

## The latest on the US foreign aid crisis

NewsWire, by Anna Gawel, Devex, 1 Feb 2025

U.S. President Donald Trump's unprecedented decision to grind the U.S. foreign aid apparatus to a screeching halt could just be the tip of the iceberg. Rumors were flying last night that Trump intends to issue an executive order that would see [USAID](#) subsumed by the State Department. As of publication, the agencies haven't merged — a move that could leave USAID a shadow of its former self — but it may just be a matter of time.

Meanwhile, this isn't simply about abstract policy debates — it's personal. Thousands of people are losing their livelihoods. Some could even lose their lives. A new era of aid isn't coming. It's already here. We survey the new landscape.



### Hostile takeover?

My Friday night was consumed with waiting — waiting for a hotly anticipated executive order that would allow the State Department to essentially swallow up USAID. As of this morning, I'm still waiting — as I'm sure most of you are.

But some Democrats were trying to get ahead of the news cycle last night. **“Hearing that Trump is about to double down on the constitutional crisis.** A President cannot eliminate an appropriated federal agency by executive order. That's what a despot - who wants to steal the taxpayers money to enrich his billionaire cabal - does,” Sen. Chris Murphy, a Democrat from Connecticut, [wrote](#) on the social media platform X.

Meanwhile, other Democratic lawmakers seemed to be playing catch-up, denouncing Trump's aid freeze and the chaos it generated this week in a letter posted Friday night.

**Sens. Jeanne Shaheen, Gregory Meeks, Brian Schatz, and Rep. Lois Frankel** [criticized the administration's decision](#) to place senior leaders on administrative leave, terminate ongoing programs without reviewing their efficacy, and freeze foreign assistance “without engaging in meaningful consultation and transparency with Congress.”

**The letter also alluded to the potential move to fold USAID into State:** “USAID is, by statute, an independent establishment outside of the State Department,” the lawmakers wrote. “Any proposal to modify that structure would require an Act of Congress.”

Is that true though? Stay tuned. We'll have an in-depth analysis of what a potential merger entails to answer all of your questions.

**Read:** [US Democratic lawmakers demand answers on Trump's foreign aid freeze](#)

**'We won't be able to respond to you'**



Answers seem to be in short supply. Everyone from implementing partners to small NGOs is demanding them. **So are staffers inside USAID apparently.**

My colleague Sara Jerving has [an exclusive report](#) on a staff meeting organized by USAID's global health bureau to discuss Trump's stop-work order.

"We are constantly getting emails, probably upwards of 50 to 100 per hour," said a senior official during the call, asking that staff members not send one-off emails with questions **because they are overwhelmed**. "We won't be able to respond to you."

The official described this week as a "really crazy moment" and said teams have **"many, many more questions than we do answers."**

"I understand how urgent this is and how much we all want answers here," she said. "At this time, we are really prioritizing getting clarity on the emergency humanitarian waiver."

"We advise you: Do not communicate with your partners about the emergency humanitarian waiver," she added.

In other words, **good luck to everyone getting answers.**

**Exclusive:** [Don't email us, we've got very few answers, USAID staff told](#)

## The great purge

A mass exodus of people working in our community is upon us — and **they're not leaving by choice.**

In a [major hit to the workforce](#) in Washington, D.C., the head of one of the world's leading development contractors told staff members on Friday that he expects sector-wide **job losses of between 2,000 and 3,000 development professionals** in the U.S. capital by next week.

Torge Gerlach, CEO of [DT Global](#), also gave an ominous warning about what may lie ahead for others.

“Many of our competitors, most of our competitors — and I know this because I've met with their CEOs individually and collectively to share thoughts and approaches — are literally furloughing (leave without pay), or retrenching, 80%, 85% of their staff. We anticipate the impact in the Washington, D.C., area to be 2,000 to 3,000 development professionals ... losing their jobs this weekend and next week. It is significant,” he told his Asia-Pacific staff, according to a record of the call obtained by my colleague Vince Chadwick.

Gerlach added: **“They don't understand the impact of what they just caused.”**

**Exclusive:** [Up to 3,000 DC aid workers laid off by next week, CEO says](#)

**Emergency exit:** Contractors left and right are **being kicked to the curb.** Shortly after hundreds of contractors at USAID's global health bureau were furloughed, 500 institutional support contractors, or ISCs, in USAID's Bureau for Humanitarian Assistance [found themselves furloughed as well](#), according to multiple sources.

