

TO: Congressional Staff  
FROM: Vicki Gass, Executive Director, LAWG and LAWG members<sup>1</sup>  
Maureen Meyer, Vice President for Programs, WOLA  
RE: Impact of foreign aid freeze on Latin America

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The freezing of foreign aid assistance and uncertainty about future funding, apart from the recent measures by the Trump administration to illegally dismantle USAID, is already having a devastating impact on government agencies, international organizations, and local civil society organizations throughout Latin America, compromising regional security cooperation, jeopardizing regional health efforts, weakening democracy and the rule of law, pausing economic development efforts, putting human rights defenders and journalists at risk, and reducing assistance to migrants, refugees and asylum-seekers region-wide.

The 90-day pause and likely modification or cancellation of U.S. foreign assistance programs not only diminishes the United States' leadership in the region, it undermines support for priorities that the Trump administration claims to uphold, like curbing mass migration, reducing illicit drug supplies, preventing trafficking of children and women, and fostering economic prosperity.

State Department and USAID-managed foreign assistance to Latin America and the Caribbean totaled a little over \$2 billion in FY 2023, the most recent year for which an actual amount is available. This included the following: \$663.7 million in Development Assistance, \$523.5 million in Economic Support Funds and \$584.9 million in International Narcotics Control and Law Enforcement accounts. The money appropriated by Congress for projects include regional initiatives in Central America that address the root causes of migration; support for Colombia to anti-narcotic efforts and integration of Venezuelan migrants; financing to strengthen security and democratic institutions in Haiti; funds to Mexico to combat illicit drugs and strengthening; and support for democracy in Venezuela.

On January 31, the Washington Office on Latin America (WOLA), issued a comprehensive analysis of the impact of the freeze on programming throughout Latin America. Below, LAWG and WOLA highlight some of the main impacts of the freeze on partner organizations throughout the region, as well as concerns about attempts to dismantle USAID.

### **Impact on civil society and regional organizations**

In a context of shrinking financial support in Latin America for human rights and democracy promotion, U.S. foreign assistance—particularly through USAID—has become a vital way for civil society partners throughout the region to continue with their work. Based on the pause, organizations are already laying staff off and are reporting that they will not be able to survive

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<sup>1</sup> Additional LAWG members who contributed to this memo include CEDA, Amnesty International, Maryknoll, Presbyterian Church USA, and Justice in Motion

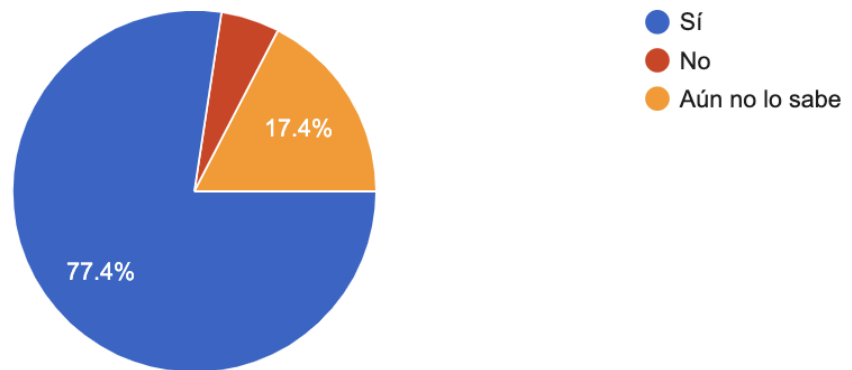
the three-month freeze. They are questioning whether the U.S. can continue to be relied on as an ally on human rights and good governance.

An informal survey distributed to WOLA partners between January 28 and February 3 about the impact of the executive order on operations of Latin American human rights, humanitarian, and other civil society groups presents a grim picture of the near future. The organizations surveyed - 115 so far- represent a broad range of issues, primarily self-identifying their missions as working with migrants, asylum seekers, and refugees; defending human rights; promoting good governance and transparency; strengthening civil society; or women's rights.

The survey included two multiple-choice questions, with possible answers being *Sí* (yes), *No* (no), or *Aún no lo sabe* (don't know yet).

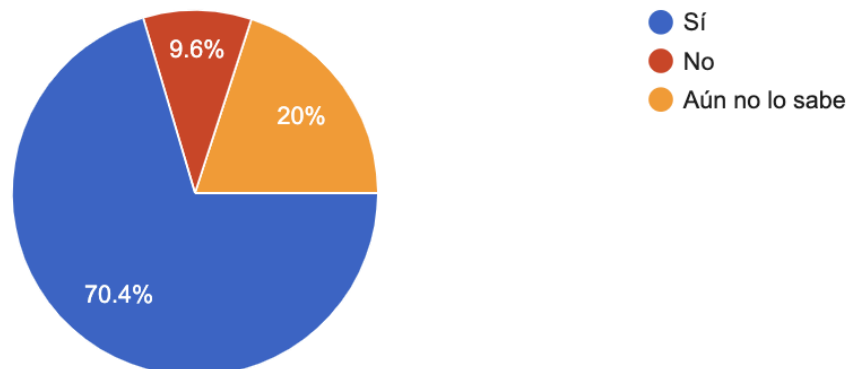
- I. With the implementation of this measure, will your organization have to cut funds or projects that were already in the works?

