

IMPACTS ON ACFID MEMBER AND PARTNER PROJECTS

US FOREIGN AID CUTS



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT



Photo: Family in Lere Village,
Bima, Indonesia.
Credit: Kahfy Yudha/Surfaid.

Executive Summary

Context

- On 20 January 2025, President Trump announced an executive order freezing majority of US Foreign Assistance for 90 days. An exemption for lifesaving programs was later announced – which led to the resumption of a small percentage of projects.
- ACFID undertook a survey to gather information on the impacts of the foreign assistance freeze and longer-term cuts on ACFID members and their partners between January and March 2025.
- The survey was carried out a time of upheaval for the global aid community, including Australian NGOs and their partners. More often than not Australian NGOs did not have a clear picture of the impacts on their organisation and partners.
- About 40% of ACFID members (57 out of 136 agencies) responded to the survey. Around 35% of those that responded did not provide any financial project data and of the remaining 65% that did, this data was limited.
- As a result, data in the following pages should be read as a low estimate of impact on the Australian aid agencies and the local partners they work with around the world.

Note on how to read the data: sectoral/regional graphs show the number or percentage of impacted projects reported as impacted on the left-hand Y axis. The right-hand Y axis shows the total financial value of impacted projects reported by ACFID members (\$ millions AUD). Projects include ACFID member and partner projects unless otherwise specified. The majority of projects cut across multiple sectors and therefore are included in the count of relevant sectors (ie a women's health project will be included in the data both the “health” and “gender-related”). Figures and projects are only counted once for the “total” financial figure (\$400m) and project figure (124).

Executive Summary

Overall impacts

- Over 120 humanitarian and development projects were identified as being financially impacted with a financial value of over \$400 million AUD.
- The majority of impacted project funding is in the Pacific (28%), Southeast Asia (28%) and Africa (17%).
- The sectors of largest reported financial impact are child-related projects, climate change and humanitarian.
- Almost 70% of responding agencies reported financial impact to their local partners. In many instances US funding was ‘subsidising’ the implementation costs of other projects leading to flow on effects to non-US funded projects (including Australian funded projects).
- Australian NGOs and their partners have had to reduce operations and staff with dire consequences to local communities that are now no longer receiving essential healthcare, education, food or other assistance.
- At least 20 partner organisation and/or country offices of Australian NGOs have closed. Some local organisations have also had to close their doors permanently.

Contents

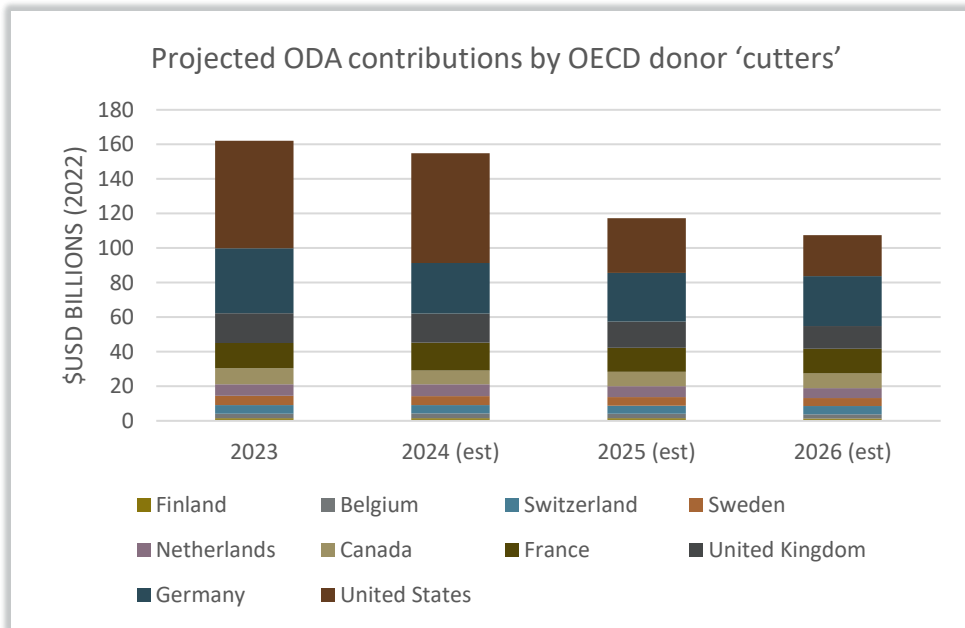
ACFID Member Survey (Overview and Key Themes)	<u>8</u>
Impact by region	<u>11</u>
Impact by Sector	<u>12</u>
• Child-related projects	<u>14</u>
• Climate change projects	<u>17</u>
• Humanitarian projects	<u>20</u>
• Health projects	<u>23</u>
• Gender-related projects	<u>26</u>
Impacts on local partners	<u>29</u>
Where to from here	<u>35</u>

Photo: A family fill Jerry Cans from a new well drilled in their community in Uganda. Credit: Love Mercy Australia



Foreign aid: the global context

The withdrawal of the United States, the world's largest donor from global aid system is unprecedented. While the extent of damage is yet to be determined, estimates put the total cost of cut US programs at tens of billions of dollars globally. Additionally, the United Kingdom and several European donors have announced cuts to their foreign aid programs.



Sources: DevPolicyBlog, Robin Davies, "Burden-shedding: the unravelling of the OECD aid consensus"; Development Policy Centre; Centre for Global Development; International Council of Voluntary Agencies; UNOCHA; Lowy Pacific Aid Map; Lowy Southeast Aid Map.

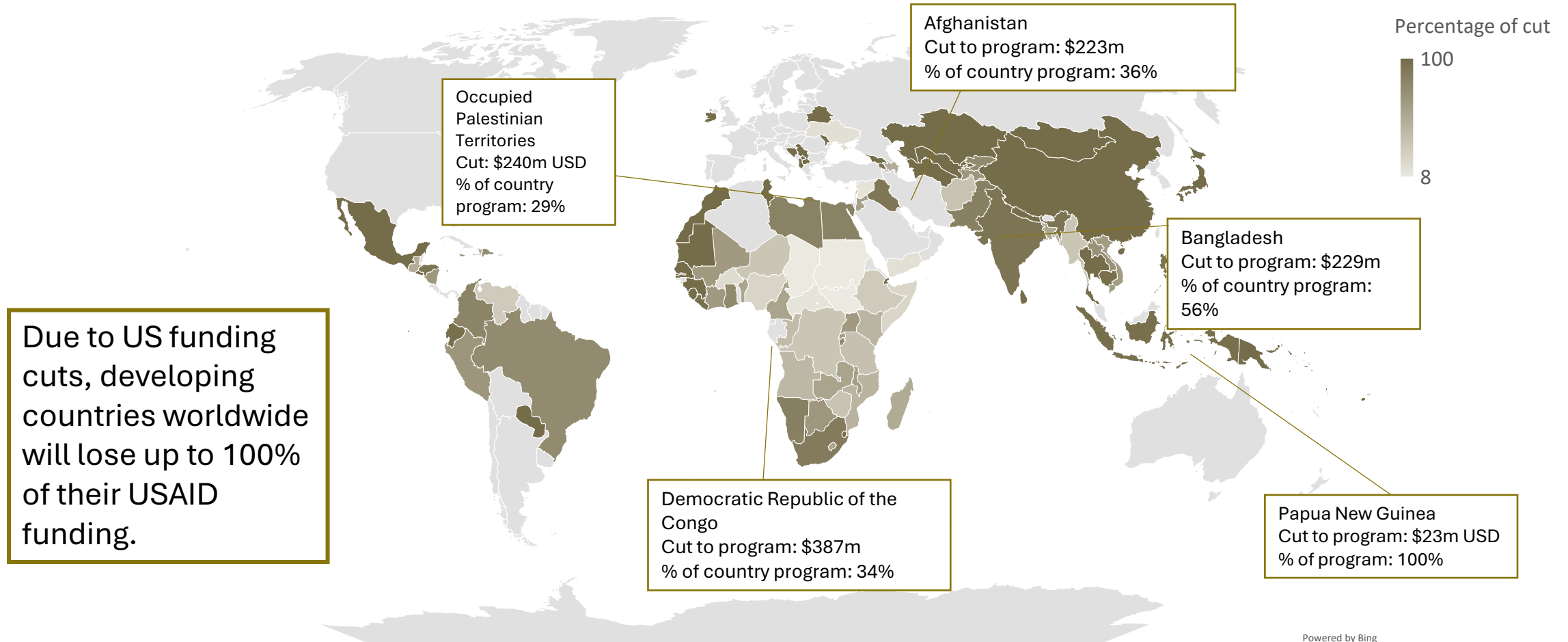
Global funding for **foreign aid is projected to decrease by 25-50% by 2027** due to US, UK and other donor cuts.

