



A GLOBAL NGO NETWORK
FOR PRINCIPLED AND EFFECTIVE
HUMANITARIAN ACTION

The Impacts of the 90 Day Suspension

Preliminary Findings
31 January

To understand the impact of the 90 Day Funding Suspension, ICVA is conducting a survey with NGOs and NGO networks and Fora in four languages.

Results are still arriving. Here are the first 76 responses in English & French and what we've learned so far.....



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Overview of Findings to date

“A freeze/cut in funding of this magnitude - not only halts life-saving assistance - but leads to closure of smaller local and national actors, without any reserves or unearmarked funding to weather the storm.”

Almost all respondents attest that the suspension has led to **massive programming stops across all sectors**, including in critical humanitarian contexts.

The suspension is negatively impacting the **localization agenda**: Even agencies without direct or indirect US funding are losing their partners.

The suspension shows the **deep fragility of the humanitarian sector**, especially of local and national NGOs, and **over-dependence** on US funding.

This funding crisis emphasizes the **need for flexible, quality funding** that can be used to save lives and keep the lights on. Cash flow is a critical problem for many.

While waivers have been announced, **confusion and fear remains**.

The **administrative burden** of managing the suspension is enormous. NGOs are having to notify thousands of communities, staff and contractors to stop work, incurring legal and financial risks.

The **spill over effects** are severe: The suspension is putting greater pressure on dwindling funds

Critical impacts to life saving activities & essential services reported:

“Disruption of life-saving medical treatments”

“Thousand of affected and vulnerable communities will not get humanitarian aid”

“Stopping all cash assistance activities.”

“Stopping of all humanitarian assistance. “

“Stopping life-saving medical treatments.”

“Supply Chains Affected.”

“Stopping all protection activities.”

“Stopping large refugee and host communities programs.”

“All capacity strengthening programs for local CSOs”

“Destabilization of communities. Violence.”

“Delegitimizing of aid system/loss of credibility acceptance in communities.”

“The health and protection sectors are heavily impacted, as they are funded exclusively by BHA in certain contexts. Some countries, such as northern Yemen and Afghanistan, population risk losing assistance entirely, given the significant concern over the potential complete termination of the program after the three-month review period”

“Impacts are far-reaching. We’ve had to stop WASH, protection, shelter, nutrition, GBV, cash, livelihoods, etc interventions in Sudan, Somalia, DRC, Syria, Yemen, Ethiopia, Haiti, etc.”

Impact on Humanitarian Infrastructure:

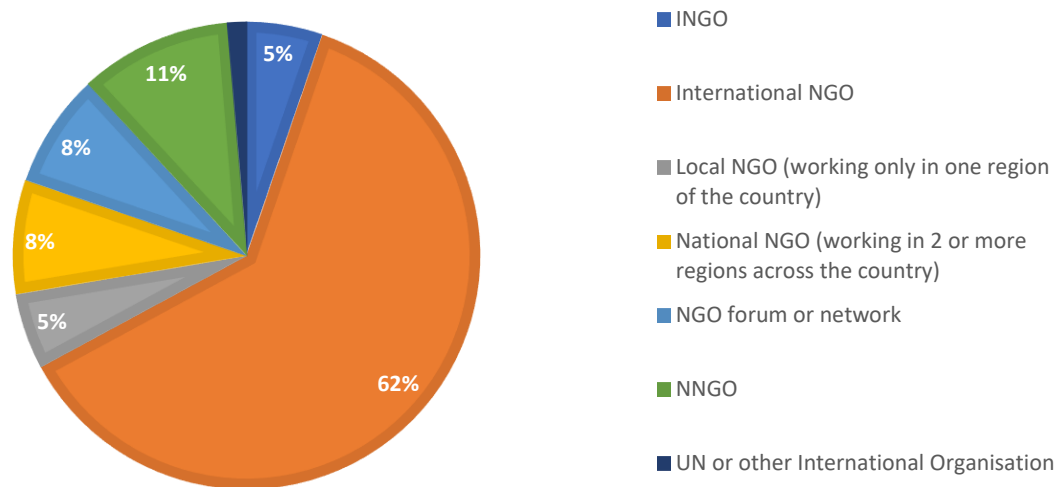
- **Localisation gains are being rolled back:** NGOs report that partners are cutting staff and having to close offices.
- **Humanitarian architecture is at risk:** Funding for Coordination and partnerships, capacity strengthening was immediately stopped following the announcement.
- **Liquidity and reserves are extremely tight:**
 - A funding suspension for 90 days is too long for many organisations to survive.
 - Several organisations intend **to cut staff within a month, many have already suspended staff.**

