

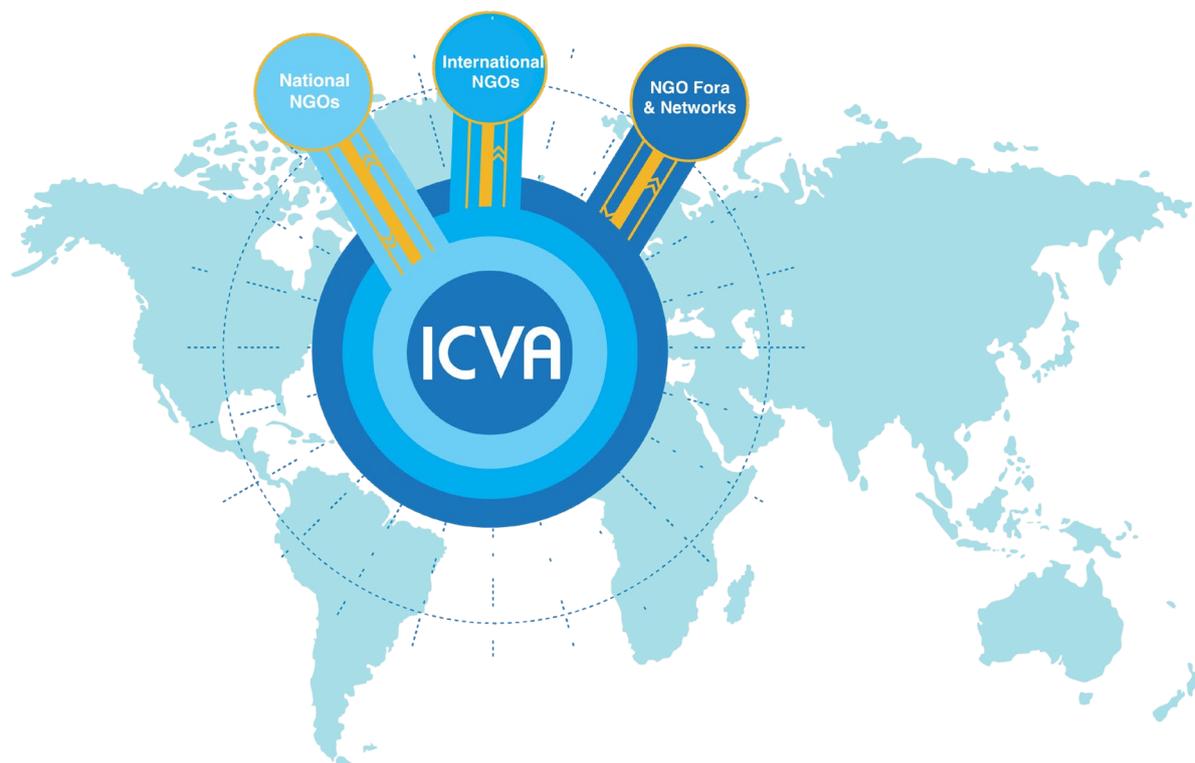
Lives on the Line: The human impact of US Foreign Aid Shifts

Report

March 2025



A GLOBAL NGO NETWORK
FOR PRINCIPLED AND EFFECTIVE
HUMANITARIAN ACTION



About ICVA

Founded in 1962, the International Council of Voluntary Agencies (ICVA) is a global network of 170[1] non-governmental organisations (NGOs) active in 160 countries, operating at global, regional, national and local levels, whose mission is to make humanitarian action more principled and effective by working collectively and independently to influence policy and practice.

Headquartered in Geneva, the ICVA Secretariat has representation in Eastern and Southern Africa, West and Central Africa, Asia and the Pacific, Latin America, and Middle East and North Africa regions.

ICVA is a global network of humanitarian NGOs - large and small, national and international, secular and faith-based- representing an estimated \$20 billion in combined operational budgets. Nearly half of our members are headquartered in Asia & the Pacific, Africa, the Middle East, and Latin America, with an outreach of over 8,000 organisations.

Guided by the ICVA 2030 Strategy, adopted in 2021, we focus on principled and effective humanitarian action, shaping our collective values, ways of working, and transformative goals. Our work centres on Forced Displacement, Humanitarian Coordination, and Humanitarian Financing, providing added value through analysis, convening, brokering, advocacy, support, and collaboration.

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‘A 90-day suspension means that, even if a project is eventually deemed lifesaving, and can therefore continue, there is a 90-day interruption of cash flowing to the organisation delivering it. NGOs and their local partners do not have sufficient cash reserves to cover this gap from their own resources. They are forced to cut their staff immediately and stop their work. Food is not delivered. People starve.’

Rob William,
Chief Executive, War Child



Executive Summary

Overview

Upon taking office, the new United States Administration enacted a sweeping shift in foreign aid policy. From day one, the President signed Executive Orders that reshaped key services to humanity, including refugee protection and resettlement, to the principles guiding U.S. foreign aid - triggering a full-scale review of all funding commitments.

The administration’s subsequent actions of freezing grants, cancelling contracts, halting payments and dismantling USAID have sent shockwaves through the humanitarian system. As the world’s largest bilateral humanitarian donor, any U.S policy shift carries profound consequences for crisis-affected populations and the organisations that support them.

Against this backdrop, ICVA has prepared this report to provide a snapshot of the immediate consequences and emerging trends resulting from the abrupt shifts U.S. foreign aid policy. Drafted in early February, it draws on insights from ICVA members, the broader NGO community, and public sources, as well as survey findings on how these changes are affecting NGOs’ operational and organisational capacities. Given the rapid evolving situation, this report does not aim to provide an exhaustive analysis but highlights a few key findings:

Key Findings

- **Lives are at Risk**

The "Stop Work" Orders have forced the closure of critical assistance and protection services, including hospitals, health centres, cash assistance, food distribution, nutrition programmes, legal aid for displaced persons, and essential shelter, education and water and sanitation programmes. Contract terminations, uncertainty surrounding potential waivers, the dismantling of USAID, and disruptions in U.S. payment systems have further exacerbated the crisis.

- **Community Confusion & Security Risks**

The abrupt suspension of aid has caused widespread incomprehension among communities and local authorities, leading to panic and frustration, increased access challenges and security risks, and heightened expectations on remaining operational organisations.

- **Vulnerable Populations Most Affected**

LGBTIQ+ individuals, asylum-seekers, refugees, and vulnerable migrants face heightened risks of being denied humanitarian assistance due to their identity or legal status. Services essential for displaced populations, such as camp management, water trucking, healthcare, and education are being severely disrupted, impacting both emergency responses and long-term assistance in protracted crises. Women and children are at increased risk of violence and abuse.

- **Weakened Humanitarian System**

Cuts to funding have severely undermined humanitarian needs assessment, accountability, mechanisms, response planning at both global and country levels. NGOs are struggling to assess the real-time needs of communities and deliver independently.

- **Weakened Coordination Mechanisms**

Country-level coordination structures, including NGO forums have been weakened, making it more difficult for organisations to collectively adapt to shifting funding realities, reduce gaps and maximise efficiencies.

- **NGOS Facing Financial Collapse**

The failure to reimburse incurred costs up to 29 January 2024 has triggered a widespread liquidity crisis among NGOs and UN partners. Large-scale layoffs have already been announced, with smaller NGOs fighting for survival.

▪ **Local and National NGOs Hardest Hit**

With no financial reserves and total reliance on project-based funding, many local and national NGOs have been forced to immediately lay off staff and terminate contracts, leading to legal liabilities, loss of community trust, and the potential collapse of their organisations.

▪ **Shrinking Humanitarian Funding Landscape**

The US funding freeze comes amid a broader decline in humanitarian financing, with major donors such as Germany, the Netherlands, Belgium, Switzerland and the UK also cutting aid budgets. Few NGOs have found alternative funding to offset losses, and competition for scarcer resources is intensifying. While efforts to diversify financing, including through private philanthropy, are underway, confidence in bridging the gap remains low.

▪ **Risk of Counterproductive Reforms**

While the humanitarian system has long needed reform, the abrupt U.S. funding freeze risks triggering reactive, financially driven changes - implemented hastily, without meaningful input from civil society and crisis-affected populations.

Summary of Recommendations

To All Humanitarian Actors:

- Reaffirm core humanitarian principles and prioritise quality and accountability for crisis affected people.
- Work collectively to adapt to the shifting humanitarian funding landscape while preserving a principled, coordinated and efficient humanitarian response.
- Prioritise and facilitate the operational sustainability of local and national organisations.
- Document impact, strengthen collective action and public engagement.
- Diversify and strengthen financial independence.

For UN Partners:

- Preserve and maintain ongoing partnerships to the full extent of already signed agreements.
- Engage NGOs early in funding discussions to jointly determine priorities, adjust programs and develop contingency plans. Provide prompt and clear guidance in the event of funding cuts.
- Leverage diplomatic influence. Support impacted governments in engaging with the U.S. administration.

