## Stand Up for Aid Situation Report #1

February 20, 2025



> 90%

HIV testing, care, and treatment services reduced or cancelled\*



> 230

Number of USAID programs terminated\*\*



\$8.2 Billion

Obligated but undispersed humanitarian assistance funds\*\*\*



## Flow of Life-Saving Aid: Minimal



USAID's Payment System Phoenix:

Limited

\*Source: <u>amfAR</u> as of February 14, 2025. Statistic is based on surveyed respondents receiving services through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR).

\*\*Up to 498 contracts, grants, and related funding instruments had been terminated as of February 18; however, sources report conflicting data.

Additional details are below.

## **Key Developments**

- The Administration issued a waiver, but flow of life-saving aid is minimal. One month following the issuance of the <a href="Executive Order 14169">Executive Order 14169</a> on Reevaluating and Realigning United States Foreign Aid, the flow of USAID's life-saving assistance remains stalled. The Executive Order paused all new foreign assistance obligations, and was followed by additional guidance that prompted stop work orders for all existing awards. On January 28, U.S. Secretary of State Marco Rubio approved a waiver for life-saving humanitarian aid. However, implementers have not received payment for work performed in December and January and no additional funding has been released. Personnel actions impacting USAID's workforce, inaccessibility to payment systems, and lack of clear guidance are preventing the resumption of activities approved through the waiver process.
- Services remain at a standstill, impacting millions. Media and USAID grantees and contractors are reporting the impact of terminations and stop work orders on USAID's programs, which is affecting millions of people worldwide. Health clinics have <u>closed</u> and healthcare workers have been put on leave. Grantees have <u>halted</u> an HIV clinical trial already underway. More than 80 percent of grassroots groups providing emergency food aid have <u>closed</u> in Sudan, where famine, fueled by conflict, is spreading. The stop work

<sup>\*\*\*</sup>Source: USAID Office of Inspector General (USAID OIG) <u>Advisory Notice</u> as of February 10, 2025.

- order has also taken critical tools offline, including the <u>Famine Early Warning Systems</u> Network (FEWS NET) and <u>disease surveillance mechanisms</u>.
- Legal challenges to the stop work order and staff actions remain ongoing. On February 13, a judge with the U.S. District Court for the District of Columbia temporarily blocked the Executive Order cutting off funding for foreign assistance programs in response to a lawsuit brought by a coalition of organizations. On February 18, the same court filed a status report regarding temporary restraining order (TRO) compliance. The filing states that defendants have worked to comply with the TRO, and that the U.S. Department of State and USAID have begun an analysis of contracts, grants, and cooperative agreements on which action was taken since the Executive Order to pause foreign aid. According to the filing, the analysis indicates that all stop work orders were allowed by the terms of those instruments or implicitly incorporated into those instruments. On February 19, the coalition of organizations filed an emergency motion to enforce the TRO and hold the defendants in civil contempt.
- Lack of transparency from administration, counter to calls for greater accountability from USAID: On February 18, the U.S. Department of State's Director of Foreign Assistance declared that USAID had terminated 498 contracts, grants, and related funding instruments since January 22. To date, a full and verifiable list of terminated awards is unavailable.

## Roadblocks and Systemic Challenges

#### **USAID Payment System**

- As of February 17, limited USAID staff had access to Phoenix, USAID's payment system.
   Furthermore, unclear guidance from the administration regarding how to proceed with payments continues to result in non-payment to USAID partners despite administration reports that payments have resumed.
- A senior USAID official reported that approximately 50 staff globally had access to
  Phoenix as of February 17, resulting in a significant backlog of payment actions. The USAID
  official also reported that USAID Missions are interpreting existing guidance differently
  and no further guidance has been issued to provide clarity to the initial directive. As such,
  individual Missions are left to interpret the guidance and act on funding partners, which is
  slowing payments despite efforts to move forward.
- Without Pheonix being fully online and expanded to allow access across the Agency, as
  well as clear avenues to respond to questions within the Agency on adherence to the
  guidance, USAID staff are unable to move forward quickly with payments despite pressure
  to demonstrate that aid is moving under the waiver. The U.S. Department of State issued a
  memo on February 17 requesting U.S. embassy staff to take pictures of programs
  continuing to operate and upload them onto a repository to show aid has continued.

