" and consistently answer the "so what?" behind their interventions. Consequently, these NGOs are now successfully leveraging this exact training to adapt and compete for new funding from philanthropies and other bilateral donors. Furthermore, a philanthropic partner noted that navigating these rigorous standards alongside USAID ultimately made their own foundation "smarter grant makers" as well.

While interviewees universally spoke of the breakdown of large-scale collaborative efforts, practitioners also shared that collaborative networks established by USAID projects endured. In the Philippines, cohorts of local government units and trainers working on women's economic empowerment continue to meet, network organically, and offer mutual support despite frozen funds. Similarly, an interviewee noted that a regional cohort of partners combating songbird trafficking in South America continues to meet periodically to advance their goals collectively, demonstrating that the professional ecosystems built through U.S. government projects could survive.

Similarly, in Bangladesh, one project team member shared that former staff and youth groups stayed connected via informal platforms, allowing them to share opportunities and successes long after their projects closed. They highlighted that over 240 trained youth leaders maintained their connections post-withdrawal, independently mentoring one another and organizing community actions, such as planting and caring for trees at local schools using seedlings they independently secured from local forest departments.

Continuing Transformational Support to Women in the Philippines

A USAID program in the Philippines organized informal female waste workers, who collect and sort much of the region's recyclable waste before it can end up polluting rivers and oceans, into women-led associations, pairing them with business and waste-management training aimed at raising their incomes. That collective structure let workers negotiate directly with recyclers and corporate buyers, securing legal supply contracts that had previously been out of reach for unregistered individual workers. When the funding freeze hit, it halted plans to expand the program to other countries and left the newly formed women's associations financially stranded. Members reported struggling even to afford the bus fare needed to convene meetings. Rather than let the work disappear, the former project team pivoted to establish a new regional NGO to institutionalize and scale the model independently. One program participant, a survivor of domestic abuse, shared that she gained not only hard skills but a vital belief in herself and knowledge of her rights, both at home and in the community, a shift other participants described as well, realizing they were capable of achieving far more than society expected of them.

Institutionalizing Models and Government Ownership

In several countries, practitioners shared examples of government ministries, local municipalities, and other public institutions having received sufficient program support to internalize program frameworks, tools, and best practices, scaling them independently using domestic resources. In all of the examples provided, USAID support had already been in place for at least five and up to twenty years prior.

In the Philippines, an official noted that at least one local government unit proactively reviewed and revised circular economy-related training modules to fit their specific city context, formally incorporating local municipal ordinances regarding gender and solid waste management. Similarly, in Bangladesh, a former agency staff member observed that local universities independently scaled the i-Tree urban forestry software (the introduction of which is detailed in Part A) to conduct tree inventories in new cities. A project leader added that the government also proactively absorbed the operational costs of collaborative community patrols and the transition to digital "smart patrols" in the Sundarbans using its own budget. However, as a cautionary note on sustainability, while some community co-management committees continued to function, practitioners warned that without USAID's technical guidance, they shifted their motivations toward capturing and sharing financial revenues rather than advancing purely conservation-driven goals.

In Peru, national institutions have actively embraced and funded models that were promoted through a canceled USAID project, demonstrating a radical shift in bureaucratic mindsets. One project leader noted that the National Water Authority, which was not focused on natural infrastructure before USAID's involvement, is now proactively "assuming leadership for the freshwater challenge for Peru." They explained that this policy leadership is complemented by independent execution; Profonanpe (Peru's National Environment Fund) proactively created its own Division of Water Resources Management. This leader highlighted that the fund was able to use the published technical tools left behind by USAID, and independently apply them to develop new projects and mobilize private-sector investments.

In one highly successful example of government uptake, a project team reported that the Kenya Wildlife Service proactively stepped in to absorb vital security and monitoring functions in one part of Kenya. While grassroots conservancies could no longer afford to cover their own ranger salaries and fuel costs, they noted that the national government willingly took over these financial and operational burdens. One member of the team emphasized that this was a "good thing" that secured the continuity of their conservation efforts, noting it successfully transferred the long-term security mandate back to the state. However, in other regions of Kenya, practitioners expressed concerns about a potential increase in poaching due to the lack of community patrols, indicating that the Kenya Wildlife Service was not filling the gap everywhere.

A former agency staff member in Colombia noted unmet expectations for public funding following USAID's exit, as many environmental programs were left stranded waiting for state resources. Former agency staff and implementing partners noted that the national administration was perceived as indifferent to U.S. assistance due to deteriorating bilateral diplomatic relationships and a political stance prioritizing independence from American aid, leading to a reorientation toward domestic political agendas and a specific sectoral pivot toward peace and stability over environmental programs. However, in some specific cases, one former agency staff member reported that sub-national and departmental governments successfully absorbed the funding gap to complete critical projects. For instance, they noted that when the withdrawal abruptly stalled an economic development project in a coca-growing region, a departmental government stepped in to fund the final technical studies for a bridge connecting local farmers to markets; this proactive local support ultimately unlocked the private-sector investment needed to finish the project.

One project leader noted that, in response to the sudden loss of international support in Kenya, their NGO accelerated county-level policy advocacy to establish local conservancy funds to sustain community-led wildlife protection areas. They explained that, historically, USAID provided the core financial backbone for these community conservancies, which manage the vast majority of the country's wildlife outside national parks on communal lands, by covering essential operational costs such as ranger salaries, monitoring, and administrative overhead. When USAID funding abruptly vanished, they realized that county governments lacked the legal frameworks needed to channel public funds to these non-state community organizations. In response, this leader observed that their team worked urgently to finalize specific local legislation, such as the Narok County Conservancies Act, to officially establish dedicated "Conservancy Funds." By passing these acts through local county assemblies, they highlighted that NGOs are enabling local governments to legally appropriate their own domestic public tax revenues to subsidize these community efforts, actively seeking to replace lost international aid with sustainable domestic public funds.

In some cases, a U.S. government official shared that some governments also were able to maintain South-South cooperation networks. In Latin America, the U.S. had heavily invested in building forest monitoring expertise across countries like Peru, Colombia, Guatemala, and Honduras. Because these nations are at different stages of sophistication, they noted that networks were formed across government offices and technical specialists into a regional "community of practice," allowing countries to rely on each other's respective expertise without the need for expensive international consultants.

Market Momentum and Grassroots Enterprises

For the specific interventions where a viable commercial pathway existed, private sector actors and grassroots enterprises demonstrated the ability to carry the momentum forward, demonstrating the importance of grant funding to create technical capacity and facilitate market linkages between community enterprises and global industries. As such, when interventions were intentionally anchored to corporate value chains, low-cost household income, and clear market demands, they possessed the structural resilience to survive the external shock. In Vietnam, one project team member highlighted how informal waste collectors (often operating as "junk shops") utilized the digital and financial tools introduced by the project to formalize their operations and survive post-withdrawal. By transitioning to digital tracking, they noted that these enterprises learned how to manage their finances, pay taxes, and ensure their operations met the transparent, legal requirements needed to sell collected plastic waste to formal companies. One local enterprise is now independently offering workshops to train other junk shops on how to formalize and pay taxes to the government.