To Donors

- Uphold commitments to maintain overseas assistance to a minimum ODA target of 0.7% of GNP.
- Support humanitarian actors to diversify their humanitarian financing sources and maximise funding flexibility.
- Prioritise direct funding to national and local NGOs. Fully cover local and national NGOs indirect costs and administrative budgets.
- Fast-track pending grants and disbursements. Expand efforts in due diligence reform and contractual/reporting simplification.

For the US Government:

- Without delay, reimburse overdue payments.
- Demonstrate leadership in upholding humanitarian principles.
- Resume the U.S. Refugee Admissions Program.

To Humanitarian Coordinators and Country Teams

- Urgently allocate all available CBPF funds.
- Work with NGOs and affected communities to reprioritize response plans.
- Streamline coordination structures at national and sub-national levels.



Throughout the world, the suspension order is increasing risks for the most vulnerable people. People who have been forced to flee are left unprotected in the face of violence, abuse and exploitation, often in world's most unstable places. Vulnerable girls, boys, women and men feel abandoned as crucial health, protection and livelihood services are no longer accessible.

ICVA Member



1. Introduction

In this section:

- **US Foreign Aid Policy Shifts overview**
- **The State of Humanitarian Aid in 2025: A Perfect Storm**

1.1. US Foreign Aid Policy Shifts

For nearly two decades, the United States has been the largest government donor to the [Humanitarian Response Plans](#), development aid, and multilateral development banks.

In 2024, U.S. contributions to humanitarian financing totalled US \$14 billion - 41.8% of global humanitarian contributions. Many cautiously expected similar levels in 2025. The immediate freeze of current U.S. foreign assistance therefore has had severe consequences for crisis-affected populations and the organisations supporting them.

The Executive Order on the suspension of US foreign aid.

The new U.S. Administration's first weeks saw a series of Executive Orders that signalled significant shifts in foreign aid policy. On January 20, 2024, an Executive Order mandated that 'no further United States foreign assistance shall be disbursed in a manner that is not fully aligned with the foreign policy of the President of the United States.'¹ This order imposed a pause of 90 days in U.S. development assistance to assess programmatic efficiencies and alignment with the foreign policy priorities.

The Office of Management and Budget (OMB) was tasked with enforcing the pause, while relevant departments conducted a review under the guidance of the Secretary of State. The order allowed for waivers at the Secretary's discretion.

Stop work orders & unclear and ineffective waivers

On January 24, the U.S. State Department issued "stop-work" orders for all existing foreign aid programmes and halted new funding. While a waiver for emergency food aid was signed on the same day, a broader waiver allowing existing life-saving humanitarian assistance programs to continue or resume work was only issued on January 28.

This waiver defined life-saving humanitarian assistance as *'core life-saving medicine, medical services, food, shelter, and subsistence assistance, as well as supplies and reasonable administrative costs as necessary to deliver such assistance.'*

It also permitted Migration and Refugee Assistance (MRA) for repatriation efforts. However, activities related to family planning, abortions, gender, diversity, equity and inclusion (DEI) initiatives, and administrative costs beyond those essential for life-saving aid were excluded.ⁱⁱ

The scope of the waivers remains unclear: Some NGO and UN agencies interpreted them as a blanket exemption on life-saving activities, while others sought explicit permissions from agreement officers to resume work. Confusion was compounded by the gag orders imposed on USAID and PRM staff, as well as uncertainty over USAID's future and its payments systems' functionality.

Court Rulings unfreeze aid, but contracts are terminated and payments suspended

On February 13, a U.S. District Judge ruled against the aid freeze, ordering the Administration to restore funding to aid agencies. On February 25, a federal judge ordered the Trump administration to release billions of dollars in foreign aid within 48 hours. However, on February 26, the Supreme Court intervened and temporarily blocked the order. Following this decision, the Trump administration canceled more than 90% of USAID contracts, including lifesaving projects that had previously been granted waivers. At the time of press, some agencies had received notices reversing the cancellations. However, regardless of contract status, the **payments system remains largely inaccessible**, with **hundreds of millions of dollars in reimbursements still owed to NGOs for completed work**. This has severely impacted liquidity, posing an existential threat to many NGOs that rely on timely payments to continue operations.

Executive Orders beyond the suspension

Beyond foreign aid, additional Executive Orders signalled broader policy shifts. The new U.S. administration in the space of a few weeks has:

- Withdrawn from the Paris Climate Accord and the World Health Organisation.
- Ceased participation in the UN Human Rights Council.
- Halted funding for UNRWA, while initiating a broader review of its involvement in international organisations.
- Discontinued diversity, equity, and inclusion (DEI) programmes.
- Revised refugee and immigration policies.
- Redefined birthright citizenship to apply to children of U.S. citizens and lawful permanent residents.
- Mandated the federal government to recognise only “two sexes, male and female,” restricting the use of federal funds for gender-related initiatives.

Immigration enforcement

Immigration enforcement has intensified. Orders called for the immediate execution of removal proceedings, expanded federal immigration enforcement across all 50 states, and the construction of detention facilities for individuals awaiting deportation. The use of Guantanamo Bay for migrant detention has been ordered. The U.S. Refugee Admissions Program has been suspended indefinitely.

These sweeping policy changes have reshaped U.S. engagement in global humanitarian efforts, raising urgent questions about the future of international aid, the protection of refugees and migrants, multilateral cooperation, and the ability of NGOs to respond to crises.

1.2 The State of Humanitarian Aid in 2025: A Perfect Storm

Escalating crises & rising humanitarian needs

According to the Global Humanitarian Overview (GHO) 2025, an estimated 305 million people worldwide require urgent humanitarian assistance and protection.

By mid-2024, nearly 123 million people had been forcibly displaced due to conflict and violence.ⁱⁱⁱ The number of people facing, or at risk of, famine more than doubled, rising from 705,000 people across five countries/territories in 2023, to 1.9 million across four countries/territories by mid-2024.^{iv} Grave

violations against children and unprecedented levels of sexual violence against women have been reported in multiple conflict zones.

Climate change is exacerbating humanitarian crises: In 2023, 363 weather-related disasters affected at least 93.1 million people and caused thousands of deaths.^v That same year, 26.4 million people were displaced due to disasters - over three-quarters due to adverse weather events. Increasingly severe climate shocks, including major hurricanes (e.g. Beryl in 2024), prolonged droughts (Horn of Africa 2020 - 2023), devastating floods (Sahel 2024), powerful typhoons (Yagi 2024), continue to displace millions and put lives at risk.

Declining donor support

While humanitarian financing steadily increased from \$11 billion to a record \$30 billion in 2022, funding levels have declined since 2023. In 2024, only \$23 billion - 48% of the \$49 billion requested in the global humanitarian financing plan - was provided. Despite growing needs, preparing for further reductions, the 2025 Global Humanitarian Appeal lowered its funding request to \$47 billion to assist 190 million people across 72 countries facing the most critical needs.^{vi}

The world’s largest humanitarian donor steps back

The U.S. government has been the largest humanitarian donor since 2006, when it surpassed private giving. While ranking amongst the lowest OECD DAC member contributors to ODA, equivalent to 0.24% of GNI in 2023, US funding is significant in terms of volume. In the same year, it amounted to \$64.7 billion^{vii}, equivalent to almost 30% of all DAC member ODA.^{viii} Of this, \$13.5 billion was allocated to humanitarian action, accounting for 36.4% of global humanitarian expenditure.^{ix}

Table 1: Proportion of Humanitarian Plans funded by the US

Colombia	DRC	Uganda	Haiti	Nigeria	Kenya	Rohingya
70%	68%	61%	59%	56%	56%	55%
Iraq	South Sudan	Türkiye	Burkina Faso	Jordan	Venezuela	Mozambique
54%	54%	52%	51%	51%	51%	50%

For 2025, data from OCHA’s Financial Tracking Services indicates that the US had already committed \$813.8 million in humanitarian financing, with Afghanistan, Sudan, Somalia, and Jordan as the largest recipients. In 2024, U.S. funding accounted for 41.8% of global humanitarian assistance, totalling \$14

billion.^x Humanitarian response plans are therefore heavily dependent on U.S. contributions, with many plans reliant for over 50% of their budgets on U.S. funding, as seen in Table 1.

