U.S. Funding Cuts Risk Jeopardizing Counter-Islamic State Operations

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Articles & Testimony

The Trump administration claims it is prioritizing efforts to combat the organization, but funding cuts threaten to undermine vital operations.

Since the Islamic State **(https://www.congress.gov/crs-product/IF10328)** crashed onto the scene in 2014, the U.S. has led efforts to combat the group's influence, acting as one of the largest donors **(https://www.congress.gov/crs-product/IF10328#:~:text=Congress%20has%20authorized%20U.S.%20train,and%20$148%20million%20for%20Syria.)** to the Global Coalition to Counter the Islamic State **(https://theglobalcoalition.org/en/joint-communique-global-coalition-daesh-2024/)** and leading its forces through Operation Inherent Resolve **(https://www.inherentresolve.mil/)**. These efforts resulted in the successful territorial defeat of the Islamic State in Iraq in 2017 and in Syria in 2019. With the fall of the Islamic State's so-called caliphate, however, the threat changed—demanding a new approach. Accordingly, in 2022, U.S. Central Command Commanding General Michael Kurilla **(https://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/3255908/centcom-year-in-review-2022-the-fight-against-isis/)** divided the Islamic State threat into three parts: "[Islamic State] at large" (the leaders and operatives fighting the U.S. and its partners in Iraq and Syria); "[Islamic State] in detention" (the thousands of Islamic State-affiliated men and boys, as well as some women and girls, held in detention facilities and youth "rehabilitation" centers in Iraq and Syria); and the "potential next generation of [Islamic State]" (the tens of thousands of primarily women and minors held in the northeast Syrian Al-Hol and Roj detention camps).

This approach led to new funding structures. With a small footprint **(https://www.nytimes.com/2024/12/19/us/politics/us-troops-syria.html)** of mostly Special Forces troops, for the last several years U.S.-led coalition forces have worked with local partners on the ground to counter "Islamic State at large." The U.S. Department of Defense, through the Counter-Islamic State Train and Equip Fund **(https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_CTEF_J-Book.pdf)** (CTEF) has spent hundreds of millions of dollars a year funding detention facilities holding almost 10,000 Islamic State-affiliated men and teenage boys, who make up "Islamic State in detention." In closed detention camps like Al-Hol and Roj—which at their peak held more than 70,000 **(https://reliefweb.int/report/syrian-arab-republic/syria-humanitarian-response-al-hol-camp-situation-report-no-4-29-may)** "potential next generation of the Islamic State," and today hold around 40,000 **(https://media.defense.gov/2025/May/01/2003702293/-1/-1/1/OIR_Q2_MAR2025_FINAL.PDF)** primarily women and children—CTEF funding has secured guards outside the camp, while USAID and the State Department have primarily funded the camps' operating budget. USAID and State Department funds have been aimed at Syrian stabilization to ensure the lasting defeat of the Islamic State **(https://sy.usembassy.gov/united-states-announces-additional-humanitarian-assistance-for-syria-2/)**, as well as funds for Al-Hol **(https://www.congress.gov/search?q=%7B%22source%22%3A%22legislation%22%2C%22search%22%3A%22cite%3APL118-47%22%7D)** in particular.

Together, the Defense Department's CTEF funding, coupled with aid from USAID and the State Department, has been vital to countering the three-pronged threat emanating from the Islamic State in Syria today. However, as the U.S. re-evaluates its relationship with Syria, the future of the counter-Islamic State mission **(https://www.washingtoninstitute.org/policy-analysis/setting-expectations-syria-countering-islamic-**

state) is increasingly uncertain. While the Trump administration says it is **still prioritizing counter-Islamic State (https://www.defense.gov/News/Releases/Release/article/4160500/statement-from-chief-pentagon-spokesman-sean-parnell-announcing-the-consolidati/)** operations, changes to program funding suggest otherwise, presenting both short- and long-term challenges.

A Sea Change?