The US was the largest donor of humanitarian assistance accounting for **42% of funding globally (\$64bn)** with cuts now placing humanitarian response organisations and **millions of people in need at risk**.

Multilateral development institutions are also facing **significant funding cuts. UNAIDS, UNHCR, IOM and the WFP received more than 30% of their funding from the US in 2023**.

Foreign aid: the global context

USAID cuts by country (% of country program)

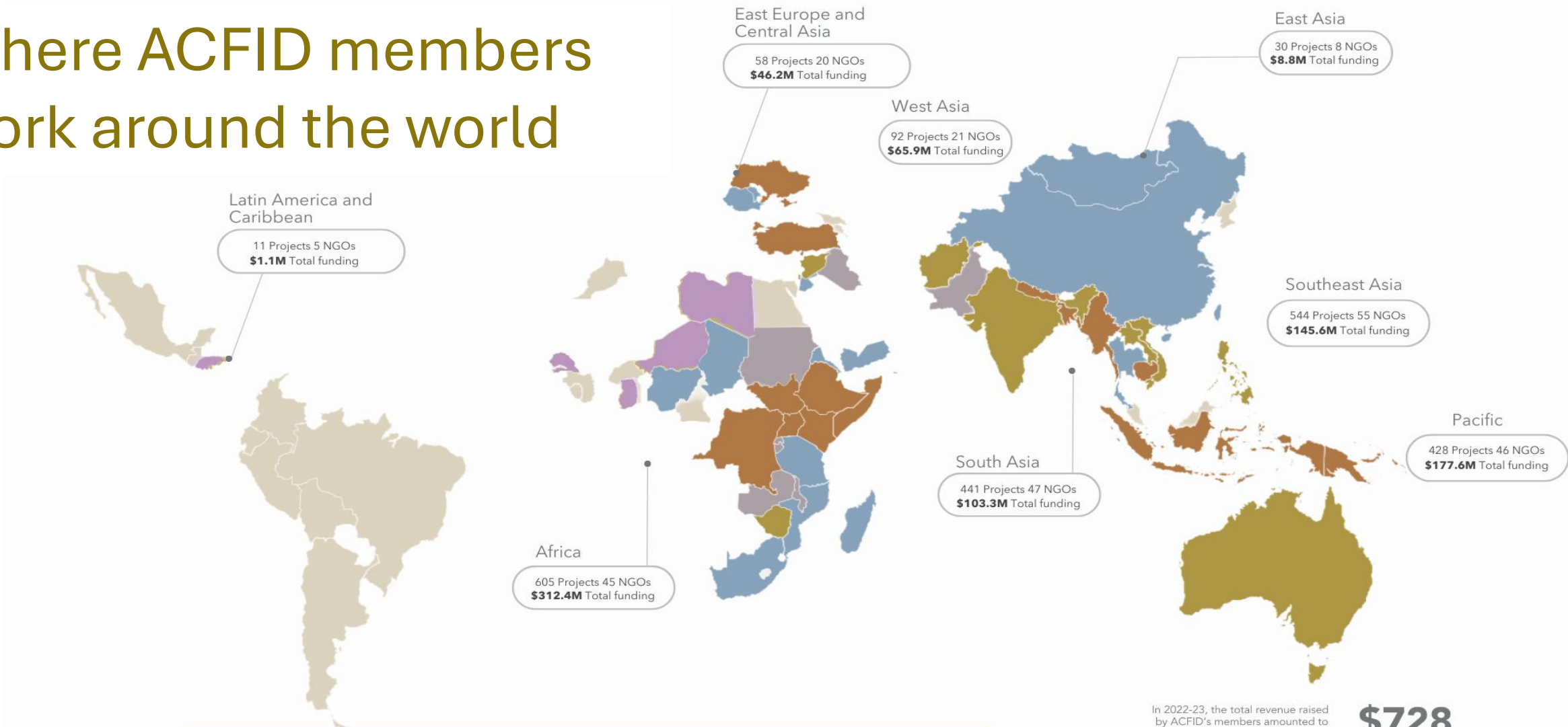


Due to US funding cuts, developing countries worldwide will lose up to 100% of their USAID funding.

Source: Map compiled by ACFID from data provided by Centre for Global Development.

Powered by Bing
u of Statistics, GeoNames, Microsoft, Navinfo, Open Places, OpenStreetMap, Overture Maps Foundation, TomTom, Zenrin

Where ACFID members work around the world



Global allocation of members' funding for development and humanitarian projects:

\$20M+	\$20M+	\$300K+
\$10M+	\$5M+	Less than \$300K



- ACFID members must comply with the ACFID Code of Conduct. This ensures:
- NGO operations are transparent, accountable and effective
 - Every dollar is accounted for
 - Best-practice standards of programming

In 2022-23, the total revenue raised by ACFID's members amounted to **\$728 MILLION** of which was raised by more than 1,078,527 individual donors.

\$1.938 BILLION

2,328 Projects	85 countries	5,400 employees	13,334 volunteers
----------------	--------------	-----------------	-------------------

ACFID Member Survey on impacts of US aid cuts

To gather impacts of the US Stop Work Order on Australian development and humanitarian agencies, their partners and their programs, ACFID conducted a member-wide survey between January and March 2025. 57 agencies completed the survey (42% of ACFID member agencies delivering humanitarian and development programs).