While ISCs are employed by separate companies partnering with USAID, they function like regular staff and make up huge portions of the agency's workforce.

“They've effectively just **taken away the U.S.' ability to respond to a humanitarian emergency,**” one former USAID official tells my colleague Elissa Miolene. “Even if they waive the funding [freeze], there are no people left to use the funding.”

**Scoop:** [USAID furloughs hundreds of contractors from humanitarian bureau](#)

**Denied entry:** The ranks of USAID staff are thinning out as well, especially at the top. Earlier this week, nearly 60 senior executives and other top officials at the agency **were placed on administrative leave.**

The reasoning was cryptic. “We have identified several actions within USAID that appear to be designed to circumvent the President’s Executive Orders and the mandate from the American people,” Jason Gray, the agency’s acting administrator, [wrote in an email](#) seen exclusively by Devex, **without specifying what those actions were.**

Sources tell Elissa that the senior officials **abruptly lost access to USAID’s headquarters** in D.C., and while some were escorted from the building, others couldn’t get back inside after the announcement was made.

Not everyone is being shown the door, however. Trump announced he’s nominating **Benjamin Black** to serve as CEO of the [U.S. International Development Finance Corporation](#), or DFC. “His successful career has spanned the fields of Investing, Law, and Public Policy, and he will draw from this broad experience to deliver historic results for the American People,” Trump [said](#) on Truth Social.

**Read:** [Senior USAID officials put on leave amid fallout from executive order](#)

📌 *Having trouble keeping up with all the development work upheavals caused by the funding freeze? We’ve created an up-to-date guide to track the impact for you. [Check it out here.](#)*

### ‘Completely gutted’

Fear, confusion, disbelief, anger. You name it, and the aid community is probably feeling it. Elissa captures [the range of visceral emotions](#) in a must-read reaction piece. Here’s just a sampling:

💬 *“I’ve got people crying. I’ve got people not knowing whether they have a job or not.”*


💬 *“I have people saying: but we really need to send these medicines. Are you telling me I can’t do that?”*

💬 *“Everyone is in paralysis, and people are completely gutted.”*

💬 *“There’s a lot of nervousness that in this vagueness, we’ll do something*

*that then — retroactively — is described as not allowed.”*

 *“It’s just betrayal after betrayal after betrayal, with major consequences.”*

 *“It puts all of us at great jeopardy, which is probably intentional so they can go backward and ding organizations, deny costs, and try to strip organizations of their U.S. funding [for good].”*

 *“If you can kill things through this process, then you get to win points for having made cuts.”*

 *“The most dramatic impact of this is that people are going to die.”*

**Read:** [‘I don’t think anyone can survive for 90 days’ — aid’s grim new reality](#)

### **White House whiplash**

I knew that President Trump would dramatically change the status quo — that’s, after all, the mandate he was given by voters — but I didn’t anticipate **just how seismic those changes would be** or how quickly the administration would set its sights on foreign assistance.

But it did — with a stop-work order issued even before the general freeze on U.S. federal funding that **unleashed a national uproar**.

President Trump quickly **walked back that federal spending directive**. Meanwhile, his State Department [issued a waiver](#) to exempt “life-saving humanitarian assistance” from the foreign aid stop-work order. That waiver came on top of an existing waiver to spare emergency food aid.

But for those hoping all this backtracking might augur some kind of wider relief for aid organizations, a starkly worded [notice](#) put out by the State Department on Wednesday **promptly squashed those hopes**.



“In just a few days, the Department received billions of dollars in waiver requests. Many of those requests are still under a merit-based review as they are not considered emergency or life threatening,” it says, noting — without details — that the pause has saved \$1 billion “in spending not aligned with an America First agenda.”

It also put the kibosh on [any notions that the pause might be rescinded](#).

“It is impossible to evaluate programs on autopilot because the participants — both inside and outside of government — have little to no incentive to share programmatic-level details so long as the dollars continue to flow,” it says. “A temporary pause, with commonsense waivers for truly life-threatening situations, is the only way to scrutinize and prevent waste.”

**Read:** [State Department issues guidance defending aid freeze](#)

**Related:** [State Department approves waiver for lifesaving humanitarian aid](#)

### **Ambiguous and unapologetic directives**

Among the biggest hurdles to securing one of those coveted waivers has been [decoding](#) what exactly falls under the State Department’s slippery definition of “emergency” and “life-saving.” Yes, it’s offered nuggets of guidance, but **it’s left a lot of wiggle room for interpretation.**

Perhaps nowhere has this ambiguity been more exasperating than with PEPFAR, the [U.S. President’s Emergency Plan for AIDS Relief](#). When the “life-saving humanitarian assistance” carveout was announced, many people **assumed it would cover PEPFAR’s antiretroviral medications** that keep millions of people with HIV/AIDS alive.