In Kenya, low-cost, highly personalized interventions like beekeeping successfully persisted because, as one former project director noted, the assets belong to individuals who can more simply aggregate their products for the market to generate income. Similarly, another former project director shared that communities trained to build energy-saving cookstoves and do artisanal beadwork (linked to Kenya's bead export market) continued their production independently to sustain their livelihoods. Additionally, an interviewee from a resilient coastal social enterprise in Kenya shared that their organization painstakingly rebuilt its plastic waste supply chains over an entire year after the cuts, slowly climbing back to its pre-crisis operational target of collecting 15 to 16 tons of plastic per month.

Former project leaders noted that agricultural cooperatives with deep historical roots also were able to weather the sudden funding cuts. In Colombia's Catatumbo region, a former project leader noted that an established coffee cooperative with a 45-year history survived by aggressively adjusting its budgets, leveraging support from the National Federation of Coffee Growers, and securing alternative backing from philanthropy. They added that because of this deep institutional foundation, they were able to keep their core projects operating despite losing critical USAID funding for new productive infrastructure, which slows, but does not kill their momentum. This localized resilience can be seen in other sectors as well; the same project lead highlighted the rubber association in Caquetá. Despite facing a more difficult operational model and a weaker national federation than the coffee growers, they noted that this association is demonstrating similar resilience by adjusting budgets and making the necessary compromises to keep their operations running for as long as possible.

One project advisor in the Philippines similarly emphasized the importance of market linkages for the survival of community initiatives. For example, they highlighted a project that organized local communities to commercially produce purple yam (ube) for Unilever's ice cream supply chain that successfully endured the withdrawal. They noted that this market linkage was explicitly designed as an incentive mechanism to provide alternative livelihoods, successfully encouraging communities to stop unsustainable practices that led to resource degradation. Because the USAID project facilitated the complex groundwork of organizing the community, they observed that the farmers were able to maintain their business relationship with the corporate supplier even after the project closed.

A project leader spoke of the future risk of corporate difficulty in building these connections without donor support. For instance, they noted that while large companies in the Philippines are legally mandated to fund environmental initiatives under the Extended Producer Responsibility law, they admit they lack the grassroots expertise and operational networks to actually locate and integrate informal local waste workers. To bridge these formal market gaps, this leader emphasized that donor intervention was often required. Therefore, the sustainability of these local, community-scale commercial enterprises has often depended on foundational donor investment and market facilitation.

Ultimately, while the withdrawal triggered profound ecosystem shocks, it also validated the fundamental premise of localization: deeply rooted, community-owned approaches, highly trained local professionals, and market-driven solutions provide the ultimate safeguard against external donor volatility.

Conclusion

The findings in this report point to the conclusion that the withdrawal of U.S. bilateral assistance did not merely produce a funding gap, but a structural shock that has made doing high-impact environmental work more difficult than before. The foundations for accomplishing our collective goals to stabilize the climate, halt and ultimately reverse biodiversity loss, and stem large-scale pollution have weakened along these five primary lines.

1. Governments have fewer resources and less support, weakening ambition.

The withdrawal left governments on both sides of the aid relationship, in Washington and in partner capitals, with fewer resources, less support, and weaker ambition to act. For donor governments and the broader donor field, what was lost was not simply a source of funding but an entity able to hold a multi-year horizon, provide technical scaffolding across institutions, and broker relationships among governments, donors, and civil society. Without that anchor, the donor field doesn't just shrink; it fractures into short-term, transactional relationships that cannot sustain the complex, landscape-level strategy environmental work requires. There is a risk that the sector responds to operating with less money by structurally reorganizing around a shorter time horizon, which will shape what kinds of interventions are even possible to design going forward.

At the country level, partner governments lost critical external and embedded internal support that helped keep environment and climate objectives on their political agendas. In some cases this presence functioned as a genuine counterweight, pressuring governments toward safeguards and accountability they would not have adopted on their own; in others, it functioned as an internal enabler, sustaining the people and platforms that let would-be reformers actually move things forward. Losing both functions at once means governments face weaker restraint against backsliding and weaker capacity to advance the reforms they still want, even when the political will to act remains. Layered on top of this is the erasure of institutional memory and shared data infrastructure, meaning governments and practitioners are working with less shared evidence to support their decision-making.

2. Local organizations are under greater financial and political pressure.

The health and robustness of local implementing organizations is critical to the effectiveness and resilience of the development sector; but many of those still standing are now operating at a reduced scale, with less capacity to implement programs and, in some places, under greater political pressure than before. That reduced capacity stems from a structural vulnerability: lacking the deep financial reserves of massive international organizations, local grassroots groups often relied on USAID as a single donor and/or on the administrative scaffolding of larger intermediary partners. When the funding abruptly ended, organizations across multiple countries faced immediate budgetary collapse. Even when local groups survived, the larger umbrella organizations that provided them with vital administrative, grant management, and technical scaffolding also had to contract in many cases, forcing them to sever support to their grassroots networks abruptly.

In addition to the direct financial stress posed by the loss of an anchor funder, civil society groups and environmental defenders also relied on their association with a major U.S. donor for their safety. It served as a protective shield with a consistently visible presence, making governments and illicit actors more cautious about targeting or restricting them. USAID's withdrawal not only removed this protection, but the nature of the withdrawal (including a chaotic communications blackout) left grassroots organizations with the difficult task of repairing trust with their communities that they didn't break, while continuing their work with less funding.

3. Private capital is essential, but it retreated when catalytic grants did.

Even at its large scale, U.S. ODA was never going to be enough on its own to reach global climate and conservation goals. One of its roles was to unlock private capital, using grants to absorb risk that commercial investors would not take on by themselves, so private money would follow into places and issues it otherwise would not touch. Before the withdrawal, U.S. grant funding covered the years before a project earned revenue, or was willing to absorb losses no investor would accept alone. While some projects could continue with private investment given they had already demonstrated their ability to generate a return on investment, many others were left behind before reaching this stage, having lost the mechanism that made future private investment possible.

The loss of catalytic capital specifically to nudge larger private investors into development contexts is particularly impactful for climate and conservation work in the Global South, where private capital is hesitant to enter because it doesn't generate commercial returns on a timeline or scale investors expect. Grant funding has to keep playing the role of deliberately pushing private capital into that gap, while balancing the other critical roles for which this catalytic funding is needed.

4. Losing environmental programs carried a U.S. diplomatic and security cost.

The significance of this withdrawal extends well beyond the environmental sector, because environmental programming was never serving only environmental ends. Embedded technical experts, sustained over years, generated a degree of local trust and on-the-ground knowledge that produced real diplomatic and intelligence value: they were a source of ground-level information for U.S. embassies, a channel of influence in countries where the U.S. had few other points of contact, and in some cases the only American presence capable of operating safely in remote or contested territory. That work played a significant role in giving diplomatic relationships substance. Once the technical presence disappears, what is left is a thinner, more transactional relationship, which is what gives other actors room to move in. They can offer engagement with fewer strings attached, because they're not competing against a partner who has spent years building real trust, but rather one that has already hollowed itself out.

Environmental and security objectives were always inextricably linked. Programs supporting environmental coordination and independent investigative journalism in hard-to-reach areas and across borders were functioning as an early-warning and monitoring layer against illicit economies, trafficking networks, and extremist activity that operate in blind spots or across national boundaries that fall outside any single country's ability to track alone. The loss of these programs and networks represents a reduction in the United States' visibility into threats that these programs had been monitoring as part of their core environmental work.

