

Devex - AID and Growth

Debt, growth, resilience

For years, USAID stuck to a familiar playbook: Fund education, health care, and agriculture, and hope free markets would handle the rest. But when Samantha Power became USAID's administrator, she was **surprised to find economic growth wasn't front and center**. "I had thought [it] would be really at the center of what USAID did," she admits.

The leaders of USAID's partner countries seem to agree. Their message to Power? "**We want trade, not aid**," she says. [But shifting focus isn't so simple](#). Over 90% of USAID's budget is earmarked by the U.S. Congress, leaving just a sliver of discretionary funds for big economic initiatives. To make matters worse, USAID's in-country economist count has plummeted from 35 to just nine over the past decade, writes my colleague Elissa Miolene.

Recognizing the growing demand for economic self-sufficiency, Power **launched the Economic Resilience Initiative**, a \$99 million push to stabilize economies, create jobs, and connect countries to supply chains. Early wins are already in motion. In Ecuador, [USAID](#) is helping the government secure \$1.3 billion in concessional financing from the [International Monetary Fund](#). In the Dominican Republic, the agency is upgrading a port to bolster exports. And across Africa and Asia, USAID is [supporting key mineral supply chains](#) in places like Ghana, Kenya, and the Philippines.

But there's a bigger, more urgent backdrop to all of this. **Lower-income nations are drowning in debt**. Today, 3.3 billion people live in countries that spend more on debt payments than on health or education. Power sees an opportunity for the United States to step up — especially as an alternative to China's development strategy. In many of these countries, debt repayments to China now far outstrip new loans coming in.

"When we talk about countering [China's] influence and providing real options to low- and middle-income countries, this is what it looks like," Power says. USAID isn't the only player here. The [U.S. International Development Finance Corporation](#), or DFC, has nearly doubled its investments since 2020, backing private sector projects with loans, equity, and grants. The [Millennium Challenge Corporation](#) also funds projects tied to economic growth and governance reform.

Power argues that USAID's 7,000-strong workforce plays a crucial role in making these investments count. They're helping countries collect taxes, manage public budgets, and reform procurement to ensure funds from DFC, the World Bank, and others actually deliver results. Her pitch to Congress? "**Go all in on this approach**." It's not just about economic growth, she says, but about "economic resilience — theirs and ours."

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