



US Agency for International Development

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Why in News?

The US President Donald Trump has imposed a 90-day freeze on foreign aid, halting **US Agency for International Development (USAID)** programs worldwide.

- Additionally, the US has announced that it will not attend the **2025 G20 Foreign Ministers' meeting** in Johannesburg, South Africa.

What is the US Agency for International Development?

- **About:** USAID is the primary US agency for **global humanitarian and development aid**.
- **Support:** In **2024, USAID was allocated USD 44.2 billion**, just **0.4% of the total US federal budget**, but accounted for **42% of all humanitarian aid tracked by the United Nations**.
 - USAID funds **healthcare, food aid, disaster relief, and policy advocacy** worldwide.
 - Top aid recipients Include **Ukraine, Ethiopia, Jordan, Somalia, and Afghanistan**.
- **USAID and India:** India's association with USAID began in 1951 with the **India Emergency Food Aid Act**, evolving over decades from food aid to infrastructure, capacity building, and economic reforms.
 - The agency has been supporting **education, immunization, polio eradication, and HIV (human immunodeficiency virus) /Tuberculosis (TB) prevention**.
 - In the last decade, India is said to have received around USD 1.5 billion from USAID (about 0.2 % to 0.4 % of USAID's total global funding).

What are the Implications for India?

- **India's Role in the Global South:** India has positioned itself as a **bridge between the Global North and the Global South**, benefiting from its **rising status within the G20**.
- **China and Russia:** If the US reduces its role in G20, **China and Russia could expand their influence**, potentially shifting global economic dynamics and weakening India's position amid **China's rising power**.
- **Healthcare:** Although direct financial aid to India has decreased, USAID contributions exceeded USD 50 million in 2024.
 - A permanent funding cut could impact India's vaccination programs, infectious disease control, and medical infrastructure.
 - India may need to redirect domestic funds to sustain health, environment, and governance projects.

G-20 (The Group of Twenty)

About

- In 1999, following the **Asian Financial Crisis** of the **1990s**, **G20** was established as a Forum for **Finance Ministers and Central Bank Governors**.
- Raised to the **Summit level in 2008** to address the global financial and economic crisis of 2008.

Aims

- Secure global financial stability by involving world's largest advanced and emerging economies.

Structure and Functioning of G20

- The **G20 Presidency** rotates annually
- No permanent **Secretariat** or **Headquarters**
- **19 countries** are divided into **5 groups**
- The presidency rotates between each group

Troika

- It is a working association between the **current presidency, past presidency and next presidency**.

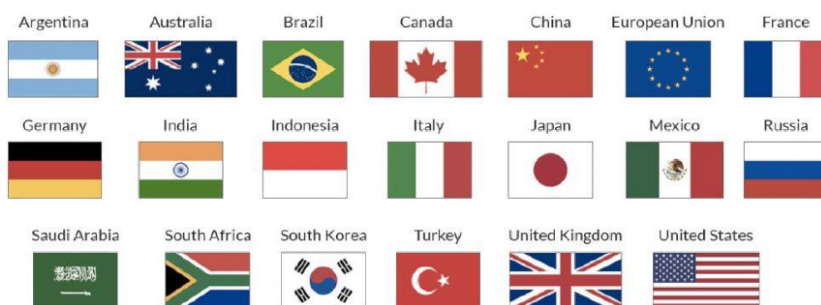
Challenges

- No Enforcement mechanism
- No legal binding
- Polarization of Interests:
 - Russia Ukraine Conflict
 - China's strategic rise
 - NATO's expansion

G20 India 2023

- India assumed the **18th G20 Presidency from December 1, 2022** for a **one-year period**.
- **Theme:**
 - **"Vasudhaiva Kutumbakam"** a Sanskrit word which Stands for **"One Earth • One Family. One Future"**.
 - This is taken from the ancient Sanskrit text of the **'Maha Upanishad'**.

G20 COUNTRIES



UPSC Civil Services Examination Previous Year's Questions (PYQs)

Prelims:

Q. In which one of the following groups are all the four countries members of G20? (2020)

- (a)** Argentina, Mexico, South Africa and Turkey
- (b)** Australia, Canada, Malaysia and New Zealand
- (c)** Brazil, Iran, Saudi Arabia and Vietnam
- (d)** Indonesia, Japan, Singapore and South Korea

Ans: (a)

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