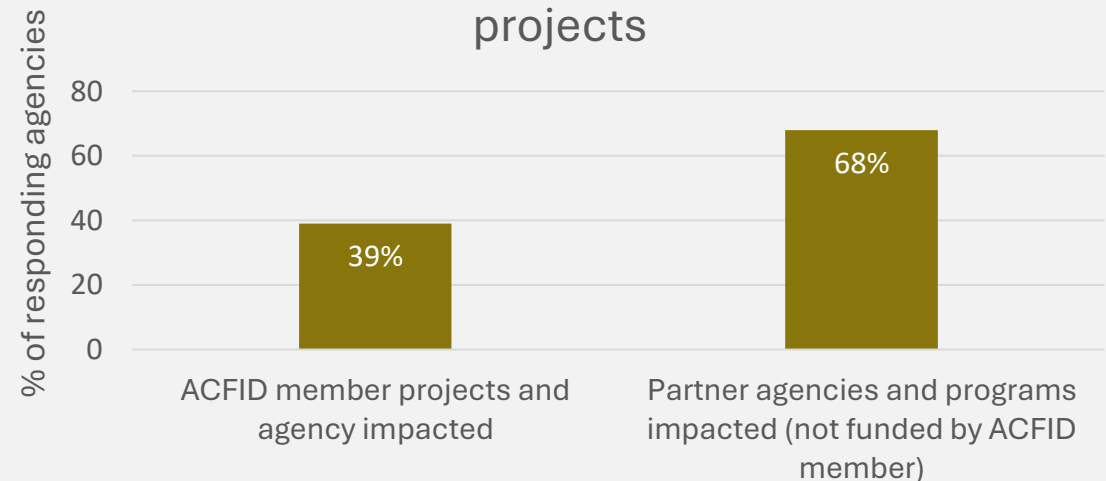


Survey results

39% of agencies expected a direct impact on their agency and programs)

68% of agencies expected an impact on their partners and their partner's programs)

Impact of US SWO on Australian aid agencies and partner organisations and projects



Overview of impact of US Stop Work Order on ACFID members and their partners



At least **\$400m*** in humanitarian and development projects impacted



Over **120 projects** affected globally



This includes **\$290m** in development related projects and **\$110m** in humanitarian projects[^]



20+ partner and/or country offices are at risk of closure

*These figures are taken from 42% of ACFID's membership who responded to a membership wide survey on the impacts of the US Stop Work Order on ACFID members and their partners. Members were not able to provide financial data for 35% of projects reported as impacted and therefore above results should be considered a low estimate of overall impact.

[^]Humanitarian includes projects providing immediate lifesaving assistance as well as 'nexus' projects including protracted crises, peacebuilding, disaster risk reduction and anticipatory action.

Impact of the US Stop Work Order: emerging themes

Key emerging themes

Impacts to local communities

Local communities are facing the brunt of the impacts due to US aid cuts. People are dying due to loss of essential healthcare, children are out of school, health clinics have closed, and food supplies ceased. This impact is compounded in communities where local project staff have lost their jobs – often meaning extended families have lost their only reliable income stream.

Impacts to local partner organisations

Facing significant financial constraints and uncertainty, local organisations have had to reduce staff, projects, operations and in some instances, close their doors.

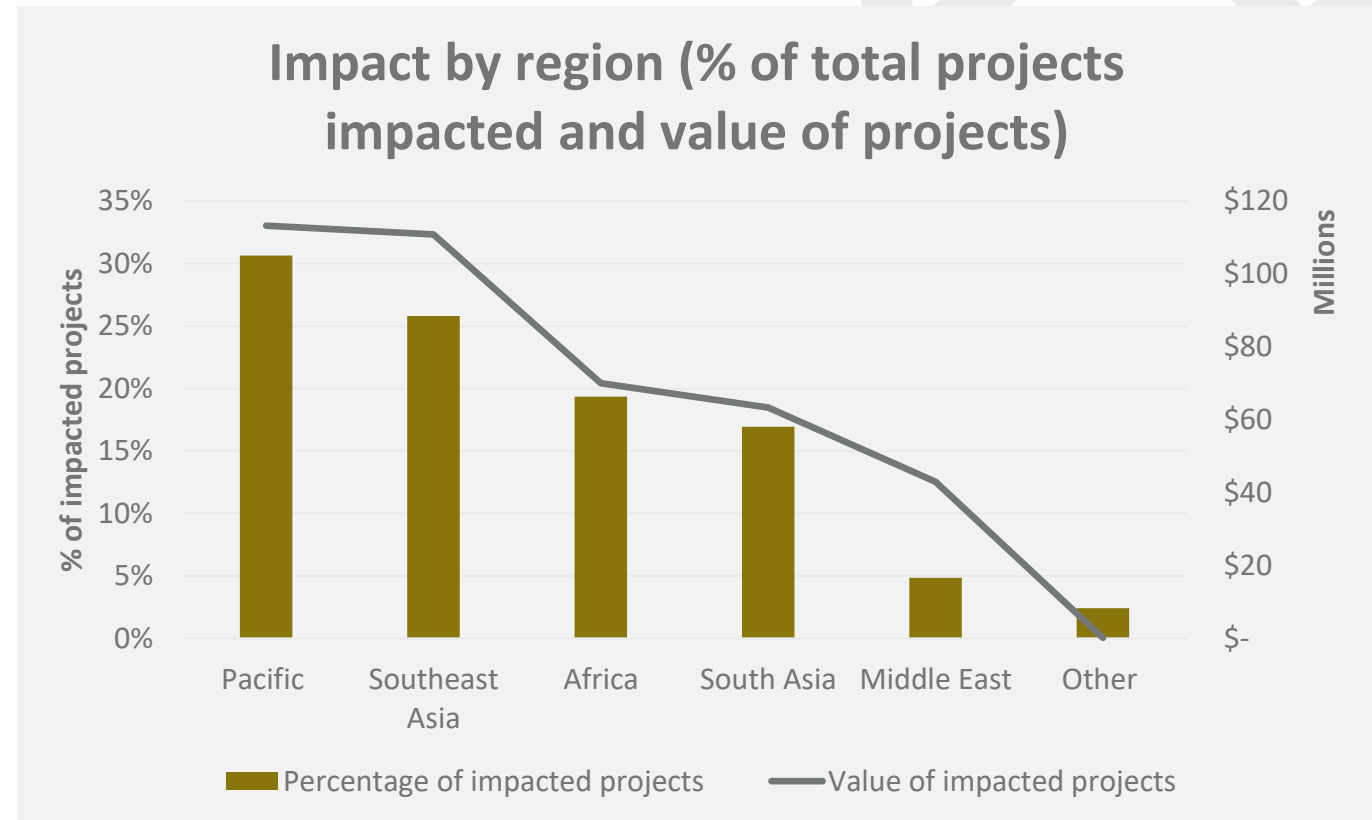
Impacts to Australian development and humanitarian agencies

Australian international development and humanitarian agencies affected by the funding cuts are facing significant financial constraints and uncertainty leading depletion of funding reserves, staff losses, project terminations, closure of country offices and long-term downsizing of operations.

Overall impact of US aid cuts on Australian NGOs and partners by region

Impacted ACFID member and partner projects are implemented globally, with the Pacific, Southeast Asia and Africa having the highest reported number of projects and corresponding funding value.

- **Pacific:** 31% of impacted projects (total value of \$113m) – predominantly climate change resilience and disaster preparedness, health and gender projects.
- **Southeast Asia:** 26% of impacted projects (total value of \$111m) predominantly child-related projects.
- **Africa:** 19% of impacted projects (total value of \$70m) predominantly health and humanitarian.
- **South Asia:** 17% of impacted projects (total value of \$63m) spread across climate change, health and child-related programs.
- **Middle East:** 5% of impacted projects (total value of \$42m) including health, child-related and livelihoods programs.