5. A Foundation for Recovery: Enduring Local Resilience and Human Capital

Even in cases where the institutions did not survive, the people who staffed them continue trying to make progress in their communities, countries, and regions. USAID's model relied on local staff and long-term technical partners who combined real expertise with relationships with governments, communities, and counterparts, all built through years of structured mentorship, rigorous monitoring frameworks, and hands-on capacity building. This is a tremendous asset, but a fragile one. Many of the institutions that employed this talent have contracted or collapsed, and many of the people still doing this work are covering the gap themselves, through steep pay cuts, unpaid hours, and continued work under conditions that are not sustainable. That is not evidence that the sector has found a stable path forward. It means individuals are personally absorbing the cost of a funding failure, and that they can only do so for so long.

Ultimately, the gap left by USAID is wider than just the tremendous scale of money lost, and therefore will not be closed by filling in the funding alone. What disappeared was a coordinating function, a source of soft power, and foundational capital, along with the technical depth that gave relationships substance. People delivered these functions, many of whom are, for now, still chipping away at climate, environment, and development problems in their countries and communities. Whether their work can be sustained for the long term while the funding gap widens is uncertain.

Recommendations for Funders

The withdrawal of U.S. assistance left a profound void that extends beyond funding, but because deeply rooted local human capital remains intact, the sector is not starting from scratch. Based on insights from implementers and local leaders around the globe, the following recommendations outline how private funders can effectively adapt their strategies to stabilize and build momentum for environment and climate outcomes.

1. Provide Patient, Unrestricted Core Funding to Grassroots Organizations

Local organizations consistently prove themselves to be the indispensable backbone of global environmental progress. Yet, they often lack the deep financial reserves of large international NGOs and intermediaries and struggle to gain attention from international funders. Heavy administrative and reporting burdens frequently overwhelm these smaller entities, diverting critical resources away from on-the-ground implementation. Funders can provide patient, unrestricted core funding directly to grassroots organizations, while also easing co-financing burdens and simplifying reporting requirements. This would empower local actors to design solutions tailored to their highly specific contexts and allow them to work on the essential foundational governance and institutional capacity-building efforts required for long-term autonomy.

Additionally, USAID's absence means many worthy local organizations no longer carry the built-in vetting and credibility that its backing once provided; therefore, reaching these groups will require funders to build their own due diligence capacity and become more comfortable funding smaller, decentralized recipients directly, rather than relying only on the intermediary structures the sector was previously built around. *See Findings 5 and 6*.

2. Provide Strategic Grants for Public Goods and Catalytic Blended Finance

While there is a growing push toward market-based solutions, pure-profit commercial markets inherently gravitate toward high-visibility, high-return investments, naturally avoiding complex, low-margin issues and high-risk geographies. Funders can step in strategically to provide grants for areas and issues where revenue generation and private sector action simply aren't possible, ensuring that highly vulnerable populations are not abandoned and that critical assets and ecosystems are managed as a public good. Additionally, non-governmental funders play a vital role in drawing the private sector back toward high-ambition environmental commitments. By deploying grants as catalytic "first-loss" capital, funders can absorb the initial financial risk for untested market models, effectively supporting blended finance mechanisms to unlock commercial markets in high-risk, marginalized zones. *See Findings 4 and 8.*

3. Support Critical Data Infrastructure, Research, and Learning

The sudden loss of USAID did not just halt projects; it effectively erased access to decades of institutional memory and digital public goods. Without central knowledge platforms and baseline data, local governments and civil society actors lack the independent scientific validation required to shape complex policy. In an environment where every dollar counts, funders can support critical data infrastructure and research that advance evidence-based action, support learning and implementation science, and ensure that organizations have the foundational information needed to engage in best practices and prepare for future scenarios. Additionally, by actively funding collaborative spaces and structured learning opportunities, such as pauses-and-reflects, funders can ensure that evidence translates into implementation and adaptive management. *See Finding 2.*

4. Act as Central Conveners and Fund Relationship Building

The development sector suffers from a natural siloing effect, which often pushes individual organizations, governments, and multilateral actors to focus narrowly on their own isolated priorities. Without a central anchor to coordinate complex strategies, the donor space is further fracturing into siloed, uncoordinated projects. Large-scale collaboration does not happen organically; it is expensive and requires dedicated time and resources. Funders can serve as central conveners or fund conveners, increasing collaboration by pooling resources. By explicitly funding the "invisible" relationship-building work across civil society and multi-stakeholder coalitions, donors can rebuild the collective voice necessary to push governments for systemic policy reforms, overcome complex inter-ministerial barriers, and prevent fragmented projects from duplicating efforts. This collective approach matters for another reason: USAID's exit cost the sector not just funding, but the diplomatic weight that once enforced environmental and human rights commitments abroad. Philanthropy can't replace that leverage, but funders can support the civil society coalitions and regional bodies that sustain policy pressure in its absence, and by staying visibly engaged themselves, help counter other donors' pull-back. *See Findings 7 and 9.*

5. Adopt a Landscape Approach

Ecosystems, watersheds, and wildlife corridors do not respect administrative or project boundaries. Yet, as funding becomes more fragmented, there is an observed regression towards short-term, transactional aid models that target single issues in narrow geographies. Single-issue or highly restricted geographic funding is biologically and socially ineffective, as the collapse of environmental stewardship in one area inevitably threatens the stability of interconnected regions. Funders should consider deploying their resources at the landscape level, crossing administrative borders to secure the stability of entire interconnected ecosystems. In practice, this means resourcing work that covers an entire watershed or ecosystem rather than a single project or parcel, and that brings together the full range of institutions whose jurisdictions the landscape actually crosses — finance ministries, utilities, environmental agencies, and others — rather than funding each in isolation. By avoiding the trap of isolated projects and adopting a territorial approach, funders can facilitate comprehensive, landscape-level management and break down rigid bureaucratic silos that often stall systemic environmental progress. *See Finding 7.*

6. Devolve Decision-Making to the Lowest Effective Level

Interviewees frequently cited that effective implementation relied on having experts physically living and working in the partner country. This sustained footprint enabled continuous, long-term relationships, allowing experts to build deep trust and engage in informal, daily interactions with the communities and government officials who actually implement or enact policies. However, most funders cannot afford to maintain the same massive, on-the-ground presence as a bilateral government agency. Therefore, the challenge for funders is to get as close as possible to an embedded physical presence without always being physically on the ground. This shift is essential to avoid a situation in which decisions about developing nations are made in rooms full of actors, disconnected from physical realities and local voices.

