

The Impacts of the US Funding Suspension

ICVA Survey Findings
18 February 2025



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Analysis Supported by

REACH Informing
more effective
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To understand the impact of the **US Foreign Aid Suspension**,

ICVA ran a global survey among NGOs and NGO networks between 27th January and 7th February.

We received **246 responses**.

Here is what we've learned...



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“

The SWO has caused a “Sudden stop in lifesaving support to over **3 million** Internally Displaced People in our country”

”

National NGO in Asia

“

We **cannot overstate** the detrimental impact of the suspension.

”

INGO respondent

Survey Respondent Overview

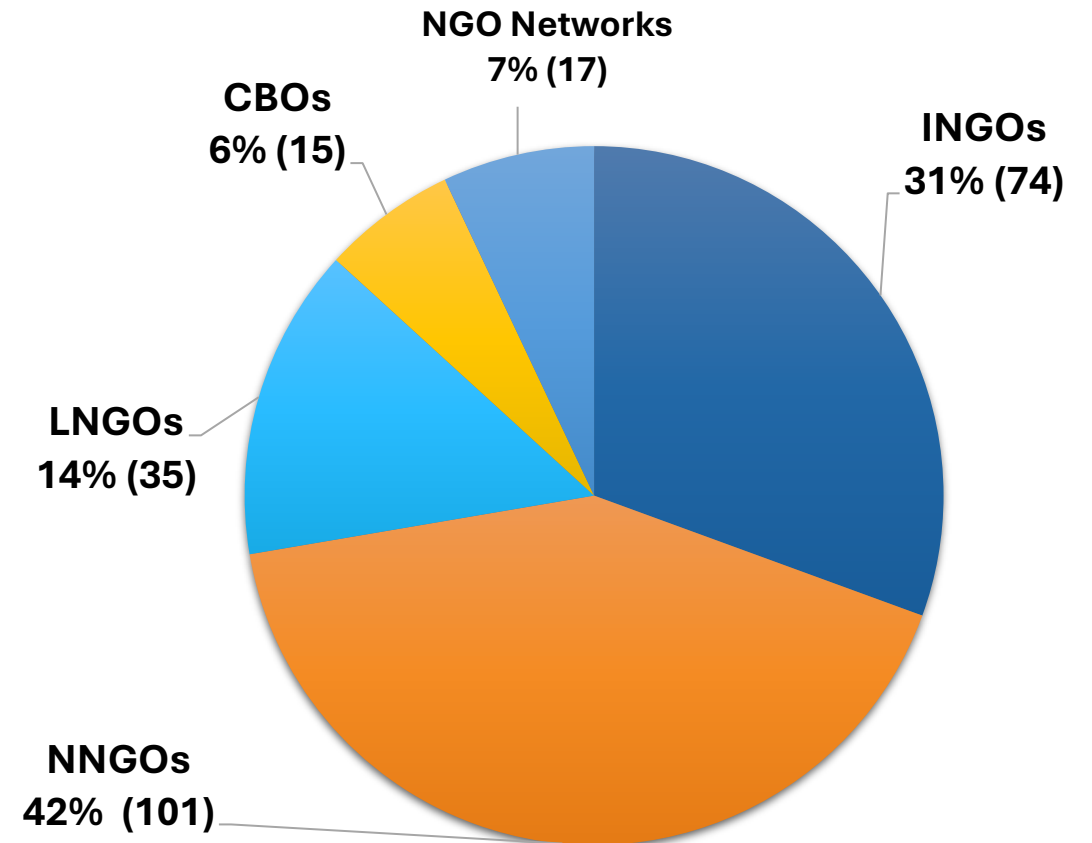


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Key figures

- 246 responses
- **62% respondents** are national NGOs (NNGOs) or local NGOs (LNGOs) or Community Based Organisations (CBOs)
- **68% (n=167) respondents** receive USAID funding
- **32% respondents** receive no US funding

Survey Respondents per organisation type (n = 242)