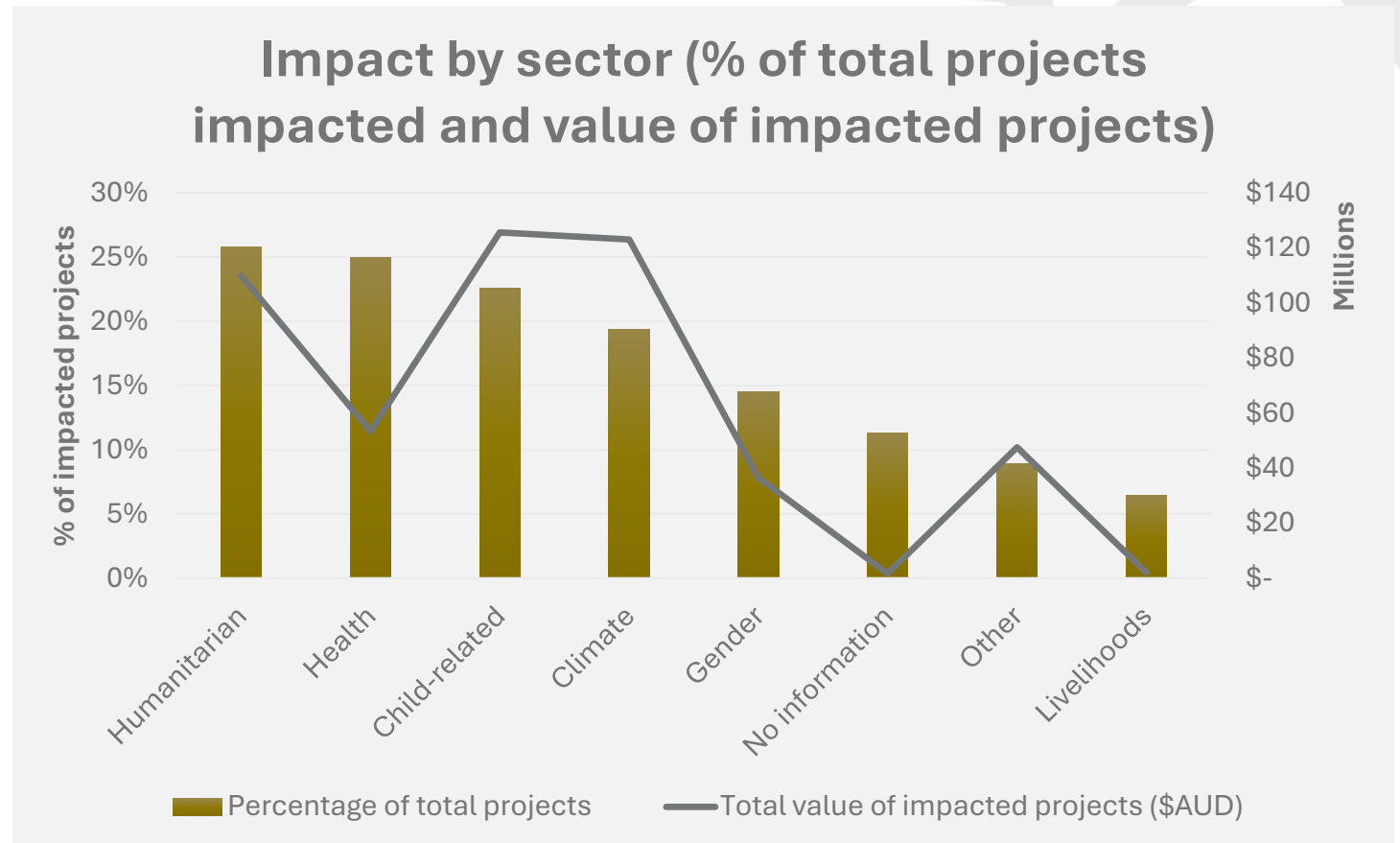
Overall impact of US aid cuts on Australian NGOs and partners by sector

The financial impacts of the US funding cuts to individual sectors that ACFID members and partners work in are shown below.

Impacted projects span the range of development and humanitarian thematic areas, with many projects cutting across several thematic areas to maximise project outcomes.

Across all projects reporting a financial impact due to the US Stop Work Order:

- 26% involve humanitarian programming, with a total reported value of \$110m.
- 25% involve health programming, with a total reported value of \$53m.
- 23% involve child-related programming, with a total reported value of \$126m.
- 19% involve climate change programming, with a total reported value of \$123m.



Note: This graph shows the maximum potential impact (number of projects affected and amount of funding) in individual thematic areas based on reported projects and information available. If a project includes outcomes for multiple thematic areas ie a WASH project with gender and child-related outcomes, the project is counted in all sets of figures for the purposes of this graph. The aim is to show the spread of impacted areas. This is not a complete picture of impact as many organisations were not able to provide funding amounts or number of projects at risk.

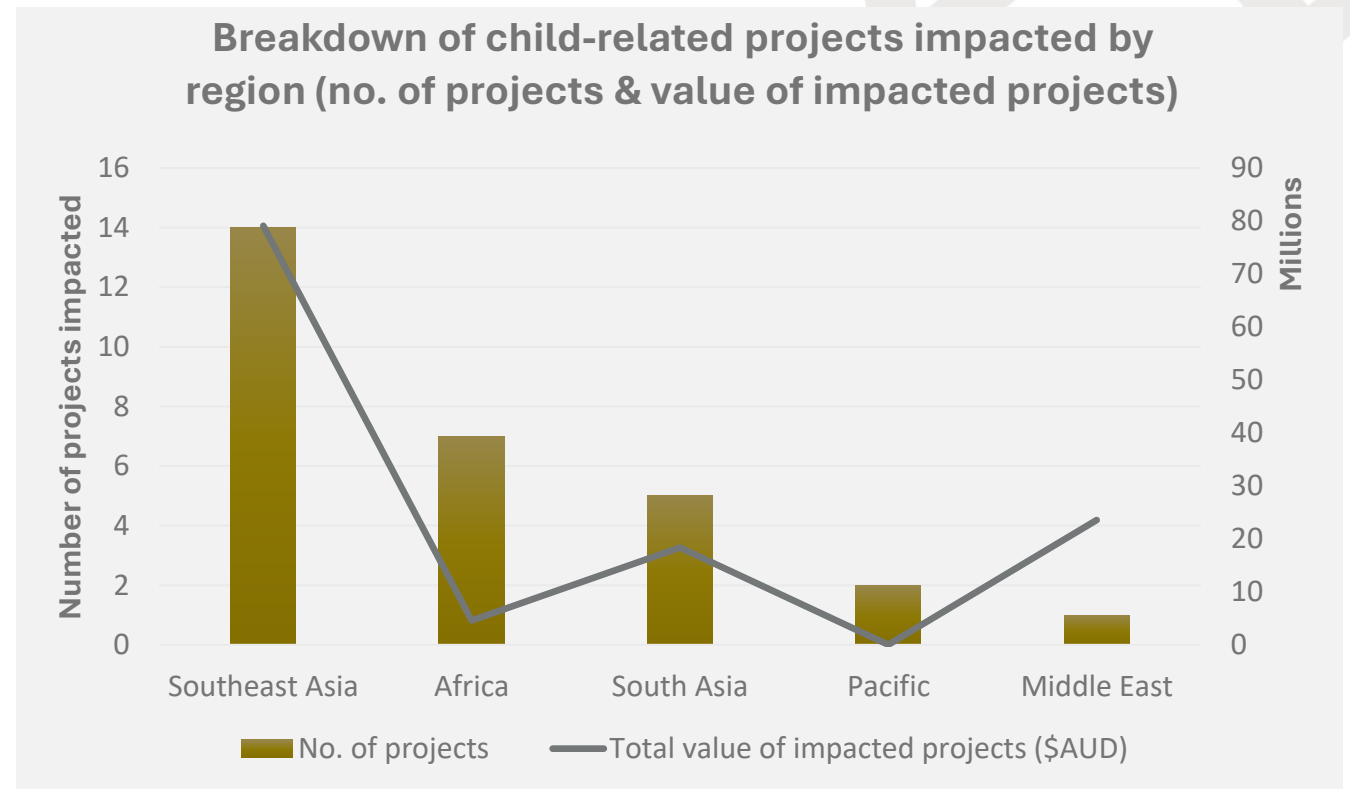
Overall impact of US aid cuts on Australian NGOs and partners by sector