#### **Program Oversight**

- On February 10, the USAID Office of Inspector General (USAID OIG) issued an advisory notice, identifying the risks and challenges to the safeguarding and distribution of USAID's \$8.2 billion in obligated but undisbursed humanitarian assistance funds. The alert identified that USAID's existing oversight controls—partner vetting and third-party monitoring—are now largely non-operational due to recent directives and personnel actions. Following the issuance of the alert, multiple media outlets report that the USAID OIG was fired on February 11.
- In addition, on February 19, a number of personal services contractors (PSCs) received termination notices. PSCs are critical for providing program oversight.

#### **Guidance and Adherence Policy**

- On February 17, USAID's Chief Acquisition Officer and Senior Procurement Executive circulated an email stating that all Contracting and Agreement Officers should not enforce any Agency directive issued under Executive Order 14169 and the Secretary's implementing memorandum that requires the generalized stop work, suspension, or pause of Agency contracts, grants, or other federal assistance awards. However, the email also noted that the Court's order does not prohibit USAID from enforcing the terms of contracts or grants. The email states that the Agency Front Office is in the process of adopting a comprehensive review process for assuring payment integrity and determining that payments under existing contracts and grants are not subject to fraud or other bases for termination. Despite the email, without the payment system online and contractors and grantees receiving payment for work completed prior to the pause, they will be challenged to restart work even if directed to do so.
- On February 13, the USAID Acting Assistant Administrator for Global Health sent a memo stating that programming under the humanitarian assistance waiver has continued uninterrupted, despite USAID employees and reports from grantees and contractors that verified assistance is not moving. The memo informed staff that unauthorized engagement externally with the press or others is subject to disciplinary action, including dismissal. The memo is consistent with communications circulated on January 25 by the USAID Assistant to the Administrator for Management and Resources regarding USAID's workforce and expectations regarding external communications. These correspondences have limited USAID staff interaction with grantees and contractors due to concerns regarding non-adherence.

## **Program Updates**

- On February 18, the U.S. Department of State's Director of Foreign Assistance <u>declared</u> in a court document that 498 of USAID's contracts, grants, and related funding instruments had been terminated since January 22. As of February 12, only a list of <u>230 terminated USAID awards</u> was available, which does not align with the Department of Government Efficiency <u>website data</u>. According to the declaration, terminated awards include: 1) DEIA oriented awards; 2) unnecessary reliance on third-party consultants and contractors or organizations with accountability issues; 3) operational expenses and/or general waste; 4) unrelated to USAID's core mission or delivery of life-saving aid; 5) regime change, "civic society" or "democracy promotion"; 6) sustainability and climate change; and 7) inconsistency with unrelated executive orders or presidential directions. However, without timely and full access to data, the breadth of terminations remains unknown.
- A number of organizations are raising concerns regarding the impacts of the pause on communities around the world. For example, the U.S. Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), the USCCB's international charitable arm, issued a <u>call to action</u> for aid to continue during the 90-day pause. USCCB noted that the freeze will impact millions of people who need access to lifesaving assistance.

#### **Humanitarian Assistance**

- A survey conducted by the International Council of Voluntary Agencies (ICVA), a global network of NGOs, between January 27 and February 7 found that the impact of the suspension of the stop work order had large scale and devastating impacts on crisis affected people. The major reduction in life-saving and essential services, protection, and resettlement support impacts millions of people, according to the survey. The situation has also significantly eroded trust and created frustration in affected communities, impacting the NGOs' ability to operate if they are able to restart operations.
- On February 10, the Norwegian Refugee Council (NRC) <u>announced</u> that it had suspended U.S.-funded humanitarian work in 20 countries. NRC stated that it is unable to take advantage of the waiver unless the U.S. government resumes payments for work completed before the foreign assistance pause. Several other NGOs have reported similar challenges to resuming operations.
- On February 10, the UN World Food Program announced that the delivery of in-kind food assistance already purchased from U.S. farmers had resumed after a several week freeze.
   However, new purchases of U.S. produced food assistance—including for food that is ready for purchase—remained blocked. Furthermore, grantees and contractors had not received hundreds of millions of dollars for work already performed, which will result in food distribution delays, staff layoffs, or closing of programs.