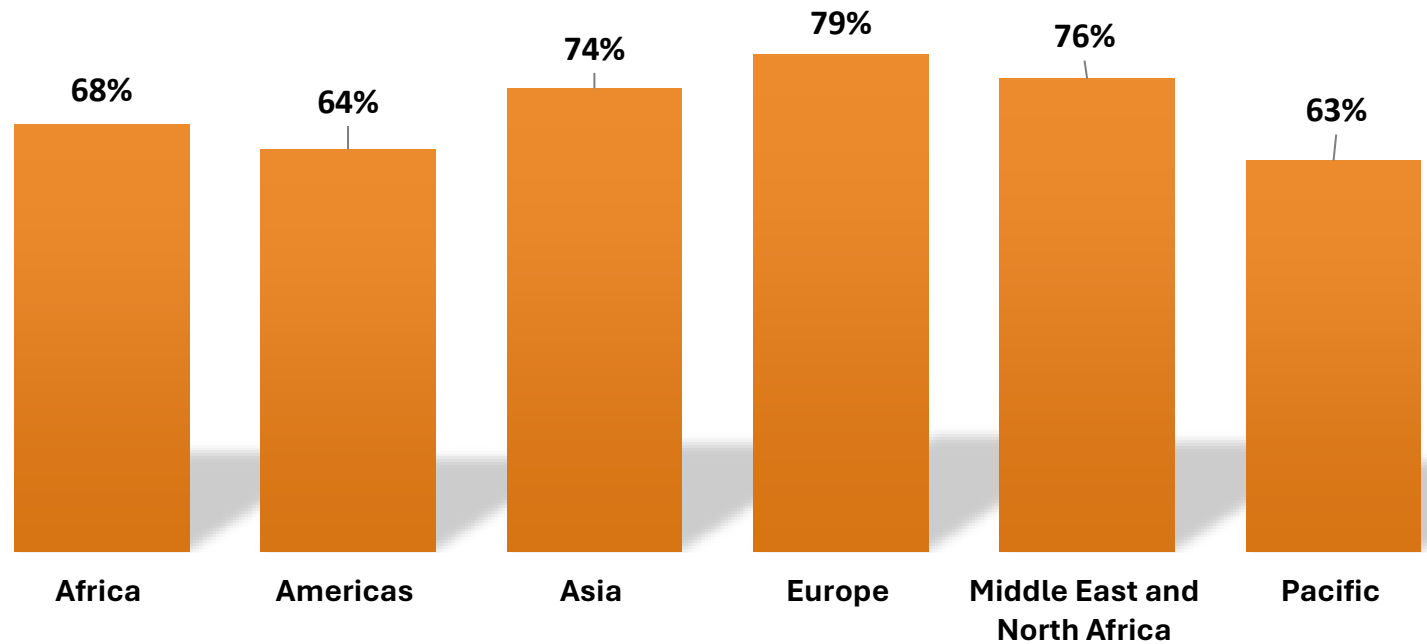
Location of the operations impacted by Stop Work Orders

67%

of NGOs received stop work orders (SWOs) over the survey period

The SWOs are impacting humanitarian programmes on every continent.