The impacts of the US funding cuts are spread across the sectors that ACFID members and partners work in, with projects often cutting across multiple sectors. The sectors of highest reported impact (financial) include humanitarian, climate, health, child-related and gender-related programs. Impacted programs include:

Humanitarian	Climate	Child-related	Gender-related	Health
<ul style="list-style-type: none">• Food Assistance• Shelter• Water and Sanitation• Healthcare• Education in protracted crises• Psychosocial support• Disaster risk reduction• Anticipatory Action	<ul style="list-style-type: none">• Climate change adaptation and mitigation• Climate resilience food systems• Disaster preparedness and risk management• Natural resource management• Clean water access• Drought recovery	<ul style="list-style-type: none">• Child protection• Nutrition• Education• Healthcare• Psychosocial support• Anti child-trafficking• Modern slavery	<ul style="list-style-type: none">• Gender-based violence support• Reproductive health services• Child, newborn and maternal healthcare• Women's healthcare	<ul style="list-style-type: none">• Disease prevention (eg polio, HIV, malaria)• Maternal and child healthcare• Reproductive health services• Nurse training programs• Primary healthcare• Rural and remote healthcare• Eye health

Child-related programming impacts

- ACFID members and partners reported impacts to nearly 30 child-related projects with a total value of \$126m globally.
- In Southeast Asia the total value of ACFID and partner projects providing child-related programming is approximately \$80m (14 projects) followed by \$24m (1 project) in the Middle East, \$18m in South Asia (5 projects), \$14,000 in the Pacific (2 projects).
- The projects range from nutrition and education, including in conflict affected areas to child-trafficking and modern slavery research and prevention.
- Impacted countries include Timor Leste, Laos, Iraq, Bangladesh, Afghanistan, Thailand, Pakistan, Tonga, Indonesia, Papua New Guinea and Sri Lanka.



Australian NGO and local partner child-related projects impacted by USAID cuts

Education and nutrition projects in Timor-Leste

Project providing child protection and support for children leaving residential care in Cambodia

Child and newborn health in Myanmar

Child protection and support for children affected by violence and conflict

Education, protection, psychosocial and gender-based violence support and services in Kenya and South Sudan

Classroom construction and lifesaving programs in Africa

Early childhood education in Nepal

Modern slavery research and human trafficking projects in Cambodia

Child-related impacts close-up: Nepal

Example project

An education project in Nepal has **closed** as a result of the funding cuts due to the USAID Stop Work Order.

Immediate impacts

- This means 307 girls are no longer able to attend school.

Longterm impacts

- Without access to education these girls are at higher risk of child marriage and trafficking to India or the Gulf.

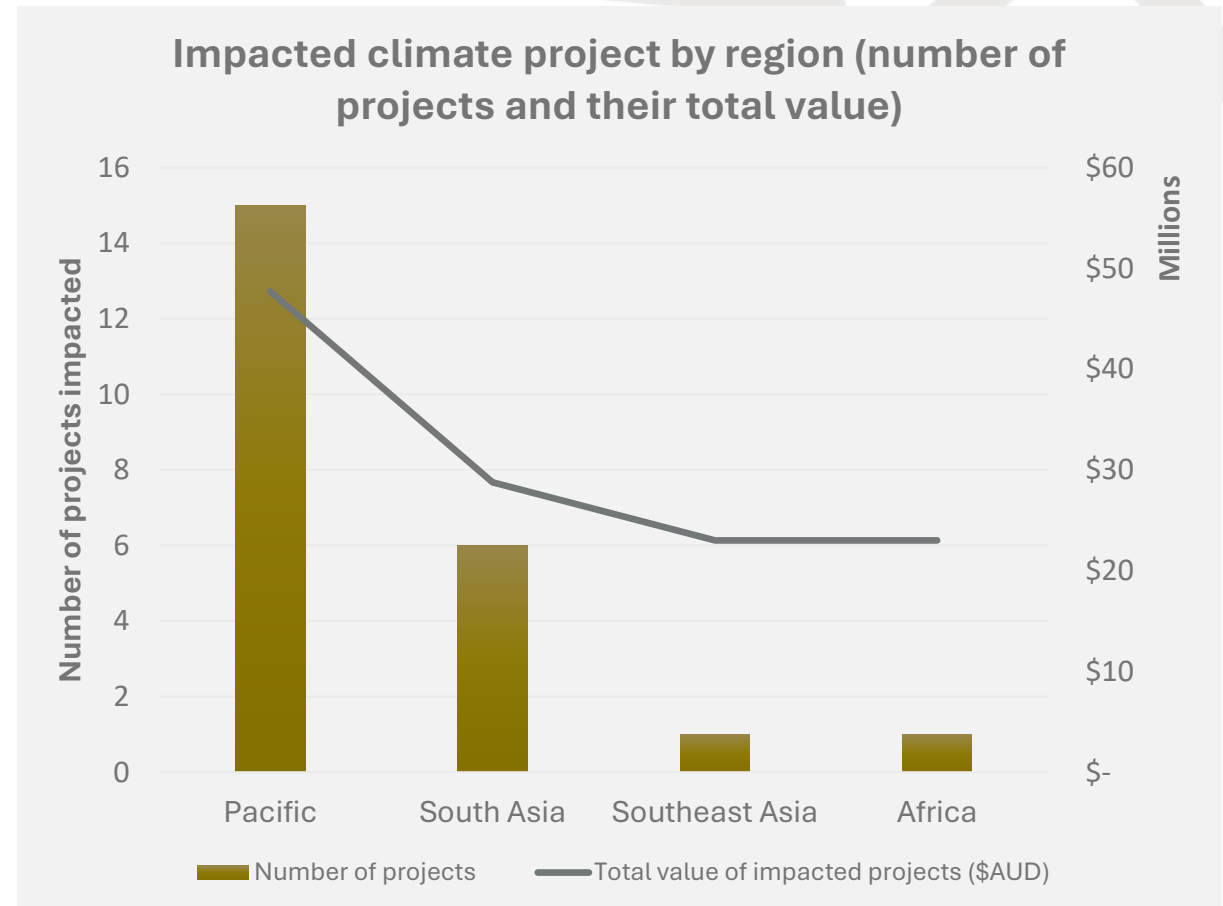
Before the closure, I was learning new things every day, and I was excited about going to school again.