#### Global Health

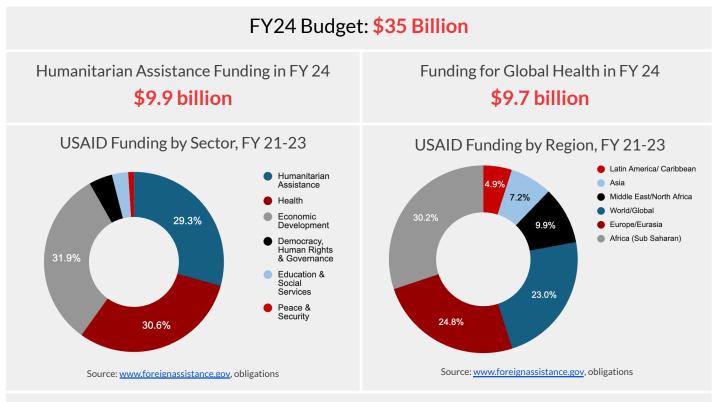
- On January 31, the Global Health Council issued a <u>statement</u> urging immediate action to resume life-saving foreign assistance. Even with a waiver in place, lack of clear guidance and funding had halted bird flu surveillance in 49 countries. Surveillance had also been discontinued for drug-resistant tuberculosis—the world's top infectious disease. In addition, nearly 6 million people in Kenya, Uganda, and Ghana will be impacted as malaria prevention campaigns stop; more than 200,000 people living with HIV will not get medications needed to survive, risking a significant resurgence of the disease; and millions of children under five years of age face acute malnutrition.
- As of February 9, the waiver had not reached PEPFAR partners and most services remained paused, according to the <u>amFAR</u>, the foundation for AIDS research. Of 65 PEPFAR partners surveyed, less than 10 percent had restarted services, more than 60 percent had already laid off staff, and 36 percent had already closed down their organizations operations completely. Overall, the pause impacts 20 million people living with HIV across 55 countries.

# Background: The Dismantling of USAID and the Stop-Work Order Destroying Vital Programs

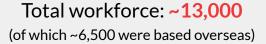
- On January 20, U.S. President Donald Trump issued an <u>Executive Order 14169 on</u>
   <u>Reevaluating and Realigning United States Foreign Aid</u>. The Executive Order included a
   90-day pause in United States foreign development assistance.
- On January 24, Secretary Rubio paused all new foreign assistance obligations for an 85-day review period, consistent with the President's Executive Order. In subsequent days, guidance was issued to USAID employees to issue stop work orders for all existing foreign assistance awards, inclusive of USAID programs with already obligated funds.
- The initial order included a waiver for emergency food assistance. On January 28, Secretary Rubio approved an <a href="Emergency Humanitarian Waiver to the Foreign Assistance Pause">Emergency Humanitarian Waiver to the Foreign Assistance Pause</a>. However, a directive for USAID staff to refrain from external communications outside of those necessary to implement the pause, administration plans to place nearly the entire USAID workforce on paid administrative leave, and inaccessibility to Phoenix have resulted in significant challenges to implementation despite the waiver.
- In recent weeks, a number of affected organizations have filed legal challenges to the administration's actions. <u>Just Security</u> continues to track legal challenges to the administration's actions, including efforts to dismantle USAID.
- <u>USAID Stop-Work</u> had confirmed more than 13,100 people across 44 U.S. states have lost their jobs as of February 19 as a result of the stop work orders on contracts and suspensions of cooperative agreements. Implementing partner organizations are letting staff go because they cannot afford to continue paying salaries. Many PSCs have also had

their contracts terminated. These numbers will likely rise in the coming days, as organizations continue to fold under an extended pause in funding and as more grants and contracts are terminated. USAID Stop-Work estimates that job losses may reach 52,000 American and 100,000 global jobs.

#### **USAID** By the Numbers (Before January 20, 2025)



Percentage of USAID funds whose use is specifically (e.g, sector, country) directed or earmarked by Congress: ~80%



**~4,500**direct hires (includes foreign & civil service) **~1,000**personal service contractors **~2,600**institutional support contractors

(locally hired staff)

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