Proportion of NGOs reporting receipt of Stop Work Orders (SWOs) by Region



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Sources of US Funding

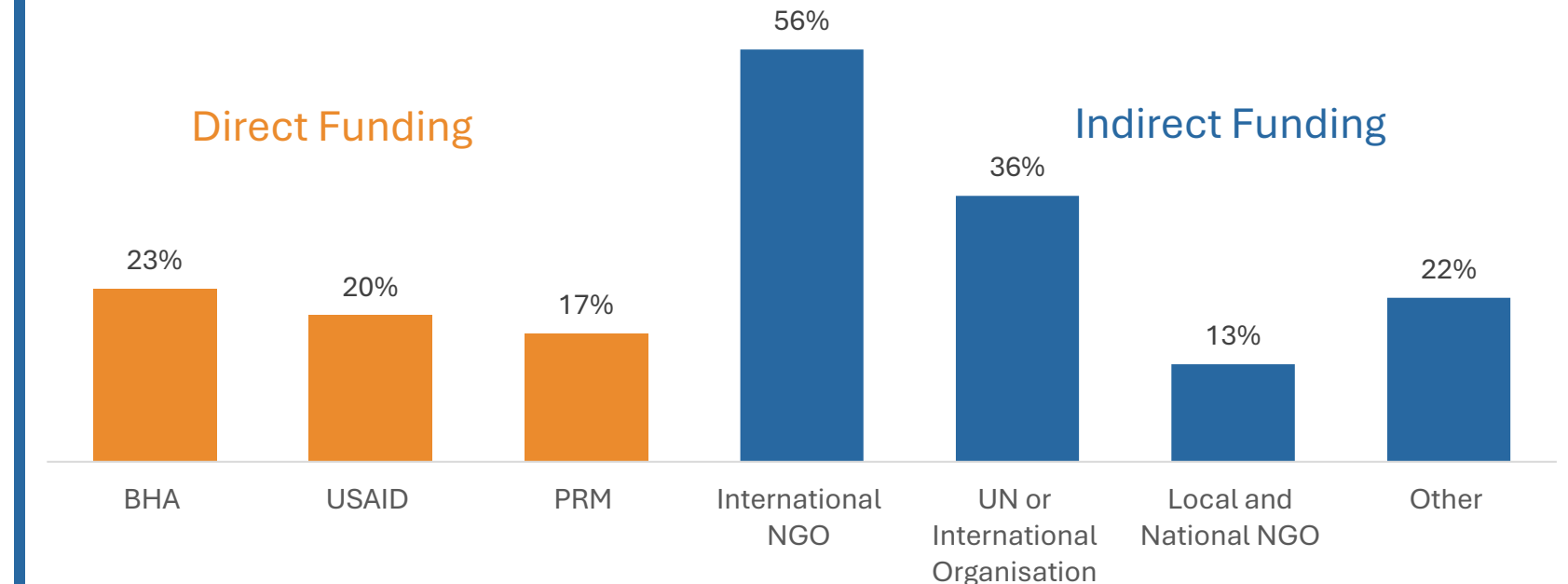


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Key figures

- **41% (n=69)** NGOs who receive US funding receive it **DIRECTLY**
- **81% (n=135)** NGOs who receive US funding receive it **INDIRECTLY.**
- **22%** receive **BOTH** direct and indirect US funding
- **68%** of US funding reported provided by intermediaries: INGOs 30%, UN - 19%.
- **32% of US funding** reported provided directly.

Sources of US funding: Direct & Indirect



Overview of Key Findings (1/2)



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Impact of the Suspension

- Large scale and **devastating impact** on crisis affected people.
- **Major reductions in life-saving and essential** services, protection and resettlement supports impacting millions of people.
- **Communities growing increasingly desperate.**
- **Women & children are most at risk:** Gender based violence, child labour and early marriage.
- **Erosion of trust & credibility** with communities and authorities.
- **Increased insecurity and access challenges.**

Why is the impact so high?

- USAID, including BHA and PRM funded up to 100% of humanitarian agency budgets.
- **Waivers are limited** and unclear.
- The US **payment system is still suspended.**
- The US government **owes NGOs millions** in reimbursements, so NGOs have limited or **no liquidity.**
- The suspension occurs in the context of **global funding cuts with** humanitarian needs at a record high, and climate change and conflict driving more.

Overview of Key Findings (2/2)



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Fear for the future

- Many communities will suffer, negative coping strategies will grow.
- 55% of NGOs report negative impacts on their workforce. This will only increase.
- As humanitarian architecture is being decimated, future response capacity will be limited despite humanitarian needs growing exponentially.
- Accountability, coordination and efficiency gains made over a decade are being lost.
- The politisation of humanitarian aid resulting in unmet needs, increased inequality, operational risks and inefficiencies.

Mitigation Measures

- Limited mitigation measures available, forcing agencies to:
 - Suspend and downsize programmes.
 - Drastically reduce staff.
 - Close offices, scale down.
- INGOs trying to protect partners, through use of reserves and fund raising; - but difficult
- NGOs trying to diversify funding, but little hope in doing so.



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The Impacts of the Stop Work Orders on Crisis Affected Populations



Impacts on people in need reported



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67% of NGOs reported negative impacts on their services ranging from downsizing to full stops.

In some cases 100% of the agency's programmes have stopped.

Health Services

Life-saving medical treatments have been disrupted.

High risk of increased mortality due to halted cholera, malaria prevention services, HIV treatment.

Refugee Services

Refugee communities have lost access to social protection, legal and empowerment services.

Pending resettlement departures have been cancelled

Food, Nutrition & Agriculture

Therapeutic feeding centers have ceased operations, posing life-threatening risks to malnourished children and pregnant women.

Agricultural inputs for planting suspended resulting in increased food insecurity risks.

Water, Education, Shelter & Cash programming are negatively impacted.

Anticipatory action & Livelihood programmes have been disrupted.

Protection

Gender-based violence and child protection suspended.

Increased risks of child labour, early marriage and school drop out.
Risks of domestic abuse and femicide increasing.