There is a spectrum of options to devolve decision-making to the lowest effective level. At the most decentralized level, funders can directly devolve decision-making authority to local or regional advisory bodies and participatory grantmaking panels, giving them real power over strategy and grantee selection. Alternatively, funders can channel resources through established regional networks and local umbrella organizations that already possess deep administrative capacity and community relationships. If directly devolving authority or using local intermediaries isn't feasible, funders can still actively consult and co-create with local stakeholders, ensuring that people living in partner countries review and provide direct feedback on strategies and project designs. Even where physical presence is limited to remote connections or annual field visits, using collaborative feedback loops ensures that decisions are grounded in local knowledge and needs. *See Finding 5 and Part A.*

7. Fund Explicit Safeguards for the People Doing the Work

USAID's exit didn't just end projects; it also ended much of the safeguard infrastructure built around them. Local staff, community monitors, and whistleblowers are often the most exposed and the least protected once a funder withdraws, and the loss of a coordinating actor with real leverage means fewer mechanisms remain to enforce environmental, social, and human rights protections. Philanthropic funders cannot replicate the scale of a bilateral agency's safeguard apparatus. Still, they can go beyond "do no harm" in concrete ways: funding basic protection for local staff and community monitors doing risky field work (security support, legal help if they're threatened, emergency plans), building grievance and redress mechanisms that outlast any single grant, and embedding environmental, social, and human rights screening into new partnership due diligence rather than treating it as an afterthought. Because these protections are often the first thing to disappear when funding shifts, funders should treat them as core program costs, not optional extras. *See Findings 3 and 5.*

Recommendations for U.S. Foreign Assistance

A stable climate and a healthy, biodiverse planet are fundamental global public goods that benefit all of humanity, and the U.S. government has a leadership role to play in helping secure them. Effectively doing so, however, requires a strategic approach to the design and deployment of foreign assistance, one that reflects the lessons of what worked, what didn't, and what has been lost. Based on the findings of this assessment, policymakers should consider the following recommendations for U.S. foreign assistance efforts:

1. Invest in an Independent, "Development-First" Agenda

Future U.S. foreign assistance must remain anchored in an independent, neutral development agenda that is unlinked from short-term diplomatic pressures and domestic commercial promotion. When assistance is perceived as a purely transactional tool to advance U.S. geopolitical or commercial interests, it sacrifices authentic partner buy-in and squanders long-term diplomatic capital. Historically, USAID's greatest strength was its role as a true "development wing" that prioritized partner governments' own development needs and supported pathways for good governance, democratic values, and sustainable financial management. By fostering transparent market-building and establishing level playing fields, the U.S. offers a distinct, high-quality model of governance. This "development-first" approach provides a critical contrast to the highly extractive, destructive, and less-regulated development models frequently offered by authoritarian competitors. To maintain global influence, policymakers must ensure that assistance is driven by partner country priorities rather than top-down, short-term diplomatic mandates. *Findings 1 and 9.*

2. Do Not Decouple Environment and Climate Priorities from Development

Development is an undeniable driver of environmental degradation, but it is also an inextricable part of the solution; therefore, environment and climate priorities cannot be decoupled from broader development goals. Environmental challenges are deeply intertwined with poverty, economic development, and governance. When policymakers rely on piecemeal, narrowly thematic, or short-term funding, it ultimately fails to address these root causes. Systemic correction of market failures requires an approach that addresses the root causes and key threats driving environmental problems, and longer timelines (such as 5- to 10-year project horizons) to achieve broad outcomes. Without this sustained, cross-sectoral integration, systemic change is impossible. Crucially, future assistance must champion a just transition, ensuring that the economic costs of conservation, environmental protection, and a transition away from fossil fuels do not fall to the most vulnerable populations. Achieving global environment and climate goals depends on marginalized populations actively supporting and sustaining environmental action. Therefore, interventions must be designed to advance their own socioeconomic well-being at the same time. This means foreign assistance must address immediate local priorities alongside high-level global goals. *See Findings 4 and 8.*

3. Commit to Stable, Multi-Year Funding

The decades-long timelines required to transform environmental systems are fundamentally misaligned with the short, unpredictable cycles of federal funding. Volatile annual appropriations, continuing resolutions, and last-minute rescissions create disruptive, unplanned cuts that derail implementing teams mid-project and squander years of relationship- and capacity-building. While meaningfully addressing this would likely require significant legislative change, policymakers should treat stable, multi-year funding mechanisms as a long-term goal worth working toward. *See Finding 7 and Part A.*

4. Rebuild Trust and Credibility as a Reliable Partner

The abrupt, unilateral termination of ongoing commitments did lasting damage to the credibility of U.S. foreign assistance as a dependable partner. Partner governments, communities, and implementing organizations that took on risk, built institutions, and advanced policy reforms having relied on U.S. support are now understandably wary of re-engaging at the same level. Future U.S. foreign assistance cannot simply resume where it left off; it must actively rebuild trust by honoring existing commitments, communicating changes transparently and with adequate notice, and demonstrating consistency over time. Without this deliberate effort to restore confidence, even well-designed future programs may struggle to find willing partners. *See Finding 5.*

5. Prioritize Physical Proximity and Long-Term Local Relationships

Effective implementation cannot be achieved through a distant, short-term approach. Sustained, in-country presence, from both U.S. agency staff (local and American) and long-term implementing partner staff, builds the trust required to work securely with national governments, local municipalities, Indigenous groups, and the private sector. This trust is rooted in effective development assistance models where locally-based teams provide the hands-on, day-to-day mentorship needed to help partners overcome administrative challenges and execute complex projects. Furthermore, having experts embedded in the host country enables them to engage in continuous daily interactions, allowing them to seize short political windows and provide immediate, targeted support when unexpected needs arise. Future U.S. foreign assistance must prioritize and fund this kind of continuous field presence, deploying culturally sensitive staff who can build the long-term relationships needed to navigate local bureaucracies, broker trust in fragile environments, and secure genuine partner-country buy-in. *See Finding 6 and Part A.*

6. Preserve the Ability to Operate in Fragile and High-Risk Settings

A sustained field presence, as well as sufficient scale of funding, also gives implementers the trust, risk tolerance, and infrastructure to operate safely in high-risk or conflict-affected areas that other donors and even partner government agencies often avoid, while giving policymakers reliable, on-the-ground insight into shifting political and technical conditions. Future assistance should be designed to sustain this kind of field presence rather than defaulting to lower-risk, more distant models of engagement, particularly in the fragile settings where environmental threats are most acute. *See Finding 3 and Part A.*

7. Design and Fund Long-Term Assistance for the Landscape Scale

Ecosystems do not respect administrative boundaries, national borders, or narrow funding directives, and shifting environmental systems takes time. To transform complex environmental systems, future U.S. assistance should be designed and deployed at a landscape level that addresses the full range of actors involved, from local communities to national policymakers to private markets, rather than isolated, single-issue projects. This approach avoids duplicative efforts and allows for the cross-sectoral coordination complex environmental problems require. *See Finding 7.*

8. Maintain Convening Capacity for Cross-Border and Multi-Actor Coordination

Achieving landscape-level impact requires sufficient financial scale to convene otherwise fragmented actors, governments, multilateral organizations, and civil society around shared priorities. This capacity is especially critical for transnational threats, such as wildlife trafficking, air pollution, ocean plastic pollution, and shared watershed management, which do not stop at national borders. Policymakers should ensure future assistance retains the scale and flexibility to fund this kind of cross-border, multi-actor coordination, which few other funding sources are structured to support. *See Finding 7.*

9. Champion Co-Creation and Adaptive Management

Transforming complex environmental systems requires setting high-level strategic goals while giving people on the ground the flexibility to determine how to achieve them. Policymakers should champion co-creation and adaptive management, building in regular opportunities to test, learn from, and adjust project design. This is a core part of genuine localization: it is not enough to change who receives funding if the design and course-correction of a project remain dictated from Washington or partner country capital cities. *See Part A.*