A growing trend of government foreign aid cuts

The U.S. aid freeze and anticipated funding cuts compound reductions from other major donors, including:

- Germany announced a €2 billion cut to its development and humanitarian budget.
- Netherlands plans to reduce foreign aid through civil society by €1 billion in cuts to foreign aid through civil society between 2026 and 2030.^{xi}
- The UK announced an additional £117 million reduction.^{xii}
- Finland announced cuts to its aid budget by a quarter between 2024 and 2027.^{xiii}
- Switzerland has announced its intention to reduce aid by \$282 million.^{xiv}
- Sweden has abandoned its spending commitment of 1% GNI to move to a budget of US 4.7 billion, 5% lower.^{xv}
- The EU is proposing approximately Euro 2 billion cuts.^{xvi}
- France has reduced almost 40% of its ODA through a series of successive cuts.^{xvii}
- Belgium has announced a cut of 25% over the next 5 years.^{xviii}

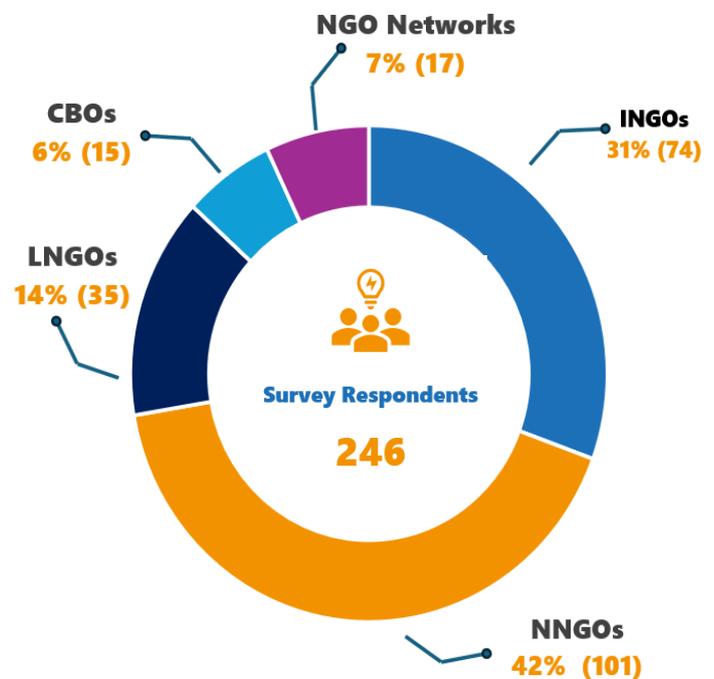
ICVA members also report worrying signs from Japan and even Korea, who had recently increased its humanitarian assistance support over 2024 and 2025. Thus far few, if any donors, have announced any significant measures to help address the current funding gaps, despite intense lobbying from humanitarian actors.

2. Methodology

The findings presented in this report collate the information provided by ICVA’s membership and the wider NGO community, collected through a global ICVA led survey, NGO Forum surveys, key informant interviews, working group meetings and publicly available materials.

Survey Responses

To understand the impact of the US Foreign Aid Suspension, ICVA ran a global survey for NGOs and NGO networks between 27th January and 7th February. The survey received 246 NGO responses (61% from national, local and community-based NGOs) across all regions. Country-level surveys were conducted by NGO Forums in Sudan, the DRC, Somalia, Ethiopia, Syria, Niger, Nigeria, Ukraine, Myanmar, Jordan, Somalia, Ethiopia, Pakistan, and Poland, representing both international and national NGO perspectives.



The [detailed survey results](#) are available on ICVA’s [US Funding Suspension Order Resources](#) webpage.

Secondary Data Sources

These findings were complimented by ongoing data collection from OCHA, ACAPS, IMPACT, the Global Aid Freeze Tracker, the Defunding Crisis Impact Tracker and inputs from other NGO networks such as VOICE and NEAR. Many of the NGO statements, and other secondary data sources are available on [ICVA website](#) under the [90 Day US Funding Suspension Order Resources](#).

Key Informant Interviews

In addition, key informant interviews were conducted with 25 of ICVA's members, including a mix of both international and national NGOs. ICVA also held focus group discussions with members through our working groups.

Challenges & Limitations

The survey and report were written at a time when many NGOs are still assessing the level of impact of the US Foreign policy changes and funding suspension. The limitation is that the full extent of the current impact change in US Foreign Policy remains underreported.

Overview of Survey Respondents

ICVA's [survey results](#), NGO statements and media articles, and key informant interviews all attest to the massive impact the US funding suspension and Executive Orders have had on NGOs ability to respond to the needs of people in crisis.

- 68% of the 246 NGO respondents currently receive funding from US.
- 41% of NGOs receive US funding directly. This includes:
 - 20% from USAID,
 - 23% from USAID's Bureau for Humanitarian Assistance (BHA)
 - 17% from the Bureau of Population, Refugees, and Migration (PRM)
- 81% of NGOs receive U.S. funding indirectly i.e. through an intermediary. This support comes through partnerships with international NGOs, UN agencies, other international organisations, as well as national and local NGOs.



There are now people stranded all around the world after they've undergone years of standing in line to be vetted and approved for resettlement in the U.S.

ICVA Member



3. Lives on the Line: The Human Impact

In this section:

- **Impact Overview**
- **Accountability to Affected Populations & Trust Eroded**
- **The Collapse of Protection and Legal Pathways: The Impact of Funding Suspensions on Displaced People**
- **Cash & Voucher Cuts**
- **Country Snapshots**

3.1 Overview

As the world's largest humanitarian donor, the US funding suspension and Executive Orders have had a major impact on NGOs' ability to effectively respond in humanitarian crisis. This has profound negative impacts for millions of people in crisis across the globe: While the numbers are still being determined, prior to the suspension, USAID was providing "better health for 95 million people" by providing basic medical care and supporting 23 million children with education.^{xix}

The ICVA survey found that out of the 167 respondents receiving US funding, 67% reported receiving stop work orders (SWOs), impacting lifesaving programmes across the globe.

Millions in humanitarian funding has been suspended: 78% of respondents reported the SWOs impacting contracts worth over \$100,000, with 39% of respondents reported the order affecting 1 million or above of financing, including 68% of INGO respondents.

Without funding humanitarian work stops: NGOs reported up to 100% of their programmes have been suspended. 67% report negative impacts on their services ranging from downsizing to full stops. Danish Refugee Council, Norwegian Refugee Council and Caritas have publicly announced an impact of 20% to 40% on their current annual budgets, forcing largescale suspensions or terminations of programming, partnerships and reductions in staffing.



Our LGBTIQ+ beneficiaries will lose access to vital public health services (including HIV, viral hepatitis and STI prevention and testing).

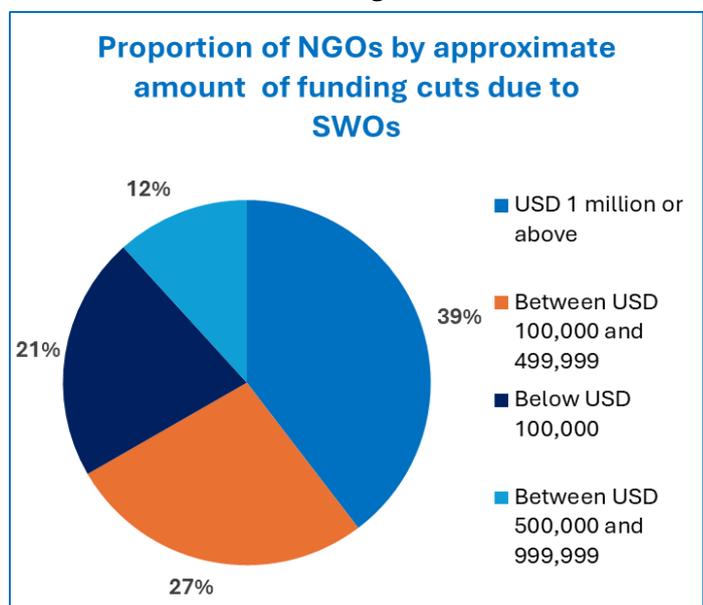
National NGO



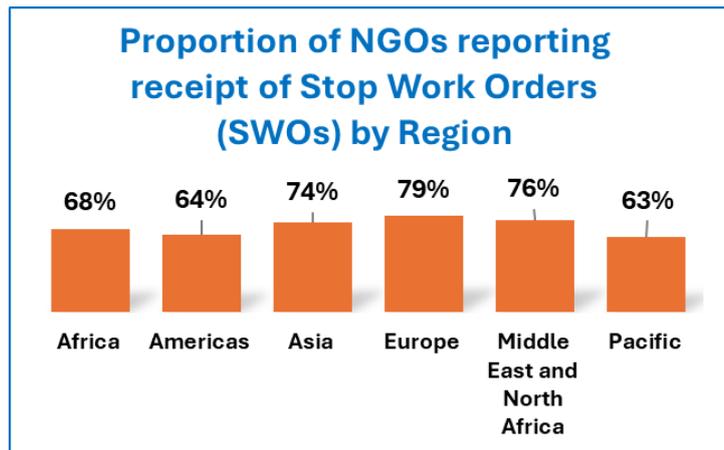
The Widespread Impact of Aid Suspension: Life-Threatening Consequences Across Sectors

Survey respondents report that every humanitarian sector has been impacted by the suspension, even those granted waivers:

- Lifesaving medical services have been disrupted, resulting in high risks of mortality due to halted cholera, malaria prevention services and HIV treatment. UNAIDS officials project that without a restoration of funding, that by 2029, there could be 8.7 million people newly infected with HIV, 6.3 million Aids-related deaths and an additional 3.4 million children made orphans.^{xx}
- Therapeutic feeding centres have ceased operations, posing life-threatening risks to malnourished children and pregnant women.
- Children are being forced out of school, in particular children orphaned and made vulnerable to HIV.
- Distribution of agricultural inputs for planting (seeds and tools) have been suspended. The delays mean that the short planting season has been missed, resulting in increased food insecurity risks and humanitarian needs in the future.
- Refugee communities have lost access to social protection, legal and empowerment services. See more [below](#).
- Water, Education, Shelter & Cash programming are negatively impacted.