On Jan. 20, the White House placed a **90 day freeze (https://www.whitehouse.gov/presidential-actions/2025/01/reevaluating-and-realigning-united-states-foreign-aid/)** on all U.S. foreign aid, impacting both USAID and State Department-funded programs in Syria. On Jan. 24, Secretary of State Marco Rubio authorized some waivers to programs deemed "essential," though little clarification was offered on which programs met this criteria. On March 10, Secretary Rubio clarified that **83 percent of USAID programs (https://www.npr.org/sections/goats-and-soda/2025/03/10/g-s1-52964/rubio-announces-that-83-of-usaid-contracts-will-be-canceled)** (approximately 5,200) would be cancelled. On March 28, Rubio effectively **closed USAID (https://www.nytimes.com/2025/03/28/us/politics/usaid-trump-doge-cuts.html)**, reducing its staff to only 15 positions and moving all of its remaining functions to the State Department. Most recently, on April 22, the State Department's **proposed restructuring (https://www.state.gov/building-an-america-first-state-department/)** would move the Bureau of Counterterrorism—under which the Global Coalition to Defeat the Islamic State sits—from Political Affairs to the Office of the Under Secretary of State for Arms Control and International Security, implying an end to the bureau's "softer" approach to countering violent extremism.

These pauses and cancellations have not yet affected CTEF funding, which comes from the Defense Department, and have thus not directly impacted the first two prongs of the counter-Islamic State mission: "Islamic State at large" and "Islamic State in detention." (That being said, CTEF funding for Syria is set to expire in 2026.)

However, the USAID and State Department funding freeze has deprioritized a vital part of the counter-Islamic State mission: countering "Islamic State the next generation." Specifically, these funding changes affect the operations of Syrian Democratic Forces (SDF)-run detention camps in northeast Syria, together holding nearly 40,000 Islamic State-affiliated families. The Trump administration has made it clear that while the U.S. has in recent years been the "**largest single donor of aid (https://news.un.org/en/story/2025/01/1159486#:~:text=The%20US%20Government%20is%20the,by%20the%20UN%20during%202024.)** in the world," this trend will not continue during his presidency. This shift was articulated by Charge d'Affaires ad interim **Ambassador Dorothy Shea (https://usun.usmission.gov/remarks-by-ambassador-shea-charge-daffaires-ad-interim-at-a-un-security-council-briefing-on-the-political-and-humanitarian-situations-in-syria/)** at the U.N. in February, who, when referring to U.S. assistance to Al-Hol and Roj camps, said that "The United States has shouldered too much of this burden for too long. Ultimately, the camps cannot remain a direct U.S. financial responsibility."

These changes to funding, as well as the larger geopolitical shift the president has communicated, have made it difficult for detention camps to carry out their operations, including the repatriation and return of at-risk individuals. If the goal is to remove those susceptible to the Islamic State's recruitment efforts from Syria, the U.S. and its allies need to ensure proper protocols are implemented. While repatriation and return are the ultimate goal, this takes time, and in the meantime, the continued operation of these camps—which requires delivery of aid—is vital for both security and humanitarian reasons. Moreover, while cuts may save money in the short term, in the long term, deprioritizing counter-Islamic State efforts carries considerable risk.

Short-Term Implications: Humanitarian and Security

Cancellations, pauses, and **confusion surrounding waivers (https://www.nytimes.com/2025/02/06/world/europe/trump-usaid-funding-syria-isis.html)** for USAID and State Department-funded programs aimed at countering "Islamic State the next generation" have thrown Al-Hol and Roj detention camps in northeast Syria into a state of chaos. In the camps, U.S. contractors—paid through grants from USAID and the State Department—have historically provided food, water, fuel, sanitation services, tents, education, and security. However, in a recently released quarterly Inspector General's **report to Congress (https://media.defense.gov/2025/May/01/2003702293/-1/-1/1/OIR_Q2_MAR2025_FINAL.PDF)** for Operation Inherent Resolve, it was reported that due to the confusion over suspended activities, for a short period of time (approximately 48 hours) contractors withdrew from the camps, warehouses were looted, and the only service provided was drinking water. After this initial period of chaos, because the detention camps were deemed life-saving humanitarian assistance, a waiver allowed some of these services to continue.