10. Fund a Transition Path From International Intermediaries to Direct Local Funding

The U.S. should increase direct funding to local organizations wherever possible, while recognizing that genuine localization requires deliberately investing in the institutions and professional capacity that let local organizations manage funding independently. Policymakers should prioritize local institutional capacity development, and where international intermediaries remain necessary, their role should focus on building the administrative capacity of local partners until those partners can transition to direct funding. *See Finding 5 and Part A.*

11. Right-Size Compliance and Payment Structures to Match Local Partner Capacity

Localization is undermined when local organizations face the same compliance burdens and payment structures designed for large international contractors. Policymakers should right-size reporting and oversight requirements to match a partner's scale and capacity, using phased approaches that build internal controls over time. Funding structures applied to local organizations should also shift away from reimbursement-based models, which force local organizations to front capital they don't have, toward milestone-based funding with full cost recovery, allowing them to build financial stability rather than remaining dependent sub-grantees. *See Part A.*

Project Pipeline

Alongside this research, One Earth Partners has assembled a vetted pipeline of close to 100 projects stemming from terminated USAID environment and climate activities. This pipeline gives funders concrete opportunities to help sustain momentum.

Why This Pipeline Exists

The pipeline responds to a critical inflection point in global environmental action: the loss of more than $1 billion in annual USAID environment and climate funding, along with the institutional capacity, data systems, and local partnerships behind it. Our research shows that implementation of environment and climate programs has had to scale back significantly, with some implementing organizations closing permanently and others downsizing their staff and project scopes. The pipeline is designed to preserve momentum by capturing high-value opportunities and connecting them to new sources of support.

It is a curated set of high-potential, implementation-ready activities identified from hundreds of prior efforts, focused on the most catalytic pieces: those that sustain institutional capacity, unlock systems change, and advance integrated progress across climate, biodiversity, and pollution. We built it through direct relationships with implementing partners to identify specific activities that are currently viable, and we keep it updated to reflect on-the-ground realities.

Shaped with input from philanthropic advisors and donor collaboratives, the pipeline aligns with funder needs while maintaining rigor and practical deployability. As former funders, we applied the same standards used to manage large-scale portfolios: strong evidence, credible partners, institutional feasibility, and clear pathways to sustained impact.

Goals

- Accelerate a just, low-carbon transition.
- Protect and restore the natural systems that sustain life.
- Build the institutions and governance that make progress last.

Pipeline at a Glance

Momentum for the Environment currently includes ~100 shovel-ready projects across 80+ countries in Africa, Asia, and the Americas, representing $125M in total one-year funding needs. Projects span eight sectors and often have multi-sectoral objectives, so many fall into more than one category:

SECTOR	PROJECTS	FOCUS AREAS
Biodiversity and Conservation Crime	60	Forest, marine, and terrestrial conservation, sustainable livelihoods, indigenous rights.
Enabling Systems and Finance	45	Blended finance, governance, policy reform, institutional capacity, carbon markets.
Sustainable Food Systems	40	Climate-smart agroforestry, smallholder farmer support, sustainable supply chains.
Climate Resilience	38	Nature-based solutions, early warning systems, disaster risk reduction, livelihood diversification.
Clean Energy	21	Renewables deployment, energy efficiency, clean energy access, grid modernization.
Pollution and Circular Economy	19	Plastic waste reduction, solid waste management, informal waste workers, air quality.
Urban Systems and Resilience	16	Transport decarbonization, city climate finance, urban resilience.
Water Security	13	Watershed restoration, ecosystem services payments, water governance, rural water quality.

The Implementing Organizations

Close to fifty percent of projects are implemented directly by local organizations. All implementing organizations and/or project teams have strong delivery track records, technical approaches and theories of change, and local presence, with connections to community and governmental structures.

Projects at Every Funding Level

Projects range in size and timeline, from near-term implementation to longer-term system transformation. The table below shows the number of projects by one-year funding level:

< $100k	$100k–$500k	$500k–$1M	$1M–$5M	$5M–$10M	> $10M
6 projects	37 projects	14 projects	33 projects	1 project	3 projects

Funding needs cover a range of uses: direct implementation, organizational support, technical assistance, project development, research, data, and MEL (monitoring, evaluation, and learning), and direct investment.

How We Curate

Projects were curated by drawing on extensive expert networks with decades of experience across sectors and regions, deep country and political economy knowledge, sectoral expertise on effective solution pathways across climate, biodiversity, and pollution, and contextual understanding of environmental drivers, systemic pressures, and the evolving funding ecosystem. This expertise was applied through a four-step process:

1. **Candidate Identification**
   We compiled a long list of candidate projects through document review, key-informant consultations, and expert referrals, assessed through structured screening and stakeholder validation.
2. **Pre-Screening for Eligibility**
   Projects must operate at a globally, regionally, or nationally significant level; address at least one system lever (policy reform, market transformation, institutional strengthening, social or behavioral change, research, or technology deployment); have a credible implementation partner; demonstrate an evidence base or strong conceptual logic; show a track record of success; and contribute to climate change, biodiversity loss, or pollution.
3. **Deep Screening for Viability**
   Pre-screened partners submitted current status, funding needs, partner capacity, and operational readiness. This stage also identified project components — particularly through local partners — that can continue or restart under new funding. The output is a structured project database tagged by geography, sector, cost range, and implementation status.
4. **Portfolio Organization for Funder Entry**
   Projects are organized by sector, size, geography, and funding use to create tailored, funder-specific project lists ready for partnership development.

With nearly half of implementing partners based locally, Momentum for the Environment offers funders vetted, ready-to-deploy opportunities across biodiversity conservation, plastic pollution, climate resilience, and more, opportunities that align directly with the recommendations in this research. Funders interested in a short curated list and facilitated introductions can schedule a consultation at info@oneearthpartners.com.

Annex: Canonical Themes

The following annex provides a comprehensive, structured overview of the thematic findings extracted from the 72 qualitative interviews across the five core countries (Bangladesh, Colombia, Kenya, Peru, and Vietnam). To visually represent the geographic spread and robustness of these findings, a standardized, color-coded confidence scale has been applied to each canonical theme. This framework allows the reader to instantly gauge the density of consensus across the assessment, clearly distinguishing between impacts that represent a global, systemic trend and those that reflect deeply localized realities.

Legend

🟢 Green (Universal Consensus): Found across all 5 core countries.
🔵 Blue (Dominant Consensus): Found across 3 to 4 core countries.
🟠 Orange (Regionally Specific): Found in 2 core countries.
🔴 Red (Highly Localized): Found in 1 core country.