Furthermore, gender-based violence and child protection services have been suspended, with respondents noting the increased risks of child labour, early marriage and school dropout. Others highlighted the critical impact of the suspension of legal and support services for survivors of domestic violence, forcing women to stay with their abusers and risking death.



The suspension of support for sexual reproductive health services is also chilling: Analysis from the Guttmacher Institute estimates that [130,000 women have been denied contraceptives](#) each day of the freeze, a total of 3.4 million.^{xxi} They predict that 8,340 women will die from complications during pregnancy and childbirth as a result.

3.2 Accountability to Affected People & Trust Eroded

Ensuring quality and accountability in humanitarian action is paramount for the humanitarian sector, as seen through the widespread uptake of key frameworks such as the [Core Humanitarian Standard \(CHS\)](#) and the [Sphere Humanitarian Charter and Minimum Standards in Disaster Response](#). In 2022, the IASC Principals affirmed the commitment of the IASC to ensure that Accountability to Affected People (AAP) is central to principled humanitarian action.

The rapid freezing of critical programming has shaken the foundations upon which these commitments are based. ICVA members strive to deliver programs that are developed with communities and respond to the needs and perspectives of people affected by crisis. However, many of them find it currently difficult to explain the situation and the reasons they paused programming to the people in need of these services.



It is difficult to explain the sudden suspension to the people and our entire credibility is at stake.

Humanitarian Aid Worker
ICVA Member



Several survey respondents highlighted the distrust and incomprehension from communities in almost immediate halt to programming without warning. The low levels of literacy and poor communications infrastructure in many contexts were highlighted as a challenge to mass information sharing, as was the lack of staff available to meet with communities due to the funding freeze.

One national NGO reported the community believed the NGO was stealing the money, as they could not be understood that funding could be “taken back” by a donor. The lack of warning and need to immediately halt spending including by letting go of staff, also led to little time to engage in meaningful community outreach or dialogue.

As a response to the current situation, CHS Alliance, an ICVA member has highlighted the critical need to defend people’s rights and dignity in this time of crisis.^{xxii}



Resource: Together ICVA and CHS Alliance have issued [collective messaging on suspensions and stoppages of humanitarian assistance](#) for affected people.

3.3 The Collapse of Protection & Legal Pathways for Displaced People

Protection programmes and legal pathways for forcibly displaced people have been profoundly disrupted by the funding suspension – including funding channelled through PRM – and the Executive Orders, such as the suspension of the US Refugee Admissions Programme (USRAP)^{xxiii}.

The combined impact has forced humanitarian actors to drastically scale back or suspend critical assistance leaving huge numbers of forcibly displaced and stateless people without support.

Core protection interventions for displaced people including gender-based violence, education programmes, and livelihood support have been cut.

“Our lives have been turned upside down and scattered.”

Community Priorities and perceptions in Gedaref, Sudan

After two years of unrelenting conflict, Sudan is experiencing a catastrophic humanitarian crisis. Even before the recent USAID cuts, humanitarian actors have faced a situation in which level of need in Sudan far outstrips the resources available.

Evidence from Ground Truth Solutions recent study in South Darfur and Gedaref shows that people struggle to access the assistance they need, living in fear and often feeling humiliated by their inability to provide for their families. Less than half of the people surveyed have received humanitarian assistance, but worse, among those who have received assistance, the majority say that it doesn’t meet their most important needs.

In South Darfur, community-based initiatives have played a key role in filling these gaps with over a third of respondents having received support from community initiatives in the past year.

This support often comes in the form of food aid, including through communal kitchens. These initiatives have been devastated by recent USAID cuts, with many communal kitchens being forced to close across the country as a result.

Accountability is not a ‘nice to have’. In situations of acute crisis and shrinking budgets, community voices must drive decisions more than ever before, or we are failing miserably to fulfil our basic humanitarian mandate.

Ground Truth Solutions^{xxiv}

PRM Funding

PRM funding has been a lifeline for many displaced populations. NGOs have highlighted that smaller PRM grants covered activities in situations where there is nobody else working, for example, providing support to asylum-seekers unable to access services such as health care and emergency support.

The US Refugee Admissions Programme

Following the Executive Order on realignment of USRAP, all flights for refugee resettlement to the U.S. were cancelled, including for 10,000 refugees who were already booked on flights.^{xxv}

With resettlement in sight, refugees had begun to move and sell belongings in preparation for their move to the U.S. Due to the stop work order, it is reported that very little information is being shared with refugees awaiting resettlement. Anxiety and confusion are compounded by the lack of information available in relevant languages spoken. Translation services have shut down, and because of the funding freeze, NGOs are finding it difficult to support with mental health and psychosocial interventions.

Resettlement is not only a durable solution for refugees, but it is a key protection tool for those most at heightened risk. It demonstrates a commitment to the international refugee protection regime and global responsibility sharing. A concern from NGOs is of a global backslide against important gains made in recent years, around increased access to third-country solutions and other legal pathways.

The Executive Order on Border Security

In addition, the executive order on border security^{xxvi} has left many forcibly displaced persons who were due to enter the U.S. legally, stranded and in limbo – specifically on the U.S.-Mexico border. NGOs supporting them report that because of the violence back home, many will not be able to return.

Moreover, NGOs active in the region anticipate that thousands will face heightened risks and a lack of essential services with broader impacts across South America. With opportunities for legal pathways closing and efforts to address the root causes in countries of origin dwindling, those fleeing persecution,



When the IDPs and community members perceive the humanitarian actors are grossly abandoning them, it may be a push factor for negative coping mechanisms, secondary displacements, or even resorting to joining gangs or armed groups as survival means.

NGO in Nigeria



conflict, and violence will be forced to undertake even more dangerous routes and become exposed to smugglers and traffickers, or worse. Because of the stop work order, many programmes supporting refugees and migrants in South America, particularly in acute mixed movement situations such as the Darién Gap, have stopped.

3.4 The Suspension of Cash and Voucher Assistance

Cash and Voucher Assistance has transformed humanitarian aid, giving power and choice to people affected by crises even in most challenging contexts. Cash is not only lifesaving, but also highly effective and efficient: Research shows that cash efficiencies allowed 18% more people to be reached in comparison to in-kind food aid.^{xxvii} It is much quicker to transfer money to people than to distribute food or physical goods. It supports local markets and local producers and allows. These programmes have also been impacted by the suspension. Whilst cash for food programs are receiving waivers, according to ICVA members this is not the case with multiple purpose cash programs. This is a setback for efficiency, personal choice and local economies. [Read CALP's blog for more details.](#)

3.5 Country Snapshots

Based on contributions from ICVA members, the following examples illustrate- albeit only partially - the impact of the US policy shift on the people we serve. The full impact on human lives, health and wellbeing will only come to light in the weeks, months and years ahead.

West & Central Africa

Burkina Faso

One NGO alone reported that the suspension impacts over 250,000 women and over 1 million children under 5 years old will lose access to community health centres and the live-saving services they provide.

Chad

In Chad, support to refugees who have fled unthinkable violence in Sudan's Darfur region has been suspended. The support enabled them to recover from their trauma, become more self-reliant and send the children to school. As a result of the freeze, 32,000 secondary education students under an NGO programme cannot access education because the teachers are not funded. Local staff, many of whom are refugees, have been sent home.

Ivory Coast

In Ivory Coast, 33,188 people living with HIV can no longer access their treatment. This includes 31,995 adults and 1,193 children, who were benefitting from services delivered in 92 health centres in 9 regions and 24 districts. All this work is now suspended.

Niger

Niger is grappling with armed violence and climate shocks, disrupting schooling, displacing families and pushing youth into extremist networks. To support vulnerable population to keep children at school, support with cash and voucher assistance was provided by an ICVA member. Due to the suspension order, today over 21,000 people in Niger no longer access this cash and voucher assistance for basic needs.

Nigeria

- The suspension of food assistance and nutrition specific interventions is affecting directly over 55,000 children under five and 11,000 pregnant women
- Over 81,000 people have lost access to outpatient consultations through the suspension of 11 health facilities.
- Child deliveries attended by a skilled birth attendant are also affected, resulting in increased risks of infant and maternal mortality and complications.
- Consultations for communicable and noncommunicable diseases that have so far supported 85,402 people are suspended.
- Over 30,000 children will no longer have access to child protection services. This will further expose these vulnerable children to violence, abuse, exploitation and forced child labour.
- 31,700 individuals will lose access to basic sanitation service, while 26,300 individuals are losing access to clean water.
- Food assistance to almost 60,000 Individuals and nutrition supplements to 55,000 children under five and over 11,000 pregnant women who receive specialised nutritious foods, cash or vouchers. – INGO

Asia & the Pacific

Afghanistan

The impact is expected to be substantial, especially in sectors such as education, protection, agriculture and water, hygiene and sanitation (WASH). Even before the funding pause, Afghanistan has one of the highest cholera and Acute Watery Diarrhoea caseloads worldwide, with over 175,000 cases reported in 2024. In 2025, 21 million Afghans need WASH support.^{xxviii} The suspension means:

- Over 9 million people will lose access to health and protection services, with nearly 600 mobile health teams, family health houses, and counselling centres suspended.
- Every two hours, a mother dies from preventable pregnancy complications, making Afghanistan one of the deadliest countries in the world for women to give birth.