115 responses



- II. Will you have to reduce staffing or withdraw consultant contracts?

115 responses



In addition to uncertainty about ongoing programs or projects, there is concern over expenses that organizations have already incurred and whether these expenses will be reimbursed. Although the State Department has publicly said there will be waivers for life-saving humanitarian aid, organizations manifested that there is no clarity on how these waivers are requested or processed, or how long they will take.

Additionally, LAWG and LAWG members reached out to civil society and regional organizations about the impact of the freeze on their operations. Below are examples of some of the responses:

**Specific examples:**

- The Organization of American States (OAS) and the Inter-American Human Rights Commission (IACHR) – institutions supporting democracy and the protection of human rights – have been severely impacted. As of January 31, at least half of the IACHR’s staff has been dismissed or furloughed. Most of them are working on critical issues, such as the monitoring of dissidents in Nicaragua, the protection of human rights defenders in Venezuela, the humanitarian crises in Cuba, and other key issues.
- USAID and the State Department’s DRL program funds 80% of Nicaraguan civil society programs, particularly independent media and pro-democracy organizations operating in exile. Secretary Rubio himself said in his confirmation hearing that “Nicaragua is a democracy that has been completely annihilated” and that the regime “poses a threat to our national security.”
- Vulnerable groups such as LGBTQI and sex worker organizations in El Salvador and the Dominican Republic have been gutted. LGBTQI groups in El Salvador have had to lay off staff, and end service provision for victims of gender-based violence (GBV) as well as legal and psychosocial accompaniment.
- In northern Guatemala, 30% of all the services in the government HIV clinics are staffed by people in non-governmental organizations that are funded by USAID. As a result of the pause, 2 health clinics had to let go over a third of their staff including people who run the testing labs, who do follow-up with patients in communities, ambulance drivers, and specialized nurses who draw blood. The reduction of staff and services means that patients have to take costlier travel arrangements to laboratories further away. Similarly, in Costa Rica, Asociación Casa Adobe that works with migrants, victims of trafficking, people with disabilities and the LGBTQ+ community, has had to lay off eight people, leaving these populations in extreme vulnerability.
- At least three humanitarian organizations have suspended support operations for more than 41,000 people displaced by a recent outbreak of violence in Colombia.

- The operations funded by the State Department and USAID to international organizations such as the International Organization for Migration (IOM), the United Nations Children's Fund (UNICEF), UNHCR, and the International Committee of the Red Cross (ICRC), as well as the operations of key civil society partners that support governments, migrants, refugees, and host communities by providing everything from humanitarian assistance to integration processes have been stopped throughout the region. Additionally, at the local level agencies and organizations have established referral mechanisms to provide different types of support, but if organizations in this referral process are not operating because of the freeze, the system breaks down as the ability to identify people in need of “life-saving” programs depends on all of the other links in the referral process being operational. Programs to assist deported migrants in Central America to build a better life at home to reduce the need to migrate again are also on pause
- The operation of the Interagency Coordination Platform for Refugees and Migrants (R4V), made up of more than 200 organizations and operating in 17 countries in Latin America and the Caribbean. In 2024, the R4V platform required \$1.59 billion in financial support and only received \$480.81 million, pointing to the dearth of funding these organizations are already experiencing.
- In Brazil’s Operation Welcome, which facilitates Venezuelan migrants and refugees can access to identification, documentation, basic medical care and immunization, as well as access to employment and relocation.
- Vital humanitarian assistance in the Darien Gap, as well as assistance for refugees, asylum seekers, vulnerable migrants, and indigenous host communities in Panama.
- [Cristosal](#), a Central American organization working to promote human rights and democracy in the region, has had to cut 70% of its staff in El Salvador and Honduras and they are now faced with questions such as how to address local labor laws as the termination of employment contracts requires the payment of benefits, severance, proportional Christmas bonus, vacation, etc.
- Independent media outlets that have received U.S. support have also faced severe cuts to their work to support press freedom and independent journalism, including:
  - a. *Gato Encerrado, El Salvador* (fact-checking & covering corruption, environment, gender issues) – 70% of their budget has been affected, resulting in the dismissal of 50% of staff (7 people), reducing salaries of leadership, and ending office lease to save money. This will affect all their reporting, particularly on corruption issues.
  - b. *Quórum, Guatemala* – 65% of their budget has been affected. They have had to fire 50% of reporters (2 people), reducing salaries and ending paying benefits to staff. This will affect their reporting on the environment and on justice issues; they won’t be able to cover the selection process of the attorney general.