But now, I feel lost. I am scared that without the classes, I won't be able to continue my education and might be forced to get married soon.

- 12-year-old girl from Mithila Bihari Municipality

Climate programming impacts

- ACFID members reported financial impacts to 24 climate-related projects with a total value of \$123m. Many of these projects are implemented in multiple countries and integrate health, gender and other sectoral outcomes at the project level.
- The total value of impacted climate projects in the Pacific is \$48m, followed by South Asia (\$29m) and Southeast Asia (\$23m).
- The climate change resilience sector in the Pacific has been severely impacted. Other impacted projects include adaptation, natural resource management, disaster resilience and preparedness activities.
- System-level infrastructure that NGOs rely on for environmental monitoring will be severely reduced weakening data collection, evidence-based policy making and climate change programming with flow on effects extending to livelihoods, public health and disaster response outcomes across affected communities.



Climate: Australian NGO & local partner projects impacted by USAID cuts

Climate adaptation, disaster resilience and preparedness programs across the Pacific

Climate change mitigation and community forest management project in Myanmar

Disaster risk management project (gender and disability inclusive) in Kiribati

Women-led organisations working on climate change in the Pacific

Drought Recovery and climate resilience project in Fiji

Ocean plastics reduction activity in the Maldives

Project supporting climate resilience food systems in Nauru

Disaster risk reduction and resilience project in Vanuatu

Climate change and WASH impacts close-up: Kiribati

Example project

Funding paused/cut for ACFID member project to improve Water, Sanitation and Hygiene (WASH) practices and enhance resilience to climate change in Pacific communities.

Immediate impacts

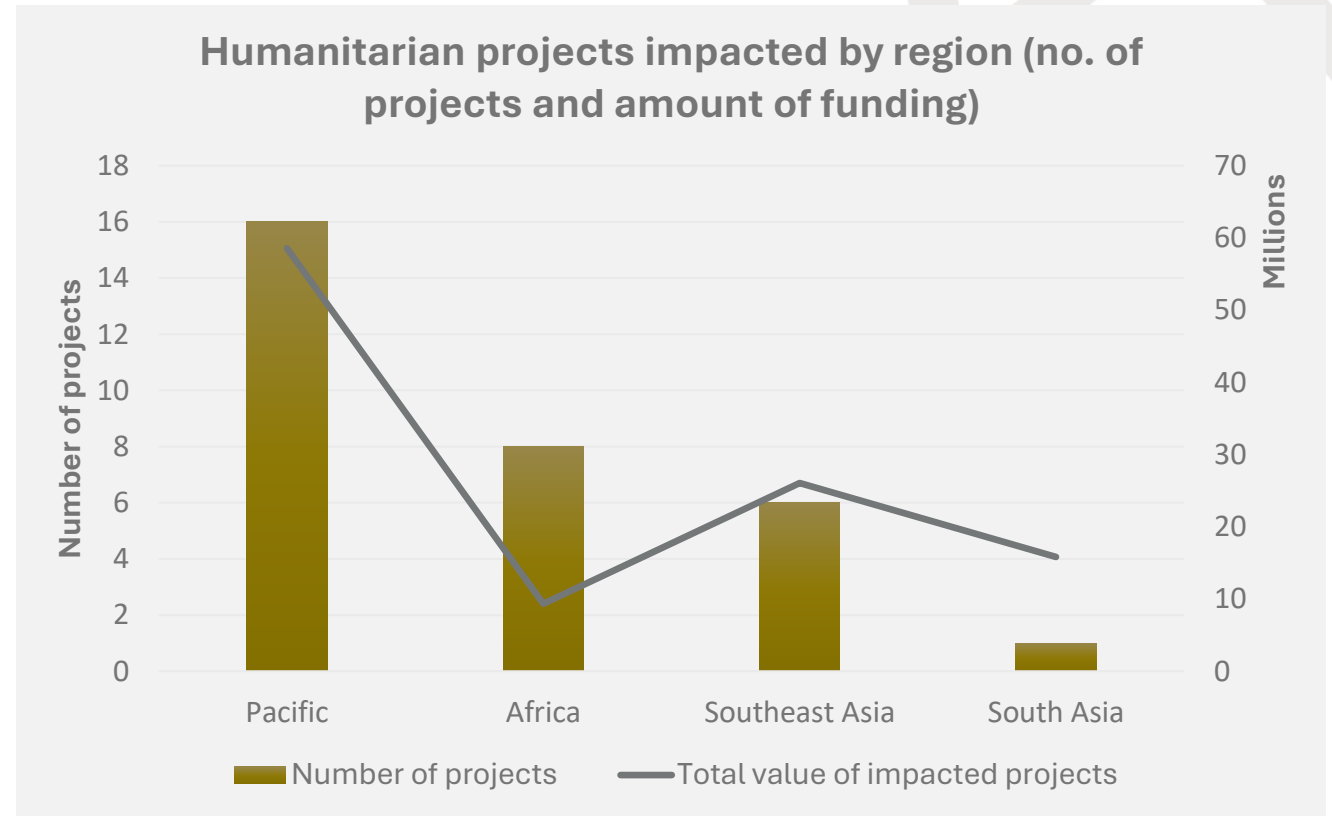
- 1,920 people lose access to project that was working to reduce open defecation and promote better WASH practices and health outcomes across target communities.
- Reduced water resource management practices in target communities leading to increased vulnerability to climate change.
- Women and girls lose access to menstrual hygiene management training that was part of the project.

Longterm impacts

- Reduced access to clean water contributes to higher public health risks including the spread of diseases.
- Weakened climate adaptation and resilience efforts increasing the vulnerability of Pacific communities to climate change impacts and disasters and disasters in the future.

Humanitarian programming impacts

- A total of 32 humanitarian projects with a total value of \$110m are implemented by ACFID members and their partners globally. The majority of these projects are disaster risk reduction and disaster resilience projects delivered in the Pacific.
- **Disaster risk reduction and disaster resilience:** DRR and disaster resilience projects are largely in the Pacific in Southeast Asia. Other projects in the Pacific include peacebuilding and disaster response for recent disasters in the Pacific.
- **Protracted crises and emergency humanitarian assistance projects impacted** are largely in Africa including Sudan, South Sudan, Somalia and the Democratic Republic of the Congo.
- **Humanitarian waivers:** Where projects have been restarted, organisations have reported difficulties in receiving funds following waivers, resulting in difficulties restarting projects.



*Humanitarian includes projects providing immediate lifesaving assistance as well as 'nexus' projects including protracted crises, peacebuilding, disaster risk reduction and anticipatory action.

Humanitarian Australian NGO and local partner projects impacted by USAID cuts

Disaster risk reduction and resilience projects across the Pacific

WASH, health, nutrition and protection project in Somalia

Services for refugees on the Thai-Myanmar border

Essential services (food, WASH, health) project for displaced people in the Democratic Republic of the Congo

Child protection, essential services (incl. food, WASH, healthcare) for refugees in South Sudan

Peacebuilding and conflict prevention project in Papua New Guinea

Lifesaving programs, classroom construction and emergency food for vulnerable populations in Africa

Child protection and support for children affected by conflict in Iraq, Afghanistan and Myanmar

Humanitarian impacts close-up: Yemen

Example project

An ACFID member has had funding paused for humanitarian (WASH, nutrition, health, gender-based violence) projects in Yemen resulting in the following impacts.