However, other services have been terminated entirely. For example, USAID's dissolution resulted in the closure of **Save the Children (https://www.savethechildren.org/us/about-us/media-and-news/2025-press-releases/aid-cuts-disrupt-education-1-8-million-children)**'s two learning spaces in Al-Hol, which were serving more than 600 children in the camp. Another contractor at risk for funding cuts is U.S. based **Proximity International (https://www.proximityinternational.com/projects)**, which runs a program that trains and equips local security forces in northeastern Syria and at Al Hol. While it initially received a one-month waiver, the organization's fate is unclear, and it may be ordered to cease its operations. This puts the safety of Al-Hol at risk, as the NGO supports internal security forces in the detention camp.

Also at risk is **Blumont (https://blumont.org/where-we-work/syria/)**, one of the largest aid groups operating in the camp since 2016, which has been receiving funds from both USAID and the State Department to provide essential services like food, shelter, water, sanitation, fuel,

electricity, and guards to protect these vital resources. Blumont also works with camp management to facilitate repatriation operations. When Blumont received a stop work order after the 90-day funding freeze, it affected the organization's ability to provide essential services, and halted a planned repatriation operation to Iraq. After initial confusion surrounding the 90-day aid pause, Blumont obtained a 15-day waiver from the freeze, before later receiving confirmation that it would operate until September 2025. However, what happens in September is still unclear. As of the start of 2025, Blumont had five ongoing projects in northeast Syria (https://blumont.org/where-we-work/syria/) , three of which were funded by USAID and the State Department, with the others funded by the Danish Ministry of Foreign Affairs and the German Federal Foreign Office.

Longer-Term Implications: Repatriation, Return, Reintegration

In addition to imminent threats to the provision of services and security in Al-Hol and Roj detention camps, these funding changes also have longer-term implications for the populations detained in northeast Syria, as well as for the future of Syria itself. Since the end of the Islamic State's territorial control, the U.S. has pushed for (https://www.theguardian.com/world/2019/feb/17/islamic-state-isis-baghuz-trump-calls-on-european-allies-to-take-800-fighters-captured-in-syria) —and aided in (https://media.defense.gov/2024/Aug/01/2003515779/-1/-1/1/OIR_Q3_JUN2024_FINAL_508.PDF) — the repatriation of thousands of individuals in Al-Hol and Roj camps. The majority of individuals detained there are Syrians and Iraqis, but the camps also hold third-country nationals (TCNs). Since 2019, according to a dataset maintained by the author, approximately 3,850 TCNs and 17,600 Iraqis have been repatriated from detention facilities and camps, and more than 13,000 Syrians have left Al-Hol. Today, approximately 16,000 Syrians, 13,800 Iraqis, and 8,600 TCNs remain in Al-Hol and Roj.

Iraqis have historically been the largest population of these detained individuals; however, by March 2025 Iraqis made up only 38 percent (https://media.defense.gov/2025/May/01/2003702293/-1/-1/1/OIR_Q2_MAR2025_FINAL.PDF) of the camp, falling below the Syrian population for the first time. This is because since 2021, with U.S. and international support, Iraq has repatriated more than 16,000 people from Al-Hol, including more than 5,000 in 2025 alone. After leaving Al-Hol, Iraqi nationals are transferred to Jeddah 1 transit camp and ultimately reintegrated back into Iraqi society. This repatriation is vital to decreasing the risk of an Islamic State resurgence in Syria, and Iraq's successful reintegration of its citizens back into Iraqi society is critical for the stability of the country. Much of this vital work is funded through U.S. support, with the U.S. providing the majority of the funding (https://www.undp.org/arab-states/press-releases/launching-new-project-support-over-18000-vulnerable-iraqis) for Jeddah 1 transit camp for services including food, water, sanitation, protection support, health services, mental health support, legal services, education, vocational training, and staff training.