Bangladesh

An ICVA member reports that, due to the continued lack of a waiver, their humanitarian interventions for Rohingya refugees in Bangladesh are facing severe disruptions. As a result:

- Over 47,000 Rohingya refugees risk losing access to safe drinking water.
- Rohingya children—many of whom have survived abuse and exploitation—will no longer receive essential mental health services.
- Entire communities will be left without sanitation and waste management services, increasing the risk of life-threatening diseases and worsening the already dire humanitarian situation.

Papua New Guinea

In disaster-prone Papua New Guinea, 86,000 people in high-risk areas will lose critical help to recover from earthquakes, tsunamis, volcanic eruptions, landslides, and floods.

Europe

Ukraine

In Ukraine, the clearing of 350,000 sqm of land contaminated with landmines and unexploded ordonnances – the equivalent of 50 football fields- was put on hold.

Middle East

Syria

An ICVA NGO member operating in the country is deeply concerned that, due to the stop-work order and the absence of a waiver, 10,000 households will be left without the emergency support they were relying on in the coming weeks and months.

Several critical programs are now on hold, including:

- Multipurpose cash assistance for 2,500 households with pregnant and lactating mothers, initially planned to start in February and continue for six months.
- Food baskets for 500 households in Deir Ezzor, scheduled to begin in February.
- Winterisation kits and children's winter clothing for 2,000 households.
- Hygiene supplies and menstrual hygiene kits for 5,000 households, initially set to be distributed this week.

East & Southern Africa

In Malawi, Mozambique, Zimbabwe, and Madagascar, more than 300,000 people impacted by cyclones and flooding will lose support obtaining clean water, sanitation, and shelter.

Ethiopia

- More than 68,000 people whose lives have been upended by conflict will lose access to safe drinking water and become vulnerable to preventable diseases.
- Almost 50,000 women and girls, including some who are pregnant and lactating, will be at risk of potentially fatal malnutrition.
- Over 1,000 vulnerable women and girls who have survived violence will lose access to food, shelter, and safety.
- 3,600 mothers will lose support to care for 11,500 children under the age of two, risking malnutrition and illness.

South Sudan

In South Sudan, services running for 180,000 internally displaced people across 10 camps are as the existing infrastructure cannot be maintained.

The Americas

In countries like Ecuador and Colombia, the support provided to women who have survived abuse from ex-partners and spouses is also suspended. They all feel vulnerable of falling into the hands of their previous abusers again, or being exploited by human trafficking rings

Honduras & Guatemala

In Honduras and Guatemala, more than 22,000 women and girls will lose access to safe spaces and legal advice that protects them from the domestic violence.

Peru

In Peru, programmes that help people fleeing the political and economic crisis in Venezuela to integrate in Peru have been suspended. In absence of such programmes, the risk that they attempt the journey to the US- Mexico border is higher.

The United States

In the US, more than 850,000 individuals from 17 designated countries are under temporary protection status. Termination of such a status will have an enormous impact on these individuals, placing them at risk of deportation and removal back to their countries.

The legal status of individuals lawfully admitted into the U.S. with humanitarian parole is in jeopardy.

This includes:

- Over 530,000 individuals with humanitarian parole under the CHNV program (Cuba, Haiti, Nicaragua, and Venezuela),
- Over 220,000 individuals under the United for Ukraine program, and
- More than 930,000 individuals who entered through CBP One on the southern border.

Dispatch from Afghanistan:

A Fading Hope: The Struggle of Women for Independence and Opportunity

Several ICVA members work in Afghanistan in partnership with Afghani people, and local NGOs. Many of these programs provide support and hope to women and girls, who face increasingly severe challenges from discrimination, restrictions, and lack of access to services.

A young woman, participating to one of these programs shared her story with us:

‘This work not only allowed me to earn an income and have financial independence but also kept me away from the violence and discrimination that many women and girls face outside their homes under the current government.

This decision has had a profound impact on my personal life. It was the only activity I had in Afghanistan that kept me engaged and active. Three years ago, I was first deprived of my chance to attend university. I was a law student, with only one semester left before graduation, but unfortunately, my studies were left incomplete.

After that, in 2024, I enrolled in a medical program and reached my second semester, but unfortunately, the institute was also shut down. Despite these setbacks, I found comfort and hope in this work. I was happy that at least I could work online from home. It kept me active and allowed me to connect with many women inside and outside the country.

For Afghan women and girls, almost everything has been taken away by the current government, leaving us with very few opportunities to stay engaged and work. If even these few opportunities are taken away, we will no longer feel like we are counted as human beings. We will completely lose any hope for a brighter future and will be left feeling hopeless, lifeless, and vulnerable to severe mental health issues.

Ultimately, we will end up suffering from severe mental illness and feel like we are fading away entirely.

I kindly urge you, please, do not stop these activities. Afghan women and girls are facing severe challenges and hardships, and this work is one of the few lights of hope we have left.’



We have had to lay off hundreds of staff. Which means we are not present on the ground – on key crises. In Chad, South Sudan ... where there's already too little attention, too little staff, too few

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4. The Impacts on the Humanitarian System

In this Section:

- **Overview**
- **Rollbacks on localisation gains**
- **Cuts to Coordination, Analysis & Information Management**

4.1 Overview

The suspension and Executive Orders have deeply shaken the global humanitarian system. Given the heavy reliance on US funding of many humanitarian agencies, the sudden stop has had detrimental impacts on the effectiveness and sustainability of collective humanitarian response and agencies themselves.

Even the 32% of the ICVA survey respondents not receiving either direct or indirect US funding, report a clear knock-on effect including:

- Joint activities with partners have stopped impacting on critical services and programme quality.
- Shifts in community needs and increased expectations on programs which have been maintained.
- A reduction in potential partners including local and national NGOs.
- A loss of anticipated US funding and feared increased competition among remaining donors
- Major hit to NGO coordination mechanisms.

The suspension presents an existential threat to many NGOs, in particular, LNGOs, NNGOs & CBOs. 55% of NGOs surveyed report negative impacts on their workforce including suspensions, terminations and unpaid leave. **Thousands of jobs at every level of the humanitarian system are impacted** from community outreach, health care worker, to refugee and resettlement services, advocacy, coordination, policy and support staff.



Months of Reserves remaining for nonprofits

Source: [Global Aid Freeze Tracker](#)

The main reasons identified for the critical impact of the suspension are:

- A lack of liquidity: Agencies reliant on US funding are **depleting reserves and unrestricted funds** – if they have them- to cover the unexpected funding gaps and meet obligations to communities, partners, staff, governments and suppliers. Data from the Global Aid Freeze Tracker shows that 22% of non-profits only have financial resources to cover 1 month, with just 12.5% with sufficient resources to cover 6 months.
- The continued delays in the payment system means that **reimbursements due to NGOs** for the successful completion of their work have yet to be paid. Several agencies are owed millions in reimbursements and contract payments by the US government. This has resulted in major cash flow and liquidity issues for many agencies.
- While waivers have been announced, the lack of clarity on their scope and intent has created a **fear of ineligible costs**. Given the scale of funding provided by the US, disallowed costs would spell bankruptcy for many organisations.

- While staff layoffs will reduce future outgoings, agencies have had to **absorb or plan for additional costs** due to staff terminations e.g. redundancy payments, severance payment in lieu of notice.
- Supplier contracts have been paid in advance and goods have been received, but as they have not been distributed, cannot be reimbursed.

Agencies have also raised concerns of the **high risk of expensive legal cases** due to abrupt terminations of staff and inability to pay suppliers.

4.2 Rollbacks on Localisation gains

As highlighted in numerous capacity mappings of local and national NGOs working in humanitarian contexts, Local and National NGOs are typically dependent on international partner funding, with little to no reserves or unearmarked funding. The stop work orders on these agencies therefore threaten their survival.

Survey respondents mention smaller local organisations “being shuttered” affecting community assistance and resilience and limiting the number of future partners they will be able to work with. The [Global Aid Freeze Tracker](#) estimates that some 15,147 local subgrantees and subcontractors would be impacted due to the stop work order (as of 20th February).