Immediate impacts

- Over 765,000 individuals are at risk of losing critical lifesaving resources in a protracted humanitarian crisis.
- 655,900 will no longer have access to improved water systems that focus on providing clean water, and sanitation facilities exposing individuals to increased risk of cholera and other water borne diseases.
- About 60,200 individuals will lose access to lifesaving health and nutrition services including treatment and prevention of acute malnutrition for 26,000 children under the age of five. They will also lose access to emergency maternity care services.
- 23,000 individuals will lose access to services to address violence against women and girls. These services are lifesaving to vulnerable Yemeni people experiencing one of the longest humanitarian crises in history.

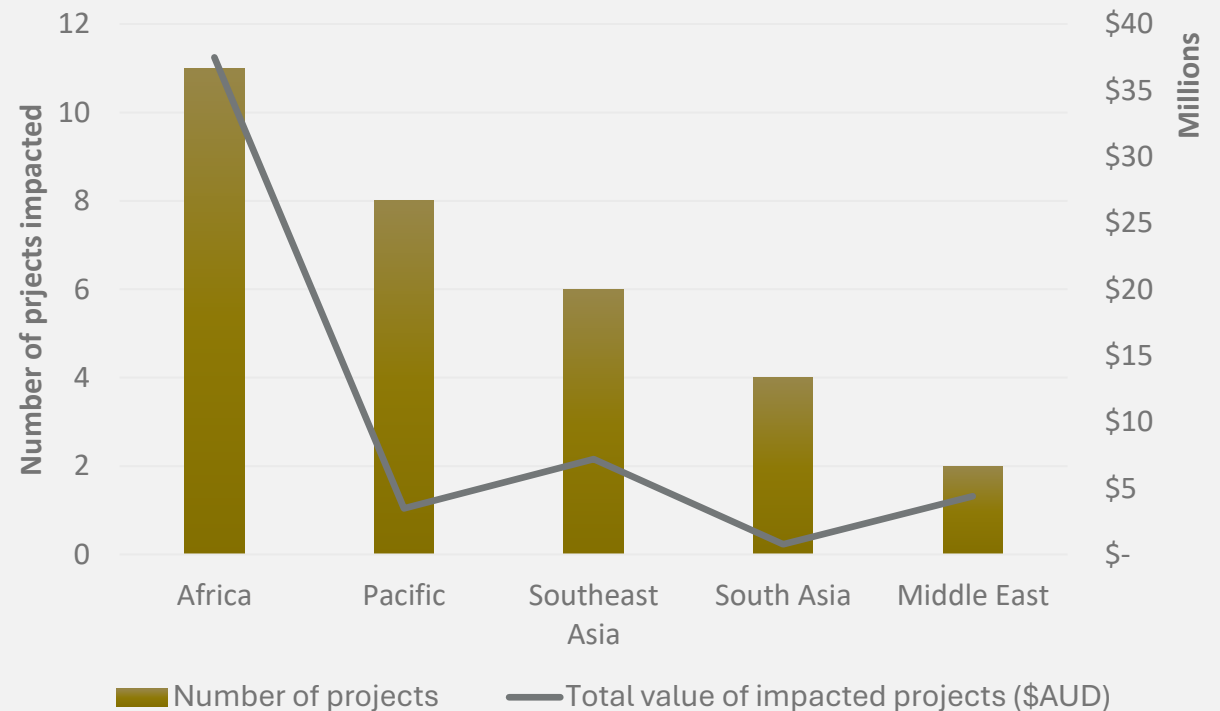
Longterm impacts

- Increased risk of the spread of water borne diseases, child malnutrition, maternal deaths, gender-based violence and overall poorer health outcomes for vulnerable communities already living in extreme conditions.

Impacts to health projects

- ACFID members and partners reported financial impacts to 31 health-related projects with a total value of \$53m globally.
- The total value of impacted health projects in Africa totals \$37m (11 projects), followed by Southeast Asia (\$7m, 6 projects) and the Middle East (\$4m, 2 projects).
- Impacted African countries include Mozambique, Zambia, Uganda, Ethiopia, Burkina Faso, Yemen and Somalia.

Impacted health projects by region
(number of projects impacted and their total value)



Health: Australian NGO & local partner projects impacted by USAID cuts

Women's health project (SHG) in Ethiopia delivering essential health services

Malaria prevention project in Zambia

Health projects in Nepal including essential fistula treatment for women

Health clinic in remote Uganda providing immunization services to women and children and HIV medication and support for patients

Polio eradication and childhood development projects in Ethiopia

Eye infection project in Ethiopia

Health impacts close-up: East Africa

Example project

Tuberculosis and HIV partner projects suspended in East African country.

Immediate impacts

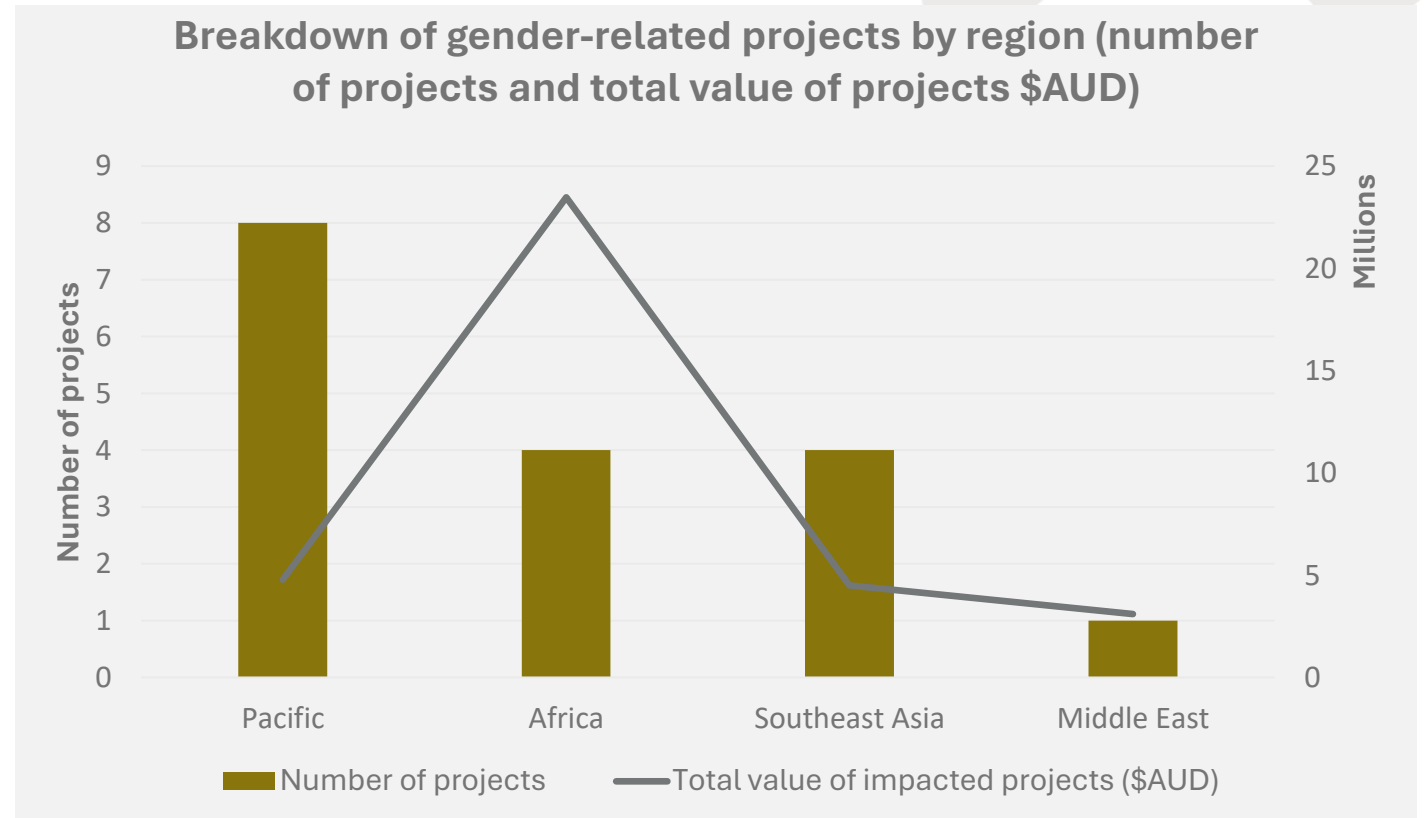
- Activities suspended across nearly 30 health units including youth program and patient engagement
- Almost 350 TB and HIV patients affected
- Approx. 100 local staff positions at risk