USAID Role & Value – Distinctive / Effective

Robustness	Theme	Evidence
🟢	Scale, Duration, and Flagship Presence	31 interviews
🟢	Flexibility, Co-Creation & Experimentation	29 interviews
🟢	Government Alignment & Political Leverage	25 interviews
🟢	Embedded Presence & Commitment	22 interviews
🟢	Localization, Community-Led Governance & Capacity Building	20 interviews
🔵	Support for Inclusive Development & Community Economic Growth	19 interviews in Bangladesh, Colombia, Kenya, Peru
🟢	Technical Independence, Integrity & Quality Assurance	16 interviews

🔵	Data-Driven, Technically Sound Decision Making	14 interviews in Bangladesh, Colombia, Peru
🔵	Introducing Financial Instruments & Mechanisms	12 interviews in Colombia, Kenya, Peru, Vietnam
🔵	Making Global Science and Policy Relevant at the Local Level	9 interviews in Bangladesh, Colombia, Kenya, Peru
🔵	Operating in High-Risk & Conflict Geographies	8 interviews in Bangladesh, Colombia, Peru
🟠	Catalyzing Landscape & Co-Management Movements	6 interviews in Bangladesh, Kenya
🔴	Regional & Transboundary Capabilities	3 interviews in Peru

USAID Role & Value – Less Effective

Robustness	Theme	Evidence
🟢	Strategic & Technical Issues	27 interviews
🟢	Administrative & Reporting Burden	18 interviews
🟢	Intermediary Dependence & Spend Pressures	14 interviews
🟢	Bureaucratic Delays & Approval Bottlenecks	11 interviews
🔵	Funding Volatility, Short Cycles & Sustainability Mismatch	10 interviews in Bangladesh, Colombia, Kenya
🔵	Washington Effects: Political Cover & Coordination	9 interviews in Bangladesh, Colombia, Kenya, Peru
🔵	Relationship to the Government	9 interviews in Bangladesh, Colombia, Peru, Vietnam
🔵	Staff & Institutional Memory	6 interviews in Colombia, Kenya, Peru, Vietnam
🟠	Financial & Cash Flow Rigidities	4 interviews in Kenya, Peru

Impacts of USAID Withdrawal

Robustness	Theme	Evidence
🟢	Abrupt Cessation & Program Disruption	44 interviews
🟢	Policy, Standards & Institutional Backsliding	38 interviews
🟢	Financial Leverage Loss & Funding Contagion	33 interviews
🟢	Workforce Loss, Brain Drain & Organizational Contraction	32 interviews
🟢	Donor Coordination, Leadership & Brokerage Vacuum	27 interviews
🔵	Trust Erosion, Credibility Loss & Reputational Damage	24 interviews in Bangladesh, Colombia, Kenya, Vietnam
🟢	Loss of Technical Validation & Specialized Expertise	21 interviews
🟢	Biodiversity, Environmental & Other Risk Escalation	20 interviews
🟢	Geopolitical & Political Economy Shifts	19 interviews
🟢	Disrupted Public-Private Linkages	11 interviews

Adaptive Responses

Robustness	Theme	Evidence
🟢	Donor Diversification & Substitution	38 interviews
🟢	Organizational Downsizing, Survival & Reinvention	34 interviews
🟢	Community Self-Reliance, Continuation & Momentum	25 interviews
🟢	Pivot to Private Sector, Enterprise Models, & Blended Finance	21 interviews

🟢	Government & Partner Dynamics	20 interviews
🟠	Potential Bright Spots	6 interviews in Colombia, Vietnam

Gaps & Risks

Robustness	Theme	Evidence
🟢	Leadership, Strategy & Long-Term Engagement Gaps	34 interviews
🟢	Technical & Sectoral Gaps	25 interviews
🔵	Risks to Vulnerable Populations & Communities	22 interviews in Bangladesh, Colombia, Kenya, Peru
🔵	Development & Diplomatic Imbalance	8 interviews in Bangladesh, Colombia, Kenya, Vietnam
🔵	Private Sector Dependencies & Drivers	6 interviews in Bangladesh, Colombia, Kenya, Vietnam
🟠	Risk to Civic Space	6 interviews in Kenya, Vietnam
🔴	Stranded Assets & Wasted Infrastructure	4 interviews in Kenya
🟠	Loss of Collaborative Networks	3 interviews in Colombia, Peru
🟢	Data, Monitoring & Institutional Memory Loss	20 interviews

Annex: Global Survey Results

Survey Methodology and Distribution

The Post-USAID Withdrawal Impact Survey was designed following a series of in-depth interviews and qualitative analyses conducted in several core countries. The primary objective of this survey was to determine whether the localized themes and operational impacts identified during the initial interviews were being experienced globally. The survey was distributed between December 11, 2025, and March 3, 2026, ultimately securing 175 responses. To ensure a comprehensive and representative reach, it was shared directly with a dedicated network of over 600 USAID environment professionals across more than 80 countries, distributed to a global mailing list of over 500 implementing partner staff and philanthropic funders, and promoted widely on LinkedIn to reach a broad cross-section of the international climate, conservation, and development community.

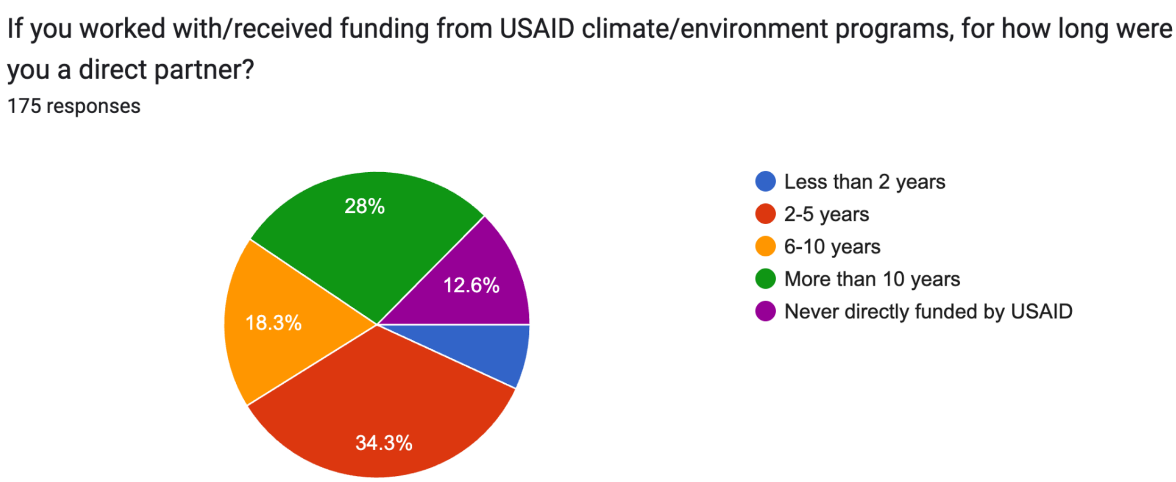
Respondent Demographics and Organizational Affiliations

The survey captures insights from 175 respondents representing a diverse cross-section of professionals and organizations operating in the global environment and climate sectors.

Category	Respondents	Percentage
International NGOs	42	24%
Local/National NGOs or grassroots community organizations	35	20%
Former USAID staff	39	22%
USAID contractors/consultants	28	16%
Government ministries/agencies	9	5%
Multilateral agencies	5	3%
Other donor organizations	2	1%

Academic and Research	7	4%
Private Sector and Social Enterprises	6	3.5%
Other	2	1.5%

The professional experience of respondents also reflects deep, long-standing engagement with USAID: 28% of responding organizations had been direct partners with USAID for more than 10 years, and another 18.3% had partnered for 6 to 10 years.



Regional and Sectoral Expertise

Respondents manage global programs and operate across a wide array of geographies, with many focusing on multiple regions because participants could select multiple regions and technical areas categories sum to more than 100%.

