# Coping with the US aid freeze

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By Foreign Undersecretary Eduardo de Vega’s reckoning, the Philippines will not be severely impacted by President Donald Trump’s suspension of all United States’ foreign development assistance to countries around the world, since we have many other economic partners to count on.

While acknowledging that trade with the US remains high, De Vega noted that the aid freeze is not likely “to severely affect us because aid packages from the US are small right now.”

His optimistic view might be premature though as Philippine officials, and the world for that matter, have yet to see the detailed list of US-funded development programs that could potentially be scuttled following the Trump administration’s 90-day review.

Within hours of his inauguration, Trump fired off orders that shook many countries and global institutions. This included US withdrawal from the Paris Climate pact and the World Health Organization, as well as the deportation of illegal migrants to the US.

## ‘America First’

On Monday, he ordered a freeze on all US development and military assistance to partner countries, pending a review on whether they align with his “America First” policy. The only exemption from the freeze order is military aid for Israel and Egypt. The Philippines was among 17 countries identified for foreign military assistance in 2025, but it’s not yet clear if this is covered by the freeze as well.

De Vega, however, remains certain that the new sites for the Enhanced Defense Cooperation Agreement (Edca) won’t be affected, an optimism that may have basis in fact. With the Philippines providing a strategic location for safeguarding US interests in the Indo-Pacific amid China’s increasing aggression in the South China Sea, the Trump administration would be foolish and short-sighted to withhold funding from its long-time ally this side of the world.

The newly appointed US Secretary of State, Marco Rubio, has also reiterated the US’ “ironclad” commitment to defending the Philippines amid China’s provocative actions in the West Philippine Sea under the 1951 Mutual Defense Treaty. “An armed attack in the Pacific, including anywhere in the South China Sea, on either of their public vessels, aircraft, or armed forces—which includes their Coast Guards—would invoke mutual defense commitments,” the US Department of State said after Rubio met with Philippine Foreign Secretary Enrique Manalo earlier this month.

## Proactive and pragmatic

Rubio was further quoted by the state department as denouncing China’s “dangerous and destabilizing actions in the South China Sea,” saying that they violated international law.

With Rubio’s personal assurances of continuing US engagement on military and defense matters, it’s the non-military assistance that Philippine officials must seriously worry about. It’s imperative that they take a proactive and pragmatic approach with the US aid freeze order affecting programs on economic development, health, education, job training, anticorruption, peace efforts, and even disaster response.

The US Agency for International Development (USAID) disbursed $198.2 million to the Philippines in 2023 for various programs. With $5 million set aside by the USAID for Improving Learning Outcomes for the Philippines program launched in 2023, Education Secretary Sonny Angara has expressed hope that US funding for education would “survive” the freeze.

According to the US state department website, the USAID has invested more than $5 billion in the Philippines since 1961, with priorities such as climate change mitigation and adaptation, promoting renewable energy, peace efforts in Mindanao, bolstering economic recovery, advancing democratic values, fighting corruption, and advocating for human rights.

## Regional peace

This sizeable amount invariably affects the country’s economy and cannot be shrugged off. Rather than being nonchalant about the potential reduction or removal of US funding on certain programs, the Philippines must preemptively assess and prepare for such eventuality.

Philippine Ambassador to the US Jose Manuel Romualdez and the Department of Foreign Affairs should work the diplomatic channels in Washington to save the Philippines from possible withdrawal of US funding for these critical programs.

This should be a test of just how loyal and committed the US is to the Philippines beyond its strategic importance in regional peace and security. That is certainly a card that the Philippines should not shy away from using in these troubled times.

In the long run, any potential setback in US aid should be offset by initiatives to deepen the country’s relations with its other trusted allies, especially Japan which is the largest source of official development assistance to the Philippines. With the Reciprocal Access Agreement signed recently to widen the two countries’ defense alliance, Japan’s close ties with the Philippines will prove to be crucial as we grapple with four years under Trump’s inward-looking presidency.