Examples of impacts of the SWOs reported



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“

HIV-positive children are dropping out of treatment and their viral loads are rising; [There's] an increase in new infections in HIV-exposed children under 2; and HIV-positive children are dropping out of school.

”

Local NGO in Africa

“

Disruption of life-saving medical treatments

”

INGO in Asia

“

Increased malaria cases, potential malaria outbreaks and death. Surveillance system will be affected.

”

International NGO

“

68% of the recipients [of TB and HIV treatment] have started looking for and using home remedies or herbs

”

Local NGO in Africa

“

Communities have “Lost a full agricultural season”

”

International NGO

“

Beneficiaries who are in dire need of humanitarian assistance became worse affected, hunger, disease and poverty may regenerate.

”

National NGO in Africa

Examples of impacts reported continued



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“ More than **1,500 people living with HIV** can no longer access ARVs. ”

National NGO in Africa

“ Northern Yemen and Afghanistan face the potential complete termination of assistance after the review period, leaving populations vulnerable. ”

International NGO

“ **16,000 households** facing hunger and malnutrition are affected ”

National NGO in Africa

“ The SWO has forced the “immediate closure of sanitation facilities providing free showers, laundry, potable water, and baby changing stations for Venezuelan migrants and refugees living on the streets in Brazil. ”

Suspending activities means ceasing over **30,000 services**, leading to increased open defecation, waterborne diseases, lack of sanitation, and hygiene, creating a **public health issue** for affected municipalities.” ”

NNGO in Latin America

“ We have paused work in DR Congo at the same time as the **escalation of the crisis.** ”

International NGO



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Impacts on women & children reported

“

We have orphans we pay school fees for and also give them scholastic materials. We are confused on how they are going to return to school under these circumstances. Directors are planning to solicit funds from **personal savings** where possible to ensure that these innocent children do not miss school.

”

CBO in Africa

“

It will directly affect **women survivors of violence** because when they are not accompanied they do not report and generally culminate in femicide and this goes unpunished, because it is the advocacy programs of the organizations that pressure judges and investigators to respond

”

NNGO in Latin America

“

We are likely to get increased numbers of teenage pregnancies if these children are forced out of school because of this order.

CBO in Africa”

“

More than **3250 orphans and others made vulnerable by HIV/AIDS** no longer benefit from school community support or treatment for malnutrition.

”

National NGO Africa

“

It will not be possible to continue providing comprehensive support to victims of domestic and sexual violence, since there are no resources for renting a house, transportation and food for users, or accompaniment to regional or national bodies.

”

NNGO in Latin America

How are people in need responding to the SWOs?

Key Findings

- Respondents highlighted the frustration and anxiety caused by the stop work order among affected communities, in some cases leading to increase risk of insecurity and violence.
- NGOs are trying to mitigate against this through communication and constructive dialogue, and identify solutions with communities.
- ICVA and CHS Alliance have [developed messaging](#) to assist NGOs in informing communities.

“

Desperation of the population after receiving the information of the stop

”

National NGO in Africa

“

[The SWO] creates the atmosphere of distrust, disappointment and unfinished initiatives.

”

National NGO in Europe

“

We were doing a cash transfer program aimed to mitigate against hunger. We have communicated [the suspension] to the communities, and they still have doubt as it may seem as if we have taken their money since registration was already done and one disbursement provided.

”

National NGO in Africa

Impact on Anticipatory Action & Disaster Prevention



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Respondents reported **increased risks of conflict and natural disasters** due to the suspension of preparedness and mitigation activities and loss of qualified and trained staff experts.

“

The impacted project focused on the issue of social cohesion in view of the situation that Burkina Faso is going through. Its implementation would have made it possible to curb tensions between host populations and internally displaced persons in the Northern Region. The project had really raised hope for the beneficiary populations

”

National NGO in Africa

“

These are communities that are in territories with a high exposure to forest fires and a high occurrence in this summer season. Failure to continue with prevention and mitigation measures increases the likelihood of an adverse event with loss of life, property, critical infrastructure, and damage to the ecosystem.