Regional focus:

Region	Respondents	Percentage
Sub-Saharan Africa	67	~38%
Southeast Asia	49	~28%
Latin America & the Caribbean	34	~19%
South Asia	32	~18%
Global/Multi-regional	30	~17%

Middle East & North Africa	8	~5%
Eastern Europe & Central Asia	5	~3%

Sectoral expertise

Condensed into four categories; because participants could select multiple sub-sectors, categories sum to more than 100%:

- **Climate Adaptation & Resilience (~80%):** general climate adaptation and resilience (56%), climate-smart agriculture (30%), disaster risk reduction (16%), urban climate resilience (10%).
- **Biodiversity & Nature-Based Solutions (~75%):** terrestrial biodiversity conservation (45%), natural climate solutions (34%), water resources management (21%), marine/coastal biodiversity conservation (20%).
- **Climate Policy, Finance & Data (~60%):** climate policy and governance (25%), climate finance and private sector engagement (25%), monitoring, evaluation, and learning (MEL) data systems (17%).
- **Energy, Mitigation & Pollution Control (~42%):** waste management and circular economy (14%), clean energy (11%), air pollution (10%), low-carbon transportation (5%).

Organizational Impacts

The results reveal a divide between areas that suffered immediate blows and those that experienced more moderate effects following USAID's withdrawal. Direct organizational and operational capacities were the most affected, while external relationships and high-level strategic engagements were more resilient.

Most Severely Affected Areas

Respondents overwhelmingly reported a "Severe impact" on the core pillars that keep their organizations running and their projects active.

- **Operational funding:** This area saw the highest concentration of "Severe impact" responses, as the abrupt loss of USAID support left immediate financial voids.
- **Technical program implementation:** Similarly, the ability to actually execute on-the-ground programs was severely paralyzed for the majority of respondents.
- **Staff retention and capacity:** Without funding and active programs, organizations experienced severe impacts on their ability to retain skilled staff and maintain their institutional capacity.

- **Access to evidence and learning:** A high number of respondents also noted a severe impact in this area, likely tied to the loss of monitoring and evaluation funding that USAID traditionally provided.

Less Severely Affected Areas

While still heavily impacted overall, areas relying on established networks, relationships, and localized strategic positioning saw much higher instances of "Moderate impact," "Minor impact," or "No impact."

- **Partner Relationships (e.g., between implementers and local groups):** Established networks and personal relationships proved to be one of the most resilient areas. Many implementing partners indicated only minor or moderate impacts on their networks, with one International NGO respondent explicitly noting that despite the loss of funding, their "personal relationships with local government and NGO partners were not damaged."
- **Access to government stakeholders:** While some organizations lost access without USAID's backing, a significant portion reported moderate, minor, or no impact, suggesting that many local and international NGOs had established channels to local ministries.
- **Ability to influence policy & participation in coordination mechanisms:** Responses in these categories were highly mixed. While some felt a severe loss in their advocacy space, many others reported only moderate or minor impacts to their ability to participate in coordination groups or influence policy discussions.

Shifts in the Operational Context

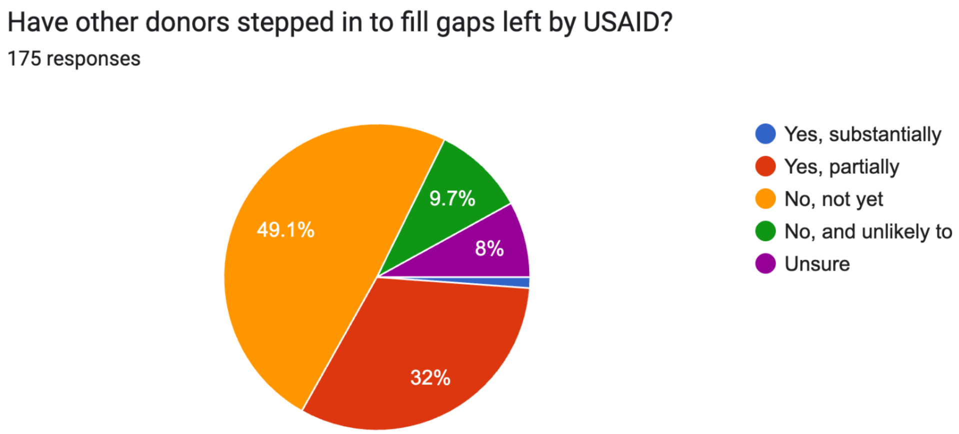
The withdrawal led to several major shifts in the operational context across funding, governance, and on-the-ground capabilities. Because this was a "select all that apply" question, percentages reflect the proportion of respondents who flagged each issue.

- **Funding and technical deficits:** 83% of respondents cited gaps in funding for specific technical areas, compounded by a widespread loss of technical expertise and in-country advisors (61%).
- **Breakdown of coordination and networks:** reduced coordination and alignment (57%) and weakened civil society networks (48%).
- **Government and policy shifts:** decreased government engagement on environment and climate issues (55%) and a broader shift in national policy priorities (29%). One respondent detailed how the Iraqi government closed its Directorate of Climate Change following the withdrawal, shifting focus toward immediate economic and water negotiations with neighboring countries instead.
- **Loss of data and evidence systems:** 48% of respondents reported reduced data and monitoring systems, undermining evidence-based decision-making.

- **Erosion of trust and cascading institutional impacts:** write-in responses (~1% each) highlighted broader issues, including a "severe uncertainty and erosion of trust in US administration" and "cascading funding cuts across all internationally-focused and domestic sustainability-focused US agencies."

The Donor Landscape and Gap Filling

Despite the severe impacts, the funding gap remains largely unfilled. Only 1.1% of respondents reported that other donors have "substantially" stepped in to replace USAID's support; 49.1% indicated that no other donors have stepped in yet, and 32% noted only "partial" support.



For programs seeing partial support, funding is primarily coming from:

- **European governments and bilateral agencies:** most frequently mentioned, including the EU, Germany (GIZ, IKI), the UK (UK Aid, FCDO), Sweden, Switzerland, Norway, and Ireland — though respondents cautioned that European bilaterals, particularly the UK, are also reducing funding due to shifting priorities.
- **Multilateral organizations and funds:** the World Bank, Asian Development Bank, Inter-American Development Bank, the Global Environment Facility, and UN agencies such as UNDP and FAO.
- **Philanthropic and private donors:** private foundations (e.g., Gates Foundation, Hilton Foundation, Rainforest Trust) and entities like Google.org and the Clean Air Fund.
- **Other government institutions:** Australia's DFAT, Global Affairs Canada, and the Amazon Fund.

Respondents were clear that while these alternate sources help, they are not enough to fill the gap created by USAID's abrupt withdrawal, leaving many programs at immediate risk of collapse.

Critical Gaps and Emerging Risks

Asked to rank the top emerging risks in the post-USAID landscape, respondents revealed a clear hierarchy of concerns:

1. **Loss of long-term, flexible funding** — overwhelmingly ranked the #1 most critical risk and the primary catalyst for other challenges.
2. **Weakened local organizational capacity** — deep concern that local and national NGOs will struggle to survive or maintain institutional capacity without backing.
3. **Reduced technical assistance and expertise** — the void left by departing in-country advisors who guided complex environmental programs.
4. **Reduced support for community-level adaptation** — a lack of resources directly supporting vulnerable communities trying to build climate resilience.