Survey findings to date

76 Responses to date

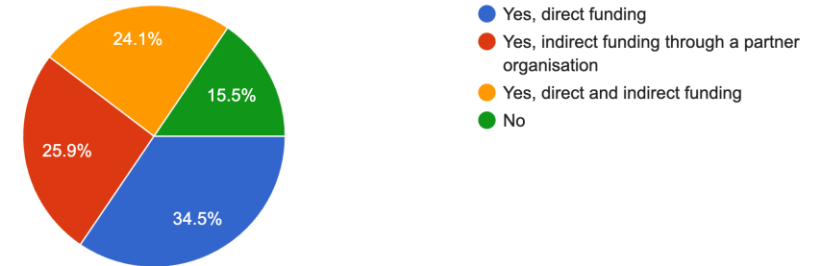
- The majority of respondents (47 out of 76) are INGOs
- 84.5% are receiving funding from the US Government.

TYPE OF ORGANISATION – 76 RESPONSES



4. Do you receive funding from the United States Government (BHA, USAID, PRM)?

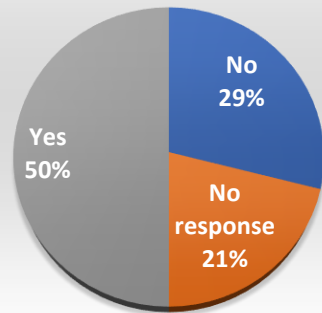
58 responses



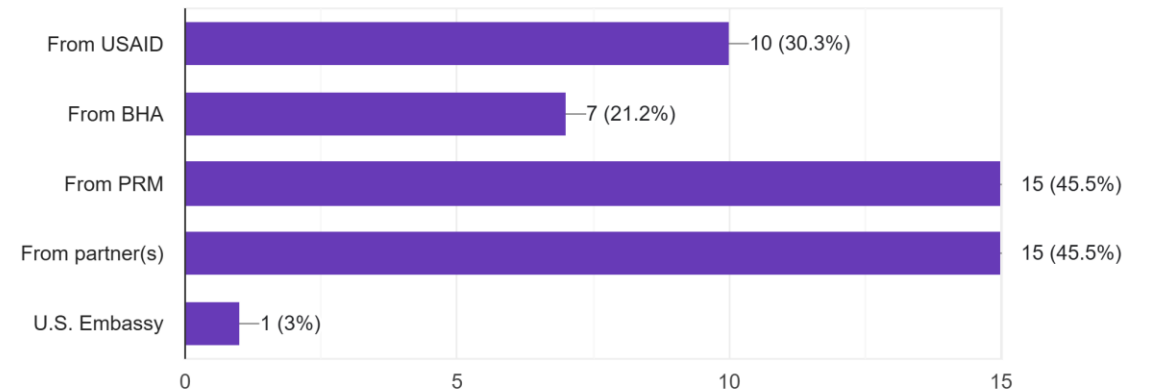
Stop Work Orders

- **Half of respondents have received a stop work order.**
- Most stop orders are directly from US Government sources and other INGOs.
- Very few from UN agencies (with larger reserves)
- None from Pooled Funds – who thus far seem insulated.