”

National NGO in the Americas

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The Impacts of the Stop Work Orders on Humanitarian Agencies



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Amounts of NGO Funds Affected

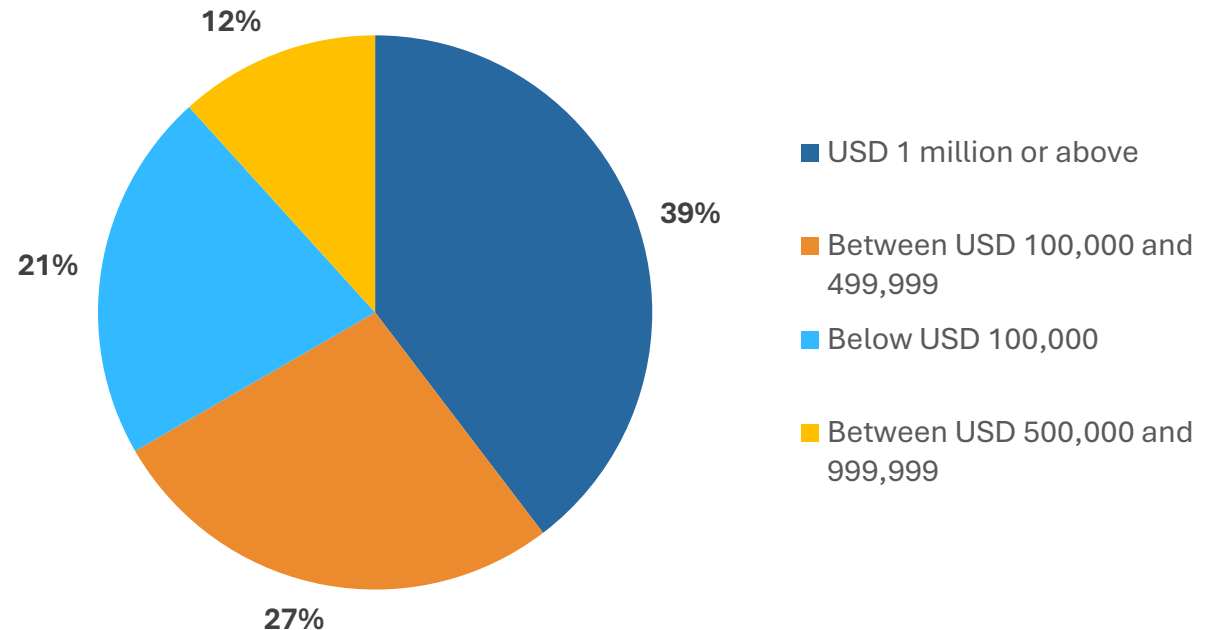


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Key figures

- **78% of respondents** reported the SWOs impacting contracts worth over 100,000 USD.
- **39% of respondents** reported the order affecting 1 million or above of financing, including 68% of INGO respondents.

Proportion of NGOs by approximate amount of funding cuts due to SWOs



Impact of SWOs on humanitarian agencies



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The suspension is threatening the operations and programme continuity of many NGOs, in particular, LNGOs, NNGOs & CBOs.

The impacts include:



Financial issues

Depletion of reserves & unrestricted funds.
Fear of ineligible costs
Reimbursements not paid
Increase in core costs to reserves and unrestricted funding.
Major cash flow and liquidity issues



Insecurity & Loss of access

Communities upset & distrustful.
Distrust towards NGOs growing
Damaged relationships with authorities



Legal Risks

Suspension forcing a violation of labour & contract laws
Expensive legal cases likely