U.S. funding for these programs is now at risk. For instance, the International Organization for Migration (IOM), which helps run Jeddah 1 camp, has been impacted by funding pauses and cuts (https://www.politico.com/f/?id=00000195-d4ba-dc7d-add5-f6fe93e40000) . Many of the life-saving services that have continued under a waiver—including clean water, sewage, and basic healthcare—are set to expire in September 2025. The majority of the social services and education programs have already been terminated. Without U.S. funding to the World Health Organization (https://media.defense.gov/2025/May/01/2003702293/-1/-1/1/OIR_Q2_MAR2025_FINAL.PDF) , which helped support Jeddah 1's health clinic, residents have had inadequate access to medical supplies and staff, and mental health support has been suspended. Absent U.S. investment in these programs—or at the very least proper communication and coordination to fill the gaps left by U.S. deprioritization of "Islamic State the next generation"—Iraq's ability to successfully repatriate individuals will be compromised.

Programs set to identify, prepare, and receive Syrian returnees from al-Hol have also been impacted by the U.S. funding freezes. For years, the U.S. has funded programs that help Syrians return to their communities in the Kurdish-controlled areas, while Syrians from former regime-held areas (https://apnews.com/article/syria-al-hol-camp-kurds-damascus-agreement-74b18508c1f59ce6d8072f0d459fd164) have not been able to return. Since the start of 2025, no Syrians have left Al-Hol. The prospects of returning individuals to Syria appear constrained, as all USAID stabilization activities in Syria, including those supporting Al-Hol, have been frozen or cancelled. Moreover, as the humanitarian situation in all of Syria continues to deteriorate, it will become increasingly difficult to encourage Syrians to leave Al-Hol—which at the very least offers basic services—and face an uncertain fate at home as the government in Damascus struggles to stabilize the country. Given that the largest population of those now detained in Al-Hol are Syrians, this would be detrimental to counter-Islamic State operations. The deprioritization of countering the next Islamic State generation—specifically the cuts in funding to repatriation and reintegration programs—poses a threat to the stability of Syria, as Damascus is facing a severe humanitarian crisis and lacks the capacity (https://www.washingtoninstitute.org/policy-analysis/setting-expectations-syria-countering-islamic-state) to take on the counter-Islamic State mission alone.

Finally, as noted before, U.S. funded NGOs have also assisted in facilitating the repatriation of third-country nationals. The termination of these funded programs—along with the threat of U.S. withdrawal from Syria—could impact the continued repatriation of these individuals. For example, according to a dataset maintained by the author, by May of 2024, 245 TCNs had been repatriated; however, as of May 2025, only 17 TCNs have been repatriated. The political and financial uncertainty in Syria has left the detention centers vulnerable (https://www.washingtoninstitute.org/policy-analysis/syria-crisis-leaves-islamic-state-prisons-and-detention-camps-vulnerable) and allowed states to continue to push off their responsibility of repatriation, as the SDF and Damascus (https://www.washingtoninstitute.org/policy-analysis/setting-expectations-syria-countering-islamic-state) work through the unification of the country.

Considering a Path Forward

There is no question that the U.S. has shouldered the bulk of the military and financial responsibility for the ever-evolving counter-Islamic State mission in the Middle East. Yet this mission is not limited to kinetic counter-terrorism alone; it seeks to combat the "Islamic State at large," "Islamic State in detention," and "Islamic State the next generation." Thus, U.S. cuts to programs focusing on "Islamic State the next generation" (specifically Al-Hol and Roj detention camps), without proper consideration of how to fill these gaps, prove highly problematic. The deprioritization of countering the next Islamic State generation, while cost-saving in the short term, will be detrimental in the long term—affecting the stability of Syria and posing far-reaching consequences for repatriation and reintegration of detained individuals.

It is not the U.S.'s sole duty to shoulder this responsibility; burden-sharing is needed. However, given the current humanitarian situation, the Syrian government is not ready to take on this responsibility. The U.S. needs to **coordinate with partners (https://www.washingtoninstitute.org/policy-analysis/setting-expectations-syria-countering-islamic-state)** —including those in Syria, Turkey, Iraq, and Europe—to ensure that it prioritizes addressing "Islamic State the next generation," focusing on securing the camps, repatriation, and reintegration. In doing so, the U.S. and its allies can counter a future Islamic State resurgence, which threatens not just Syria, but the entire international community.

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