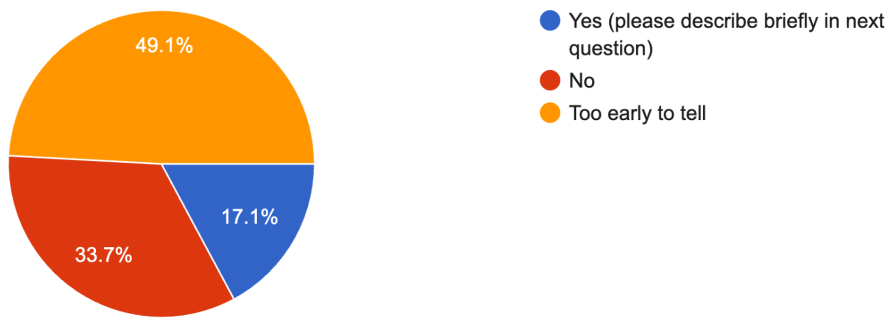
Other risks were also recognized, though less frequently: a breakdown in multi-stakeholder coordination, decreased policy influence and advocacy space, and the loss of monitoring, evaluation, and learning (MEL) systems.

Positive Adaptations and Bright Spots

When asked whether they were seeing positive adaptations or bright spots, 82.8% of respondents indicated a negative or uncertain outlook — 49.1% said it was "too early to tell" and 33.7% said "no." Only 17.1% reported positive adaptations. Among those who did, several emerging themes stood out:

- **Diversification of funding:** organizations are reducing reliance on single major donors by tapping philanthropic, corporate, and private-sector streams; some noted that private philanthropies carry lighter bureaucratic requirements than traditional government aid.
- **Increased collaboration:** the funding loss has spurred new alliances and revamped partnerships as a model for cost-sharing and pooling expertise.
- **Strategic narrowing:** groups are prioritizing their most critical interventions and focusing on operational cost efficiency.
- **Local resilience**: previous investments in local capacity building are proving their worth, with communities stepping up to assume greater responsibility and build self-reliant finance mechanisms — though one respondent cautioned that local partners are often absorbing this burden without sufficient resources, raising the risk of staff burnout and uneven program quality.

Are you seeing any positive adaptations or bright spots in response to USAID's withdrawal?
175 responses



Priorities for Future Philanthropic Support

Respondents indicated a clear consensus on what they need most from philanthropic actors going forward, revealing a distinct hierarchy that prioritizes foundational survival over specific project interventions:

- **Tier 1: Core Survival**
  - **Multi-year, flexible funding (81.7%):** This is overwhelmingly cited as the absolute most critical need, selected by over 80% of respondents. Rather than rigid, short-term project grants, organizations desperately need patient, adaptable capital that allows them to sustain their core operations, retain staff, and plan for long-term impact.
  - **Support for local organizational capacity (61.1%):** Respondents emphasize the urgent need to redirect resources directly toward local and national organizations. Philanthropic actors are asked to help build the institutional capacity and resilience of these grassroots actors so they can take ownership of climate and conservation initiatives without relying on international intermediaries.
- **Tier 2: The Expertise Gap**
  - **Technical assistance (42.3%):** With the widespread loss of in-country advisors and specialists, more than 40% of organizations highly value philanthropic support that can supply the technical guidance necessary to implement complex environmental and climate adaptation programs.
- **Tier 3: Systemic and Structural Needs**
  - **Funding for monitoring, evaluation, and learning (MEL) (29.1%) & Coordination/convening power (28.6%):** Nearly 30% of respondents view dedicated funding for research and monitoring as vital for maintaining evidence-based decision-making now that data systems have been severely

impacted. Similarly, respondents highlight the need for philanthropic actors to step into USAID's traditional "convening role" to foster multi-stakeholder collaboration, ensure donor transparency, and prevent fragmented or isolated efforts.
    - **Advocacy/policy support (25.1%) & Risk capital for innovation (23.4%):** Rounding out the priorities, roughly a quarter of respondents noted the value of backing policy influence to ensure technical capacity translates into systemic change, as well as providing risk capital to nurture new, inclusive climate innovations.

Core Message to Donors and Decision-Makers

Respondents universally stress that USAID's withdrawal is not merely a funding gap, but an "ecosystem shock." The core messages from the field include:

- Critical gaps and loss of progress: the withdrawal threatens the continuity of high-impact programs that often require 20–30 years of sustained support, risking the loss of decades of institutional memory and progress.
- Impact on local capacity and trust: abrupt cuts severely weakened local organizations globally, limiting their access to critical grants and damaging community trust in the sustainability of donor timelines.
- Need for coordinated, long-term support: donors must prioritize flexible, multi-year support focused on self-sustaining systems rather than short-term solutions, alongside an urgent need for greater donor coordination.
- Loss of US influence and leadership: USAID played an outsized role as a funder, convener, and technical provider; its departure leaves a leadership vacuum that may be filled by actors whose priorities do not align with environmental stewardship.
- Focus on localization: future funding must strategically prioritize direct investment in national, credible, and operational local actors to ensure continuity, accountability, and sustainable impact.

Acronyms

The following acronyms and abbreviations appear throughout this report:

APCI — Peruvian Agency for International Cooperation

APEC — Asia-Pacific Economic Cooperation

BINGOs — Big International Non-Governmental Organizations

CARPE — Central Africa Regional Program for the Environment

CGD — Center for Global Development

CIFF — Children's Investment Fund Foundation

CLA — Collaborating, Learning, and Adapting

COVID — Coronavirus Disease

DEC — Development Experience Clearinghouse

DEI — Diversity, Equity, and Inclusion

DFAT — Department of Foreign Affairs and Trade (Australia)

DFC — U.S. International Development Finance Corporation

ESG — Environmental, Social, and Governance

EV — Electric Vehicle

FAO — Food and Agriculture Organization (of the United Nations)

FCDO — Foreign, Commonwealth & Development Office (United Kingdom)

FEWS NET — Famine Early Warning Systems Network

FSN — Foreign Service National

GDELT — Global Database of Events, Language, and Tone

GIZ — Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)

GPS — Global Positioning System

HETA — Health Electrification and Telecommunication Alliance

ICPAC — IGAD Climate Prediction and Applications Centre

IGAD — Intergovernmental Authority on Development

IKI — International Climate Initiative (Germany)

IRI — International Research Institute for Climate and Society

JETP — Just Energy Transition Partnership

M&E — Monitoring and Evaluation

MEL — Monitoring, Evaluation, and Learning

MRV — Measurement, Reporting, and Verification

MSMEs — Micro, Small, and Medium Enterprises

NASA — National Aeronautics and Space Administration

NDC(s) — Nationally Determined Contribution(s)

NDVI — Normalized Difference Vegetation Index

NGO — Non-Governmental Organization

NICRA(s) — Negotiated Indirect Cost Rate Agreement(s)

NREL — National Renewable Energy Laboratory

ODA — Official Development Assistance

OECD — Organisation for Economic Co-operation and Development

UK — United Kingdom

UN — United Nations

UNDP — United Nations Development Programme

UNEP — United Nations Environment Programme

UNODC — United Nations Office on Drugs and Crime

USAID — U.S. Agency for International Development

USFS — U.S. Forest Service

USGS — U.S. Geological Survey

USTDA — U.S. Trade and Development Agency

WASH — Water, Sanitation, and Hygiene