Loss of assets

Office closures
Contracts for vehicle hire paid in advance



Staff cuts

55% agencies report negative impacts on workforce
See [slide 22](#) for details



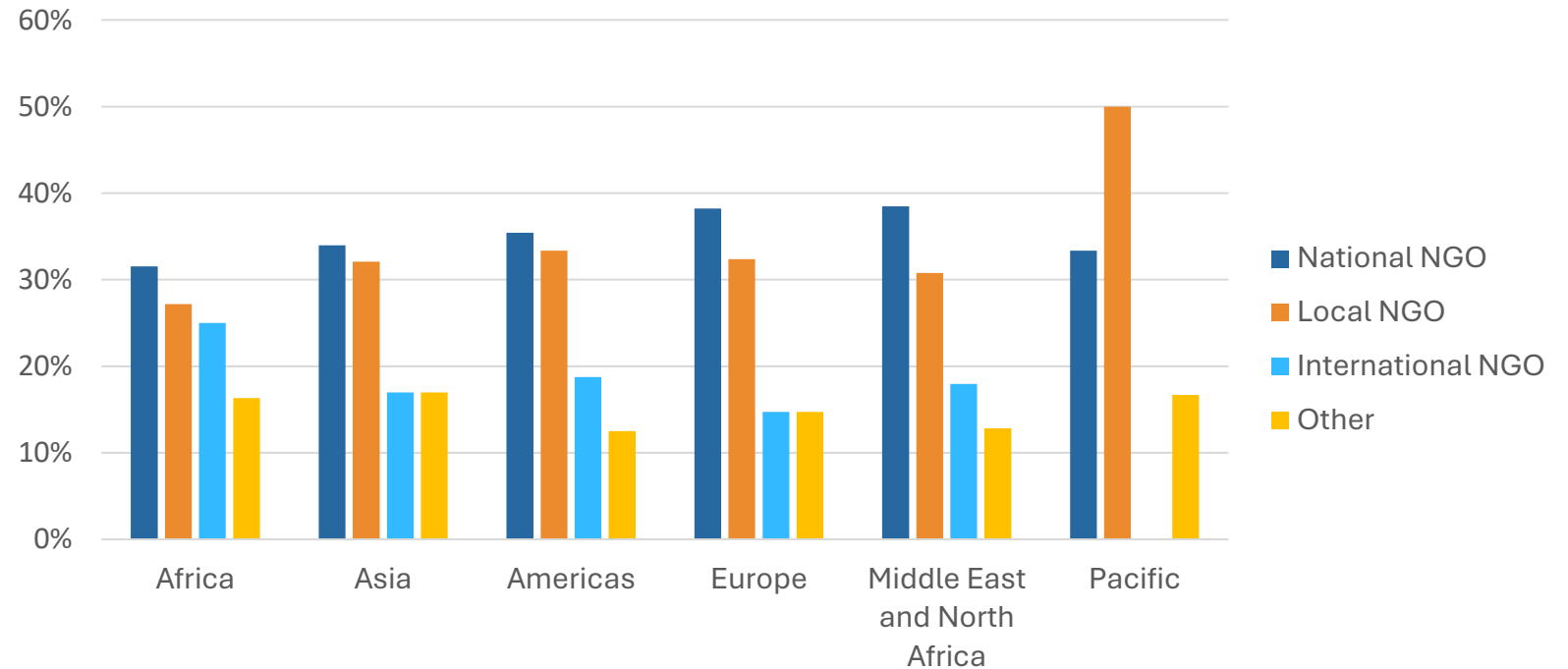
Disrupted supply chains

Delays in procurement and payments to suppliers

Impact on Local NGOs

% of NGOs reporting negative effects of SWOs, by region and type of partnership affected

80% of survey respondents with US funding reported downstream impacts on their partners, including having to immediately end partnership agreements and/or issue stop orders.



Examples of impacts on humanitarian agencies

“

The stop work order act incomplete disregard of the active contracts. This is dangerous since employees can take us to court.

”

National NGO in Africa

“

The expenses already incurred could not be executed. Indeed, service providers as well as suppliers, contextual staff have provided goods and services but have not yet received their due.

”

National NGO in Africa

“

Our beneficiaries are now out of school and suppliers are not happy with us. Our name has been tarnished.

”

NNGO in Africa

“

We have stopped all activities and the staff is distraught.

”

NNGO in Africa

“

Crisis management, having to do a lot of budget reallocation, a lot of meetings to find ways to keep/stop programs.

”

MENA NNGO

“

All committed programme are stopped and around 100 concerned staff members and more than 1000 volunteers are in tension in 15 district. Targeted beneficiaries are 4 million who are also affected to get their priority services.

”

NNGO in Asia

Impact on Local Partners in their words



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“

HR is a great concern when it come to our staff and our field office operations. The community volunteers, community members and other stakeholders have been affected.

”

National NGO in Africa

“

We are experiencing the “Loss of highly qualified professionals for community-based disaster risk reduction, and the loss of professionals in key and strategic positions in the institution who have partial funding in their salaries

”

National NGO in Latin America

“

Direct project staff is suspended for 90 days until the next decision is made whether to continue to or totally terminate the project. In case termination is decided, we are obliged to pay severance and compensation to the staff which creates additional financial burden to the organization.