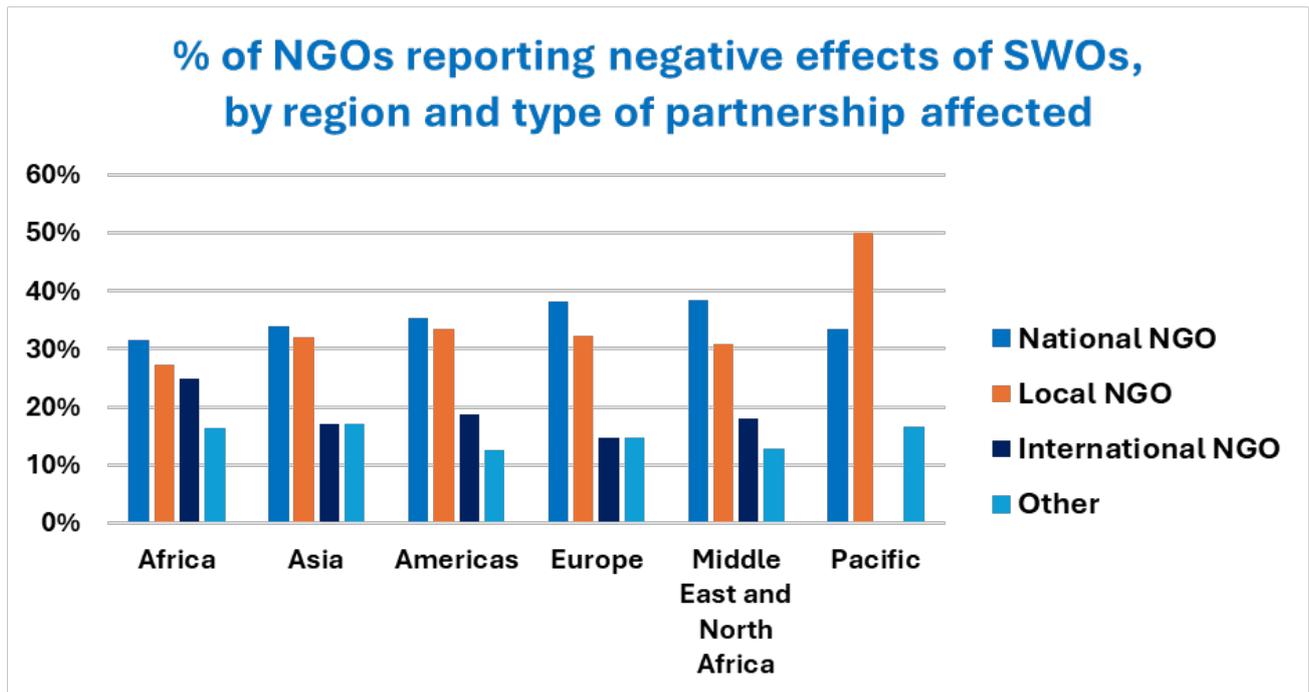
“

No impact directly on our work, but possibly indirectly because now our local partner gets into trouble because of the commitments they can't hold because of the stop order.

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”

The survey findings demonstrate that national and local NGOs are severely affected. This is supported by data provided by Humanitarian Outcomes, which shows that at least 11 local and national NGOs have already been closed, and 204 have had to reduce operations.^{xxix}



Local and national NGO respondents voiced their fear of losing qualified staff, breaching the trust of communities and local authorities and facing legal liability. Many of them, well integrated within the communities, feel ‘the guilt of abandoning their own people’. According to them, their reputation as trustworthy friend of the community is damaged. Some fear consequences from government or legal action due to the abrupt termination of staff contracts and procurement. As one of them stated ‘We are seeing lots of distrust by the people, by our staff and colleagues.’

In addition to having a direct impact to individual local and national NGOs, USAID was a leading donor proponent of the locally led agenda, including funding local and national NGO capacity strengthening initiatives and supporting NGO fora and networks - including ICVA - to amplify local and national NGO voices. These programming initiatives have been frozen. There is a concern that women-, refugee- and youth-led organisations will suffer greatly as they are negatively impacted not only by the freeze of funds but also shifts in US refugee protection and diversity policies.

Despite efforts from international NGOs to try and mitigate the knock-on effects on their local and national partners, including through using their own reserves and shifting financing, local and national NGOs report having to shut down up to 90% of their programs, and let go staff. Some have tried to compensate through use of personal funds or working on a volunteer basis, but this approach is unsustainable in the long term.

4.3 Cuts to Coordination, Analysis and Information Management

Independent NGO coordination, particularly the NGO Forum, is recognised as a crucial component of the Inter-Agency Standing Committee (IASC)^{xxx} system. NGO Fora are present at 96% of Humanitarian Country Teams (HCTs), the leading interagency humanitarian response oversight body at country level. They represent the collective voice of NGOs, ensure operational coordination among members. NGO Fora add both efficiency and effectiveness to humanitarian response. They help humanitarian agencies identify and address needs, prevent gaps and the duplication of efforts, maximise efficiency, keep aid workers safe, achieve core humanitarian standards, promote humanitarian access and uphold the humanitarian principles.

“

We are 50% BHA funded. SIDA/ECHO funding can cover until end of March but will have to downscale from March.

INGO Forum

”

In recent years, the U.S. along with several other humanitarian donors have boosted efficiencies, analysis and safety by investing in the critical role of coordination. The U.S. has been a leading donor in supporting NGO participation in Inter-Agency coordination as well as in strengthening NGO-led coordination mechanisms. The U.S. has also championed the involvement of national and local NGOs in coordination efforts.

NGO Fora roles cut

Survey findings show that 50% (17 out of 35) of international NGO/Mixed NGO Fora roles relied on U.S. funding, placing them at high risk. While some INGOs hosting these forums have received waivers to continue parts of their work, these waivers explicitly exclude coordination-related activities, directly undermining Forum Secretariat capacity.

“

22 of 36 coordination positions in our context were BHA funded.

NGO Forum

”

One NGO Forum’s secretariat has already been shut down, while others anticipate operating for only a few more weeks by reallocating existing funds. Future sustainability of these NGO Fora remains uncertain, as alternative donor support is neither guaranteed nor readily available.

The picture for national NGO Fora is less clear at this stage, as many already did not receive direct donor funding and relied on their members directly to maintain resources. Given the implications for national NGO funding, we can expect further weakening of these fora to follow.

Cluster Cuts

At the country level, NGOs are now being forced to reduce dedicated coordination functions, including independent cluster co-leadership and information management. The IASC system has responded proactively: there seems a willingness from both UN agencies and NGOs to try to actively manage the reduction of humanitarian coordination architecture, including to limit cluster roles to a remote support function and to emphasise local level or area-based approaches.

While agencies are maximising the opportunity of crisis to move forward efficiencies in coordination, there is an associated risk in doing so when the resourcing of specialised NGO coordination functions is being reduced. Of particular concern is that the much-needed gains in ensuring cluster/sector leadership is more independent of large agencies, more diverse in perspective, and more inclusive of NGOs may be lost. A return to the double-hatting of cluster leadership roles may become the reality. The expectation is this will mean more UN-dominated decision-making at the strategic and funding level, less localised approaches and a loss of NGO space, unless NGO influence can be maintained in other ways.

Impacts on Effective Decision Making

Some of the first NGO positions to be cut were related to information management and needs assessments. NGO-led data and analysis initiatives – critical for supporting needs-based, principled planning and prioritisation of assistance – have been widely suspended. Many face serious risk of termination.

The needs assessment and planning work of much of the humanitarian system relies on specialised services. FEWS NET, the famine early warning mechanism has fully suspended its vital services, undermining efforts to pre-empt and act early to food crises. It is estimated that every €1 spent on early action saves €7 in humanitarian response, representing an efficient use of humanitarian finance. ICVA members have highlighted that without information and analysis services, they will struggle to do meaningful needs assessments and prioritisation. A reduction or permanent loss of these services

would directly impact the visibility of humanitarian needs, including identifying what the full impact of the cuts and suspensions is across all sectors.

Data security

The funding cuts and suspension also flow into data security. The loss or exposure of operational data are critical risks that often go unaddressed during rapid scale down or closure of operations:



This is not just a financial crisis but a strategic battle for credibility, trust, and operational space.

INGO in discussion with ICVA



- The loss of operational data can impact the ability to effectively plan, prioritise, respond, monitor and report, as well as the ability to undertake evidence-informed advocacy and resource mobilisation.
- The exposure of sensitive data can lead to harm to affected people, host communities and humanitarian personnel, and can impede humanitarian organisations in their response.

The Interagency Data Responsibility Working Group has put together a short checklist on how to manage data when a project must shut down unexpectedly, to support agencies impacted by the freeze to reduce the loss of operational data and prevent the exposure of data.^{xxxii}



Resource: [Data Responsibility in Rapid Scale-Down or Closure of Operations](#)

Global coordination

At the international level, all three global NGO consortia represented at the IASC – ICVA, Interaction and the Steering Committee for Humanitarian Response (SCHR) – have also been impacted by the new US foreign aid policies. These networks support their members to identify, address and escalate humanitarian needs and operational bottlenecks to decision makers and donors, share best practices, and ensure their engagement in global policy and coordination spaces, whose decisions impact millions of lives.