But as of this publication, those assumptions are still just that — assumptions

— with **no official confirmation on whether parts of PEPFAR will get a waiver**. Sources say they think a limited waiver of some of PEPFAR’s treatment and preventing mother-to-child programs will come through, but as of now, no word.

**Read:** [Questions swirl about whether humanitarian aid waiver applies to PEPFAR](#)


**Starved for answers:** From day one of the funding freeze, “emergency food assistance” was exempted, so you’d think by now there’d be some clarity at least around that. Nope. Today, **we still don’t know what qualifies**, my colleague Tania Karas writes.

Does it cover school meal programs that feed millions of children in lower-income countries daily? What about cash and vouchers, which also help prop up local food markets?

“**There’s a real vacuum of information**,” a U.S.-based humanitarian official tells Tania.

In the meantime, food aid is rotting, water is drying up, and **farmers may miss an entire planting season**, meaning [the effects of this freeze](#) will be felt far beyond the State Department’s 90-day review period — assuming organizations can even make it to the three-month mark.

**Read:** [How Trump’s US aid stop-work order affects global food aid](#)

 *For the inside track on how agriculture, nutrition, sustainability, and more intersect to remake the global food system, [sign up for Devex Dish](#), a free, weekly newsletter.*

**Shut down:** The food crisis isn’t just on farms — it’s online.

Information, after all, is a precious commodity, and the most obvious place to look for it is the internet — but even **parts of that have gone dark** for the aid community.

The Famine Early Warning Systems Network, or FEWS NET — a key USAID-funded early warning system for predicting famine — [went offline as of Thursday](#), my colleague Jesse Chase-Lubitz reports.

“Holy shit. FEWS NET is like the Bible,” one humanitarian official tells Jesse.

“This tool has been **at the heart of many of our lifesaving efforts**, providing the early warnings and critical data we rely on to save lives,” says another

humanitarian official.

**Read:** [USAID-funded famine early warning system goes offline due to aid freeze](#)

**Stripped out:** It's not just FEWS NET that's down. The Trump administration has been stripping out references to anything deemed antithetical to the "America First" agenda. [That includes gender.](#)

By Thursday, pages dealing with what the administration calls "gender ideology" had been eliminated from USAID's website as part of an executive order titled "Defending Women." But, as Elissa reports, the order goes beyond web pages — it also targets people, warning that those who work on gender issues **will be placed on paid administrative leave**, effective immediately.

**Scoop:** [US government issues guidelines on 'defending women'](#)

**Cutting costs, on the down low:** It's not just USAID whose coffers are in danger. The [United Nations](#) is bracing for a financial blow as well.

Its top migration agency has instructed staff members to **dramatically curtail spending** as it seeks to make sense of the largest imposition of U.S. foreign aid cuts since World War II, my colleague Colum Lynch writes.



But that's not the only piece of advice (well, demand) coming from the [International Organization for Migration](#). The confidential internal IOM memo that Colum saw also states that employees **must stay mum on the belt-tightening**, lest [they invite disciplinary action](#).

The hush-hush directive reflects how carefully IOM is **tiptoeing around a Trump administration** that's notoriously hostile toward the U.N., and



coincides with efforts by other U.N. agencies and contractors to rein in spending.

**Scoop:** [UN migration agency tightens belt amid historic US aid freeze](#)

### What to do?

If you're still reading, your head must be spinning. Where do you even begin to fight back if your funding is on the line?

You prepare for battle.

Our recent Devex Pro Briefing offered [legal, financial, and practical tips](#) for navigating the storm. My colleague Adva Saldinger also created [an essential primer](#) that **answers your biggest questions** — whether it's applying for a waiver, managing your finances during the stop-work order, or understanding the legal distinction between grants and contracts.

**Read:** [5 key questions about the US foreign aid halt, funding freeze](#) **Pro.**

**ICYMI:** ['Game-changing moment' in US foreign aid throws everything into doubt](#) **Pro.**



**Join us on Monday, Feb. 3, for a Devex Pro briefing** to learn the latest developments and gain insight from experts on how to navigate the aid freeze. We'll be discussing the legal and financial impact on USAID partners and their staff. [Save your spot now](#) and send your questions in advance.

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