Have you received a stop work order?
– 76 responses



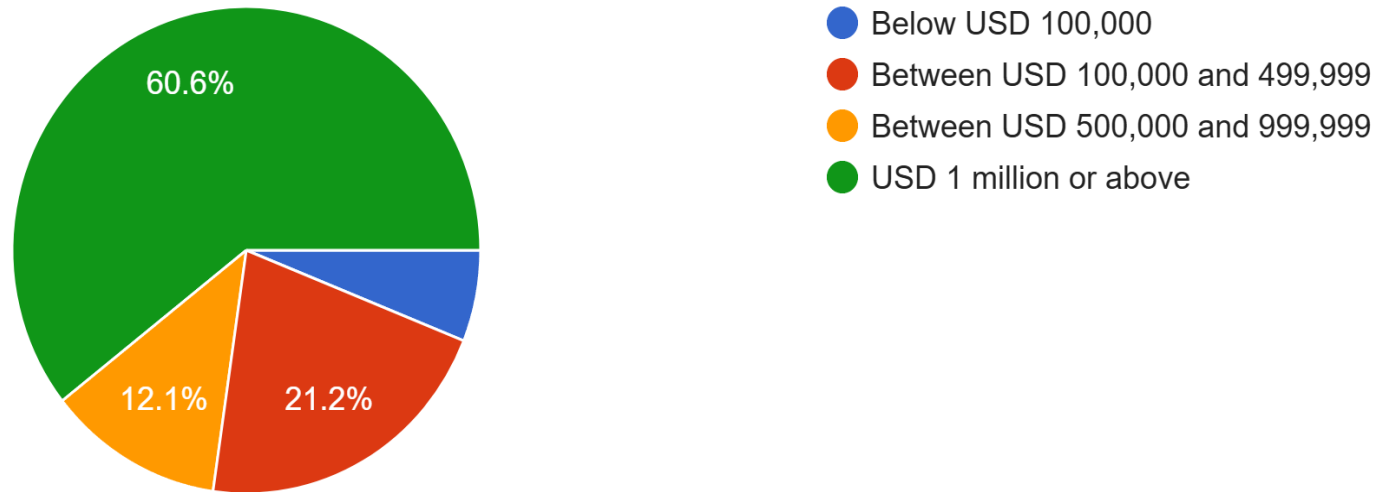
9. Who did you receive the stop work order from?
33 responses



Scale of Funding Affected

10. What is the approximate amount of your US funding affected by the stop work order?

33 responses



What is the impact on national and local partners?

- 61% report that it has impacted their partnerships.

“We've had to ask implementing partners to suspend activities”

- Impacts on national and local partners include:

1. Programmes activities have been stopped, including:

- Essential health care services.
- Malaria and TB programming.
- Diversity, Equity & Inclusion activities

2. Loss of salary and support costs.

- Partners have stopped receiving funding for running costs, salaries
- Laying off staff.
- Lack of cash flow to make payments.

“Local and national NGO partners have already started unpaid leave for staff and may have to lay off staff, lose office space”

3. Loss of Acceptance in the community

How are agencies protecting and supporting their national and local partners?

"While our organization can continue providing technical assistance and support using our private funding, the partner's staffing is impacted by the funding freeze, restricting their ability to continue to engage in the program activities."

"Still working on it"

"Good communication"

"Protection programs involve a significant project staff component, resulting in a substantial financial impact due to contractual and legal commitments. As with the local partner, we will also seek to reassign our staff from program-specific activities to non-program-related activities, provided these are accepted as eligible expenses for the period."

"We are not sure yet. The official stop work order is quite vague and does not specify if and how it extends to sub-awardees. However, it seems, at least from the e-mail communication, that their projects will have to be suspended and grants returned to us - although not entirely clear from the communication."

"We are exploring what support we can provide in the short term to the partner to support continuation of their activities, through funding or technical support."

"using other funding sources"

Direct Organisational Impact on NGOs

A lot of chaos and confusion. Hard to get a picture across the countries.

Major issues with cash flow.

Loss of acceptance & security Risks

Staffing cuts! (across a large majority of respondents – see next slide for details)

Moving US programming and organizational support costs to other donors.

Modifying projects/programming to adapt to US funding changes.

What is the impact of the stop work order on your staff

“Need to send some staff on unpaid leave; reallocation to other projects if possible”

“We will have to make staff cuts”

“15 staff has been suspended”

“Staff will be reduced and program activities down sized.”

“Depends on every context and the labour laws in the countries where we operate.”

“Staff will be reduced and program activities down sized.”

“The agency has committed to using private funding from our reserves to maintain all 19 staff through the end of the year. So while we are not furloughing or laying off staff, we are examining whether their positions will need to be re-oriented in the short and medium term and the extent to which they can continue with select program activities impacted by the Stop Work order using private funding.”

“Not yet clear”

“Difficult to maintain core staff of organization.”

“We are exploring what support we can provide in the short term to the partner to support continuation of their activities, through funding or technical support.”

“Uncertainty, in some cases termination of contracts.”

After one month, staff would be lay off

What mitigation measures are NGOs using

Many agencies are still assessing the impact on their financial and legal position.

Using private/unrestricted funding to protect programmes, partners & staff.

Limiting activities

Cutting all possible costs

Moving staff from restricted to unrestricted funding where possible.
Terminating contracts.

Looking for new donors.

Doing what we can to keep the lights on for the partners over these 90 days.

Using reserves

ICVA Resources

ICVA is putting all available resources on our website:

[90 Day Suspension Order Resources – ICVA](#)

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