The humanitarian space will become much smaller, loss of synergies and cooperation partners, big effects on cluster and UN system with unforeseen consequences.

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4. Threats to Principled Humanitarian Action

In this Section:

- **The Politicisation of Aid**
- **Humanitarian Access & Security**

4.1 The Politicisation of Aid:

All governments have the sovereign right to shape their aid strategies in alignment with foreign policy objectives. However, it is equally essential to protect the foundational principles of humanitarian assistance – humanity, impartiality, neutrality, and independence – ensuring that life-saving aid reaches those in need, regardless of political shifts.

The recent U.S. policy changes pose significant challenges to these principles. In discussions with its members, ICVA gathered concerns about the implications for principled humanitarian action and recommendations for safeguarding humanitarian space.

The concerns are summarised below:

Humanity

The core purpose of humanitarian assistance—to save lives, reduce suffering, and uphold dignity—has been severely disrupted by the abrupt and chaotic funding suspensions, along with executive orders. The consequences for affected communities are immediate and devastating. Millions are left without life-

saving aid, essential services, and protection. When the most vulnerable populations, such as refugees, migrants and LGBTIQ+ individuals are denied humanitarian assistance due to their identity or status the principles of humanity and impartiality are deeply undermined.

Impartiality

Humanitarian aid must be provided solely based on need, without discrimination. However, conditioning assistance on ideological or political alignment contradicts this principle. The shift in U.S. foreign aid policy risks diverting resources away from the most urgent crises in favour of geopolitical priorities. It also threatens to exclude vulnerable groups whose needs do not align with politically driven funding priorities, particularly in women's health and protection services.^{xxxii}

Neutrality

The increasing politicization of aid risks eroding trust in humanitarian actors, making their work more dangerous. As one ICVA member stated: "The dominant U.S. narrative on the politicization of aid taints all aid". This perception can lead to a greater targeting of aid workers and jeopardize access to crisis zones. In politically fragile environments where foreign policy is contentious, maintaining neutrality is critical to ensuring that humanitarian organisations can operate safely and effectively.



While many humanitarian organisations are heavily dependent on US aid and are adopting a "wait and see approach" approach in the hope that funding will be restored and with that their ability to resume life-saving work, the humanitarian community risks allowing the political weaponization of aid to go unchallenged.

INGO in discussion with ICVA

Independence

By reshaping aid as a tool of U.S. influence rather than a humanitarian imperative, the ability of humanitarian organisations to operate independently is at risk. For those heavily reliant on U.S. funding, the dilemma is stark: comply with shifting political priorities or face the loss of critical financial support. This dynamic threatens to erode humanitarian actors' ability to make independent, needs based decisions.



While governments have the priority to adapt aid policies, it is crucial that these changes do not compromise the fundamental humanitarian principles that underpin global humanitarian action. Preserving these principles is not only a more obligation but also essential to maintaining trust, access and effectiveness of humanitarian responses efforts worldwide.

4.2 Humanitarian Access & Security

Humanitarian agencies require acceptance from communities and authorities to maintain security of staff and the people they serve, and humanitarian access to affected populations. The suspension is negatively impacting aid worker security and access:

Security

ICVA member, the Global Interagency Security Forum (GISF) has highlighted that the suspension of U.S. humanitarian funding is disrupting aid operations in high-risk environments, increasing security risks for NGOs and their staff. While the full extent of the impact continues to unfold, the consequences for aid worker safety are both immediate and long term:

- Increased risks to aid workers and programmes: Sudden halts to essential services leave communities in limbo and local vendors unpaid. NGOs, unable to fully explain the reasons to communities, local authorities and partners, face growing frustrations, eroded trust, and heightened security risks in environments where acceptance is key to safe access to communities. Programmes with stockpiles of food, medical supplies, and essential goods are now vulnerable to looting and theft due to reduced security measures.
- Impact on the delivery of other donors' programmes: INGO security staff and resources are rarely fully funded by one donor, with costs split across multiple grants for programmatic and cost efficiency. Senior security staff, who oversee responses and manage the most challenging risks, are often core-funded, but these funds are now being redirected to keep NGOs solvent. More than 70% of GISF's 130 INGO members are affected by the US funding suspension.

GISF has issued guidance on managing specific emerging security risks during the suspension period:



Acceptance with authorities

While some authorities have offered support to NGOs to continue services, tension was reported as rising in relationships between NGOs and local authorities. In some cases, the local authorities were among the direct partners for whom funding was withdrawn. The rapid closure of community centres and immediate termination of staff and community “volunteers” receiving incentive payments, could

be in breach of national labour laws, further negatively impacted relations with authorities as well as trust with staff and communities.

Impacts on Physical access

Survey respondents highlighted the impact of the suspension on physical presence at community level, due to the inability to pay office rental, vehicle hire contracts, purchase fuel or pay staff.

The potential impact of the funding cuts to UNHAS flight operations is also worrying for NGOs, who often rely on these and other common services. U.S. funds represented close to 50% of UNHAS global funding in 2023, and a reduction of UNHAS flights will negatively impact NGO access, as certain areas become too difficult to reach, and staff safety and security, as NGOs will be forced to resort to less safe means of transportation.

Humanitarian Space

There is a growing surge of false and misleading information on social media, including from the U.S. administration, aimed at justifying reductions in foreign aid and the dismantling of USAID. Since the U.S. funding freeze, negative discourse surrounding aid has intensified, further fuelling public scepticism and political justification for restrictive measures.^{xxxiii} This wave of disinformation has been leveraged to impose greater restrictions on civil society organizations. Some members report encountering an increasing number of bureaucratic and administrative impediments, including often justified by citing the change in U.S. foreign policy. In Serbia, police reportedly raided the offices of four civil society organizations, citing concerns over the alleged misuse of USAID funds.^{xxxiv}

5. The NGO Response:

Navigating Crisis & Advocating for Change

In this Section:

- **Navigating the Suspension**
- **Advocacy & Legal Action**
- **Reflections on Good Donor Practices:**

ICVA members and NGO partners have highlighted a range of mitigation and countermeasures they are employing to navigate the suspension. Despite ongoing NGO actions to mitigate impact of US foreign aid policy shift on people affected by crisis, the current situation is far too challenging. NGOs organisational, policy, advocacy, and coordination capacities are weakened.

This comes at a time when the need for reform in the system cannot be ignored. NGOs call for such reforms not to be hastily made, but through a wide consultation with all stakeholders, including people affected by crisis.

Navigating the Suspension

Every agency impacted by the stop work orders is having to make major financial decisions and review budgets. At the operational level, NGOs have been also actively engaged in mitigating the impact of stop work orders. Given the lack of time to prepare for the suspension, NGOs have been forced to employ a range of tactics to mitigate the suspension, including some that will impact their organisation for months and even years to come.

These include:

- Using personal savings to cover programme activities for vulnerable children.
- Asking staff to continue working and delivering on a voluntary basis.
- Using up reserves or unrestricted funds, if available. This approach has significant implications for future organisational risk management and programme relevance.

- Asking other donors to cover the amount suspended or terminated; step up funding and especially unearmarked funding; and allow for a flexibility in spending of their own funds to ensure NGO's cash liquidity.
- Asking for waivers and relying on their future approval.
- Seeking alternative funding from new donors.
- Turning to country based pooled funds or other pooled funds.
- Turning to social enterprise funding.
- Looking for contribution by churches, diaspora, local governments and other individuals within the community.

Advocacy & Legal Action

Despite the potential risks to their funding, many of ICVA's members and wider NGO partners have publicly stated their position regarding the shifts in U.S. foreign aid and humanitarian policy, through advocacy statements, media engagement and legal action. The advocacy largely focuses on the impact of the suspension on people in need and speaks to the continued high support for overseas assistance among election bases, including in the US. For an overview of the NGO statements and perception surveys of foreign aid, please refer to [ICVA's website](#).

NGOs take Legal Action

In an open letter to Congress, over 130 organisations called on U.S. lawmakers to oppose efforts to shut down U.S. foreign assistance, including the critical work of the U.S. Agency for International Development (USAID). The letter highlights that USAID investments, which make up less than 1% of the federal budget, play a vital role in addressing global challenges, such as preventing pandemics, fostering economic resilience, and reducing conflicts. Programs like PEPFAR, the Famine Early Warning System, and nutrition assistance have saved millions of lives and benefited U.S. businesses.^{xxxv}

The General Secretary of ICVA member, Act Alliance – a global faith-based coalition of 140 members – stated: 'As people of faith, we believe in the moral imperative to care for those on the margins – mothers, children, people with disabilities, refugees, asylum seekers, migrants, and all who face systemic injustices. Foreign assistance has always been a testament to shared humanity; abrupt funding cuts threaten the ability of international and local NGOs to sustain essential services.'^{xxxvi}

On the 10th of February, the *Pacito v. Trump* lawsuit was filed in the Western District of Washington. The court is asked to declare the executive order on suspension of USRAP illegal, enjoin from all implementations of the executive order, and restore refugee-related funding.

