



Opinion

USAID, its dismantling and its implications for Peru and Latin America



Lima/Paris, February 2025 -. In recent weeks, the Trump administration's dismantling of USAID has resonated strongly. While other industrialised countries, such as the UK and Canada, have in the past reconfigured their international cooperation schemes in line with their commercial and foreign policy interests, the current uproar is due not only to the profound humanitarian consequences of this decision, but also to the nature of its protagonists: the Musk-Trump duo. Furthermore, the creation of the Department of Government Efficiency (DOGE), whose name coincides with a cryptocurrency promoted by Musk, has intensified the debate on the future of US cooperation and its implications at a global level.

For a foreign policy based on autonomy

In this context, the question arises: what stance should Peru, and other Latin American countries in general, take on the demise of such an important development agency?

Non-alignment has been a constant in Peruvian foreign policy. Since the last decades of the Cold War, the country has followed the well-known strategy of '**neither with Washington nor with Moscow**', prioritising multilateralism as a guiding principle. This stance has brought stability and political benefits, allowing Peru to consolidate relations with multiple global actors. Today, Peruvians enjoy unrestricted access to 100 countries with a simple passport, including all EU countries, Switzerland, and the UK, facilitating trade, investment and cooperation without restrictions derived from political regimes.

Along these lines, Peru must maintain a realistic policy of unrestricted respect for the sovereign decisions of the US government regarding its international cooperation. Instead of questioning them, our policy-makers should find new routes for collaboration that are aligned with the priorities of the administration in office. It is not a matter of conditioning or submitting to the cooperation policy of a strategic partner, but of adapting intelligently to new opportunities and reducing the risks of confrontation.

New opportunities for cooperation

Peru has already demonstrated its capacity to adapt on the international stage. A clear example is its participation in China's Belt and Road Initiative, whose most emblematic project in the country is the mega-port of Chancay, an infrastructure of Chinese and Peruvian capital that will directly connect products from Peru and South America with Asian consumers via this express route to the mega-port of Shanghai. Likewise, Peru must generate new avenues of cooperation with the Trump administration, offering incentives for private investment by US companies and investors in strategic sectors such as mining, agribusiness, energy, the environment and infrastructure.

However, it is key that these new projects are not approached as direct competition with developments promoted by China, the EU or Japan, but rather as complementary efforts. The strategy should focus on attracting investment without generating conflicts between partners, maximising economic opportunities in a balanced way.

Peru, as a middle power in South America, must consolidate its leadership in the mining, energy, agro-industrial, forestry, environmental and cultural fields, not only as a supplier of raw materials, but also as a country capable of providing innovative and sustainable solutions to regional and global challenges. These include poverty and exclusion, climate change, biodiversity loss and environmental pollution, as well as critical social problems such as mass migration, human trafficking, drug trafficking and organised crime. To face these challenges, Peru will have to strengthen its international cooperation with the countries of the region, the United States, the European Union, China and its main Asian partners, consolidating strategic alliances that promote sustainable development and regional stability.

Non-alignment as a synonym for independence

Peru should continue with its policy of non-alignment and de-ideologisation of its international relations, reaffirming its capacity to adapt to global changes. Non-alignment does not imply passive neutrality or isolation, but rather strategic autonomy: the capacity to build pragmatic relations with different partners without depending on any one in particular.

This strategy must translate into concrete benefits: democratic consolidation, sustained economic growth, social stability and strengthened neighbourly relations. In this framework, the relationship with the United States is and will continue to be fundamental and long-lasting, regardless of who occupies the White House. A pragmatic and flexible approach will ensure that Peru remains a strategic partner in any international scenario.

Latin American countries should adopt a similar approach, adjusting it to their own realities. Mexico, our great brother country and friend, represents an exceptional case. Its deep interdependence with the United States, unique in the region and perhaps in the world, makes it a model of analysis for understanding the challenges and opportunities that such a close relationship with the greatest global power implies.

What's next after USAID?

It is premature to anticipate with certainty what will emerge after the dismantling of USAID, but it is clear that something will take its place. What so far appears to be a hasty plan will have to evolve into a restructuring and reorientation of US cooperation within a new legal and organisational framework.

Since its creation in 1961 by JFK, USAID has accumulated fundamental lessons that should not be lost. Nor should we forget the national programmes that, with the agency's support and leadership, have greatly benefited Peru: alternative development and the fight against drugs, as well as social, forestry, environmental and cultural initiatives.

Given this scenario, Peru must assume a more proactive role in the continuity and evolution of these programmes. Rather than depending on a single partner, the country should strengthen its offer of international cooperation, expanding its portfolio of projects in these key sectors and diversifying its alliances with both public and private actors.

Let us call for action, but also for reflection, so that so many **pioneering organisations incubated, lessons learned, talents generated and resources invested do not fall on deaf ears**, and so that the new can make its way on solid foundations, to the benefit of Peru, Latin America and its relationship with the United States.

For now, the Free Trade Agreement (FTA) between Peru and the United States remains the main link of international cooperation between the two countries. We must value and preserve it in its rightful dimension, as it has contributed significantly to Peru's economic growth and prosperity in the last decade.

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