- c. *Ojoconmipisto, Guatemala* – 60% of their budget has been affected. Had to fire 40% of staff (3 reporters); leadership reduced their own salaries. Affecting reporting on municipal finances and corruption.
- d. *Criterio, Honduras* – 70% of their budget has been affected. They had to fire 80% of staff (12 people), reducing salaries of those remaining. This will affect all their reporting, including their coverage of Honduras' elections this year.

Many of our partners in Latin America are concerned that these actions will decimate civil society organizations in the region at a time when drug trafficking, conflict over natural resources, military conflict, corruption and growing authoritarianism are on the rise.

### **Pause on funds undermines other U.S. priorities**

The 90-day pause also impacts programming of the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) foreign assistance programs which advance strategic U.S. policy objectives such as disrupting and reducing illicit drug markets and transnational crime in order to protect American lives and U.S. national security; combating corruption and illicit financing to strengthen democratic institutions, advancing the rule of law, reducing transnational crime actors; and strengthening criminal justice systems to support stable, rights respecting partners. A specific example of the impact of the freeze is that roughly 75% of Colombia's police helicopters used to combat drug trafficking rely on U.S. foreign assistance for covering maintenance and are currently grounded. This comes just as the country is facing a deep security crisis and needs air support to resupply, conduct operations.

At the same time, China is also ramping up its grants of development assistance around the region, buying goodwill and partnerships through initiatives like the Belt and Road initiative, which now has 22 signatories in Latin America and the Caribbean. Freezing and cutting U.S. aid not only increases China's numerical advantage: it devastates the United States' reputation and credibility as a reliable partner in all of the development, migration, peace-building, and civil society initiatives like the ones discussed here.

### **Non-democratic actors praise attempts to dismantle USAID**

Parallel to the pause and potential elimination of areas of U.S. foreign assistance, the Trump administration has taken steps to eliminate USAID as an independent institution and put it under the direction of the State Department. As has been widely reported in the press, this action is a gift to authoritarian governments worldwide. Non-democratic and populist leaders and actors throughout Latin America are part of those celebrating these efforts, precisely due to USAID's support for independent civil society organizations who advocate for human rights, press freedom, transparency, and anti-corruption efforts, amongst others. There is a high risk that civil society organizations will be investigated and persecuted for their work. Some examples include:

- Russia TV posted “USAID paid \$600m for anti-Russian media & \$98m for Venezuela’s Guaido — in just 1 year; To overthrow Maduro & open up Venezuela’s oil reserves, USAID agreed to pay Guaido \$98m; A budget of 598m for 2020 alone, went to anti-Russian ‘free media’”
- Venezuelan Minister of the Popular Power for the Interior, Diosdado Cabello stated in a video posted on X that the government of Donald Trump is investigating opposition figures Leopoldo López, Juan Guaidó, Julio Borges, Carlos Vecchio and all of those who received funding from USAID during the interim government.
- Former Mexican president Andres Manuel Lopez Obrador frequently criticized USAID’s support in Mexico to organizations, like the press freedom organization Article 19, that he viewed as opposing his government.
- Ricardo Mendez Ruiz, founder of the Foundation Against Terrorism in Guatemala, currently subject to U.S. visa sanctions under Section 353 due to his efforts “to delay or obstruct criminal proceedings against former military officials who had committed acts of violence, harassment, or intimidation against governmental and nongovernmental corruption investigators,” stated in a post on X “To hell with USAID, nest of freeloaders! We’ll see what garbage they find in USAID Guate when they search it.”
- Mike Benz of the Foundation for Freedom Online, claimed in a post on X that “If it weren’t for USAID’s censorship funding and NED’s censorship operational network, there would still be a free Internet in Brazil. And Jair Bolsonaro would still be its rightfully elected President.”
- On February 3, the president of the Honduran Congress, Luis Redondo, called for investigations into institutions that have received USAID funding and the populations served.

The upcoming budget reconciliation process provides Congress with a meaningful way to address the pause and potential end to humanitarian aid. It is critical that Members of Congress should both recognize and uphold the responsibility of the U.S. Congress to appropriate funds and the responsibility of the Trump administration to spend those funds consistent with their appropriation.

The Trump administration will have the chance to put a stamp on U.S. foreign policy and on the priorities that guide U.S. foreign assistance programs through Congress’s normal budgeting and appropriations legislative processes. As we have raised previously, the pre-emptive pause of vast swathes of U.S. foreign aid, without warning and without any assurances that programs will resume, has no basis in U.S. law, undermines other governments’ confidence in U.S. reliability, and is causing harm to civil society organizations that play a vital role in the life of any democratic society.

Congress should recognize the importance of foreign aid as not just a moral responsibility, but also a form of soft diplomacy that has a significant positive impact on a population's perception of and support for the United States.