”

National NGO in Africa

“

We paid rent, internet, utilities for six months in advance, other obligations which were prepaid have become a loss

”

National NGO in Africa

Impact on humanitarian workforce

- **54% of agencies** receiving stop workers orders report severe negative impacts on their workforce, including suspensions, terminations and unpaid leave.
- Agencies have to **absorb additional costs** due to staff terminations (e.g. redundancy payments, severance payment in lieu of notice)
- **High risk of legal cases** due to abrupt terminations and lack of liquidity
- **Thousands of jobs at every level are impacted** from community workers, to refugee and resettlement services, advocacy, coordination, policy and support staff.
- **Stress and anxiety** among staff noted to be high due to the uncertainty and suddenness of the work stoppage.

What is the effect of the stop work order on your staffing?

“ We have had to lay off hundreds of staff. Which means we are not present on the ground in key crises. Between Chad, South Sudan and Colombia where there's already too little attention, too little staff, too few resources...this is desperate. ”

International NGO

“ The effect is insurmountable due to the uncertainty instilled both within the organization and of the staff individually. ”

National NGO in Africa

“ 90% of staff have gone home with no salaries beyond February. ”

National NGO in Africa

“ The short-term impacts of the US Stop Work Order on programs have been significant across multiple countries. In Bangladesh, 218 employees are fully funded and activities have been paused, leading to uncertainty. Similarly, in Egypt, 116 employees face disruption. In Lebanon, 35 project staff are affected and activities are halted. In Kenya, 37 employees and 130 incentive workers face potential layoffs. In Afghanistan, 18 staff have had their contracts suspended due to the freeze. These disruptions result in halted services, particularly affecting vulnerable, crisis-affected populations in these regions. ”

International NGO

“ We lost 17 staff out of 35 which has affected them and their families. Trauma and stress of losing a job. ”

National NGO in Africa

The Ripple Effects of the Suspension



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- Almost every NGO reported they were affected, including the 32% of NGOs respondents that do not have any US funding.
- The spillover effects of the suspension include:



Joint activities with partners have stopped impacting on critical services and programme quality.



The closure or downsizing of L/NNGOs causing both programmatic and security effects. A shortage of available partners.



UN agencies funding cut – passing on the cuts to NGO partners.



Some governments have stopped paying their employees



A loss of anticipated funding – many submitted proposals to the US that they foresee will not be approved.



Support services e.g. coordination are suspended or downsized, impacting decision making and efficiency.

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Mitigation Measures



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Financial mitigation measures implemented



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Every agency impacted by stop work orders is having to make major financial decisions including on what to cut and what to keep and where to allocate costs.

Staff cuts & unpaid leave.

Reallocating costs to other donors

Applying and lobbying for waivers

Nothing – “There is nothing we can do”

Asking other donors to amend contracts

Using up reserves and unrestricted funds

Working on a voluntary basis

Paying costs from personal savings

Asides from financial mitigation measures, agencies are also :

Communicating
with all
stakeholders

Strategising on
joint advocacy

Asking other
agencies to cover
needs

Asking other
donors to amend
contracts

Exploring income
generating
activities

Seeking other
funding

Paying costs from
personal savings

Considering legal
action

NGO approaches to diversify their funding

Key Findings

- **56%** of NGOs report they are already looking for alternative funding.
- Many believe that the chances of finding other will not be possible.
- Many are reaching out to other donors to be flexible and amend current budgets.
- The increased competition for remaining donor resources is a concern.

Where NGOs report turning to for funding and support:

Pooled Funds e.g. CBPF	National & local authorities	Income Generating Activities
Domestic markets	Other NGOs	Private Sector
Churches	Social enterprise funding	Other institutional donors

But for some NGOs, there is little they can do to mitigate the impact...

“

If the SWO continues for an extended period, it can take significant time and effort to rebuild capacity once funding resumes.

”

International NGO

“

The shutdown measure was not warned because it appeared suddenly, hence the mitigation is too difficult.

”

National NGO in Africa

“

We can't do anything (to mitigate). If possible, we need support to advocate for the lifting of this freeze and suspension of funding. Frankly, with the problems of poverty, our populations suffer a lot, especially the children for whom we are fighting as a vulnerable group of people and in need of protection.

”

NNGO in East Africa



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Access resources & stay up to date on
ICVA's dedicated webpage

[90 Day Suspension Order Resources](#)



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About ICVA

ICVA is a global network of over 170 NGOs dedicated to principled and effective humanitarian action.

We focus on humanitarian coordination, forced displacement and humanitarian financing and promote localisation, equitable partnerships, diversity, equity and inclusion, and safeguarding.

www.icvanetwork.org

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