The lawsuit was filed by the International Refugee Assistance Project (IRAP) on behalf of three ICVA members: Church World Service (CWS), HIAS, and Lutheran Community Services Northwest (LCSNW) — whose ability to provide critical services to refugees in the U.S. and abroad has been severely inhibited by the suspension of USRAP and funding. The lawsuit also represents impacted individual plaintiffs, including refugees who had their travel to the U.S. cancelled on short notice, families hoping to reunite after years of separation, and a local community sponsor.

The lawsuit argues that the refugee suspension, including its chaotic implementation by federal agencies, is unlawful, that it violates Congress' authority to make immigration laws, and that the State Department's stop-work orders violate basic regulatory requirements. IRAP expects to file a nationwide injunction on both orders in the coming days.^{xxxvii}

The ruling in this case will come after other judges have already blocked domestic spending freezes the administrative leave for thousand USAID staff. More recently – and potentially of positive impact for the people affected by crises – a judge barred the administration from implementing any contract cancellations or stop-work orders, at least while further litigation plays out.^{xxxviii}

Reflections on Good Donor Practices:

Quality, flexible financing is a lifeline in a crisis

The ICVA survey results attested to the importance of quality, flexible financing – it has been a lifeline for agencies. Among the mitigation measures consistently highlighted was the ability to use flexible unearmarked funding (for those who had it) to support life-saving programming needs and maintain core staff and office costs of local and national partners.

Among the funding vehicles the least affected thus far has been humanitarian pooled fund mechanisms. In a recent meeting of the Community of Practice of Pooled Funds, most funds

One key lesson for the NGO sector is the need to reduce over-dependence on a single donor in the future. Strengthening joint efforts to diversify funding sources will be essential. Additionally, greater efficiency can be achieved through improved coordination and complementarity in service delivery and advocacy.

reported thus far being less impacted. Some sought to support partners through early release of grants and the provision of financial support to maintain core organisational capacities.

The U.S. funding freeze has as well highlighted for many NGO survey respondents, especially local and national NGOs, the need to diversify funding sources and the consequences of dependency on one donor. Some mentioned a renewed interest in income generation through assets and services, including launching social enterprise initiatives. Others are looking to other government donors, non-traditional donors, foundations and private philanthropy to try to fill the gaps left by US funding. In the short-term there is limited confidence in funding being secured. For local and national NGOs, the challenge remains that in resource poor contexts, with limited national government or private sector support, the sources of alternative financing remain limited. For the overall humanitarian financing system, there is an urgent call to diversify the donor base, explore innovative financing mechanisms, invest further in localisation and anticipatory funding, and ensure quality flexible funding remains.

6. Recommendations

Given the scale of disruption caused by the funding suspensions and policy shifts, NGOs are calling for urgent action to safeguard principled humanitarian assistance and prevent further harm to crisis affected communities. The erosion of trust, loss of qualified staff, and weakening of local and national NGO capacity not only threaten immediate humanitarian response efforts but also undermine long-term resilience and localisation initiatives. As funding freezes stall critical programming- from protection services to disaster responses – there is a pressing need for coordinated, inclusive dialogue among governments, donors and humanitarian actors. This must ensure that decisions remain grounded in humanitarian principles, uphold commitments to localisation, and do not leave the vulnerable behind. The following recommendations outline the key steps needed to help address these challenges.

To All Humanitarian Actors:

- **Reaffirm core humanitarian principles:** Humanitarian organisations must resist the politicization of aid by continuing to apply humanitarian principles in all their decisions. The respect of human dignity remains forefront. Aid remains driven by humanity, and must be impartial, neutral, and independent – free from political conditions or ideological restrictions.
- **Prioritise both quality and accountability for crisis affected people:** Commit to upholding [humanitarian standards](#), and proactively and meaningfully consult and inform communities about potential funding cuts, activity changes and reprioritisation on an ongoing basis.
- **Collectively work to adapt to the shifting humanitarian funding landscape while preserving a principled, coordinated and efficient humanitarian response:** Seek opportunities to maximise collective efforts, avoid duplication, preserve critical assessment, coordination, data, policy and advocacy functions at global and country level.
- **Prioritise and facilitate the operational sustainability of local and national organisations:**

- ❖ Collectively work to preserve and strengthen local and national NGO operational capacities and effective risk management, including through implementation of IASC and Grand Bargain recommendations and commitments.
- ❖ Promote and support local and national NGO fundraising efforts, including through the development of innovative financing solutions and fostering national and diaspora fundraising efforts.
- **Document impact, strengthen collective action and public engagement:**
 - ❖ Maintain comprehensive records of the human cost of funding cuts, reinforcing evidence-based advocacy and combine efforts in collecting, sharing and preserving data.
 - ❖ Use data and evidence to counter disinformation and political narratives that undermine humanitarian action.
 - ❖ Engage with the public at international and domestic levels to build awareness and understanding of the necessity of humanitarian action.
 - ❖ Engage with power holders and the public to build bridges and advocate for the protection of impartial assistance, including through strategic communications and public diplomacy.
- **Diversify and strengthen financial independence:**
 - ❖ Encourage donors to fund pooled fund mechanisms.
 - ❖ Reduce reliance on politically motivated funding by broadening the humanitarian donor base, including through philanthropy, private giving and innovative financing mechanisms.
 - ❖ Launch initiatives to promote domestic philanthropy in crisis affected regions to generate new funding streams and strengthen local financial resilience.
 - ❖ Encourage domestic governments to take greater responsibility by promoting accountability and locally led solutions, reducing reliance on external aid and limited humanitarian funding.

For UN Partners:

- **Where possible preserve and maintain ongoing partnerships to the full extent of already signed agreements**, especially for local and national partners. Their role as first responders and agents of localisation must not be undermined.
- **Engage NGOs early in funding discussions** to jointly determine priorities, adjust programs and develop contingency plans. With further funding cuts expected in 2025/2026 early coordination is critical. Communicate clearly with partners the basis and impact of internal UN decisions.

- **Provide prompt and clear guidance in the event of funding cuts, including in terms of:**
 - Support for affected people and program continuity.
 - Staffing costs and legal obligations.
 - Procurement, compliance and financial management.
 - Risk mitigation and reporting.
- **Leverage diplomatic influence** to advocate for the protection of needs-based humanitarian funding, particularly in refugee- hosting countries, and those most affected by U.S. policy changes.
- **Support impacted governments in engaging with the U.S. administration** to increase/restart programming and reimburse all sums due quickly.

To Donors

Humanitarian assistance is an essential global public good. It is in all citizens' and governments' interest to be able to avail of international emergency response capacity when faced with disaster and to be supported to recover from an emergency. While the private sector can contribute to funding this, emergency response capacity at the scale that is needed to safeguard lives and humanity's future requires contributions from all national governments.

1. **Uphold UN GA Resolution 2626 commitments to a minimum ODA target of 0.7% of GNP.**^{xxxix}
This will enable both effective response to humanitarian crises and investment in efforts to address the root causes of displacement, conflict and geopolitical instability.
2. **Support humanitarian actors to diversify their humanitarian financing sources** including through incentivising innovative financing efforts and promoting national philanthropic and individual giving efforts through tax breaks.
3. **Maximise funding flexibility** by temporarily waiving co-financing conditions, increasing budget flexibility and indirect cost recovery rates.
4. **Prioritise direct funding to national and local NGOs** that are disproportionately affected by funding cuts and lack reserves to absorb financial shocks. Their role as first responders and agents of localisation must not be undermined and if they are not supported through this funding crisis, we risk losing decades-long investments capacity strengthening.

5. **Fully cover local and national NGOs indirect costs and administrative budgets** to enable international NGOs and their partners to continue life-saving programmes, and support core functions and operations.
6. **Fast-track pending grants and disbursements** to ensure NGOs can maintain liquidity, including through increased disbursements and pre-financing of 2025 programs.
7. To maximize efficiency and save resources - **continue and expand efforts in due diligence reform and contractual/reporting simplification** and use existing standard tools such as CHS certification or UN capacity assessments to replace donor-specific capacity assessments.

For the US Government:

1. **Without delay, reimburse overdue payments due for all contracted US PRM and USAID awards** incurred by agencies on humanitarian and development action in 2024.
2. **Demonstrate leadership in upholding humanitarian principles** by recommitting to financing impartial foreign assistance, ensuring US foreign aid continues to put affected people at the centre, advances localisation and facilitates inclusive decision making.
3. **Resume the U.S. Refugee Admissions Program (USRAP)** to maintain legal pathways towards protection, uphold the right to seek asylum and reassert US leadership and commitment to the international refugee protection regime.

To Humanitarian Coordinators and Country Teams

1. **Urgently allocate all available CBPF funds to sustain local and national NGO staffing and operations** as directed by the ERC and IASC Principals on February 19, 2025.
2. **Work with NGOs and affected communities to reprioritize response plans based on current and projected funding constraints.**
3. **Streamline coordination structures at national and sub-national levels** commensurate with the scale of cuts being faced to focus resources on frontline humanitarian action and ensure coordination costs remain proportionate to the shrinking scale of responses.

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