Longterm impacts

- A study by the [World Health Organisation and Burnet Institute](#) shows that if international funding for HIV continues to decline an additional 5-10 million new HIV infections (including 880,000 children) could occur by 2030 and up to 2.9 million more people could die in low- and middle-income countries, with the biggest projected impacts taking place in sub-Saharan Africa.
- This would undo the gains made in recent decades towards disease prevention and control, and place greater strain on health systems, local communities and economies.

Gender-related projects

- ACFID members and partners reported financial impacts to approximately 20 gender-related projects with a total value of \$37m globally.
- The largest amount of funding impacted is in Africa (\$23m), followed by the Pacific (\$5m), Southeast Asia (\$5m) and the Middle East (\$3m).
- Projects delivering sexual and reproductive health services account for the majority of the affected funding amount with Africa being the most impacted region.
- Impacted countries include Samoa, Kiribati, Solomon Islands, Indonesia, Vietnam, Nepal, Ethiopia, Uganda, Burkina Faso, Yemen, Zimbabwe.



Australian NGO and local partner gender-related projects impacted by USAID cuts

Project in Nepal delivering women's healthcare (incl. essential fistula treatment)

Ethiopia women's health project

Child and newborn health in Myanmar

Reproductive health services projects in Uganda, Burkina Faso, Yemen, Ethiopia, Zimbabwe

Education, protection, psychosocial and gender-based violence support and services in Kenya and South Sudan

Sexual and reproductive health services projects across the Pacific

Women's economic development projects in Samoa

Gender impacts close-up: Africa

Example project

Significant funding shortfall on ACFID member project supporting around 10,000 adolescents (particularly girls) in Uganda to access sexual and reproductive health and education services.

Immediate impacts

- Increasingly difficult for girls to access health services and products as well as the other services provided through the project including: counselling, life skills, antenatal care and connection with local health services.
- ACFID member local staff are under extreme capacity and financial constraints to meet community need.

Longterm impacts

Reduced access to sexual and reproductive health services leads to:

- Increasing stigma around access to abortion and flow on effects of decreased access
- Decreased maternal health and general population health and well-being
- Decreased education and school attendance, particularly for girls in disadvantaged communities
- Increased child malnutrition and child mortality
- Increased poverty and inequality, particularly in already disadvantaged communities and regions

A woman with short dark hair, wearing a maroon t-shirt, is smiling and looking towards the camera. She is positioned in front of a large number of bright orange shirts hanging on a rack. The background is filled with these shirts, creating a warm, orange-toned environment. A white geometric pattern, resembling a stylized globe or a network of lines, is overlaid on the bottom right corner of the image.

Impacts of the US Stop Work Order on local partners

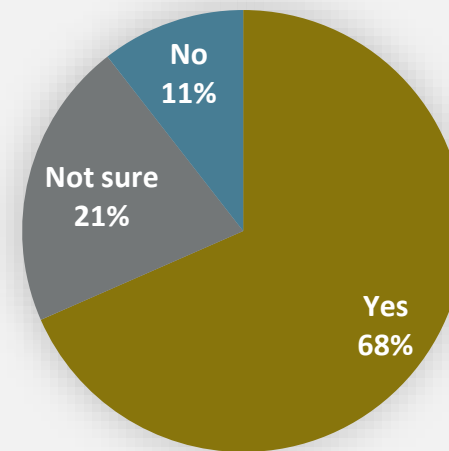


AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

ACFID members' partners affected by US Stop Work Order

- The majority of responding agencies (68%) anticipate their local and downstream partners are impacted by the USAID Stop Work Order.
- 21% are unsure, and 11% do not expect an impact.

% of responding agencies whose local partners are financially impacted by the US SWO



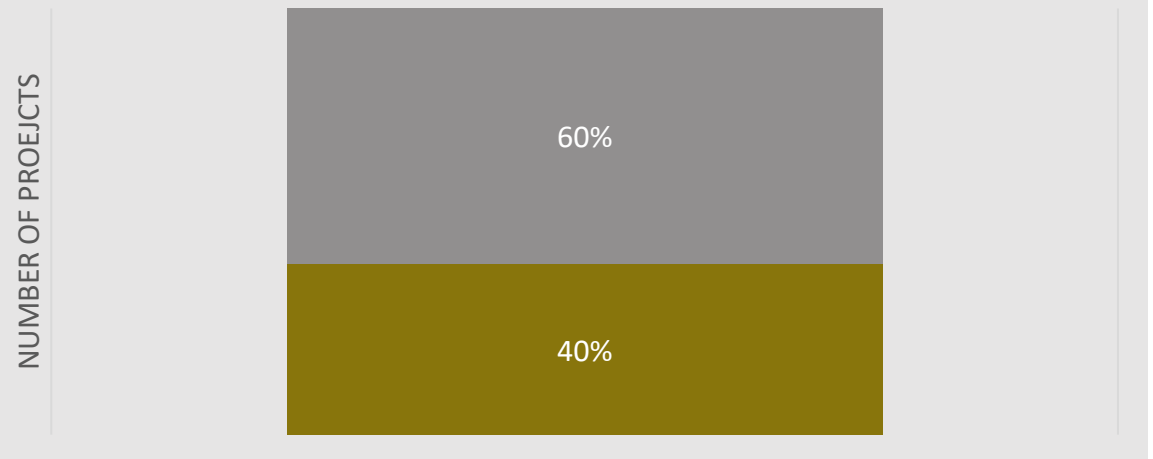
■ Yes ■ Not sure ■ No

US SWO impacts on projects

- Across responding agencies, ACFID members identified approximately 124 projects financially impacted by the USAID Stop Work Order.
- All impacted projects rely on local partners for implementation.
- The 124 projects impacted include:
 - 49 projects (40%) implemented by ACFID members together with local partners.
 - 75 projects (60%) separately receiving US funding, implemented by local partners of ACFID members.
 - In many instances US funding was ‘subsidising’ the implementation costs of other projects implemented by the partners (including Australian funded projects).

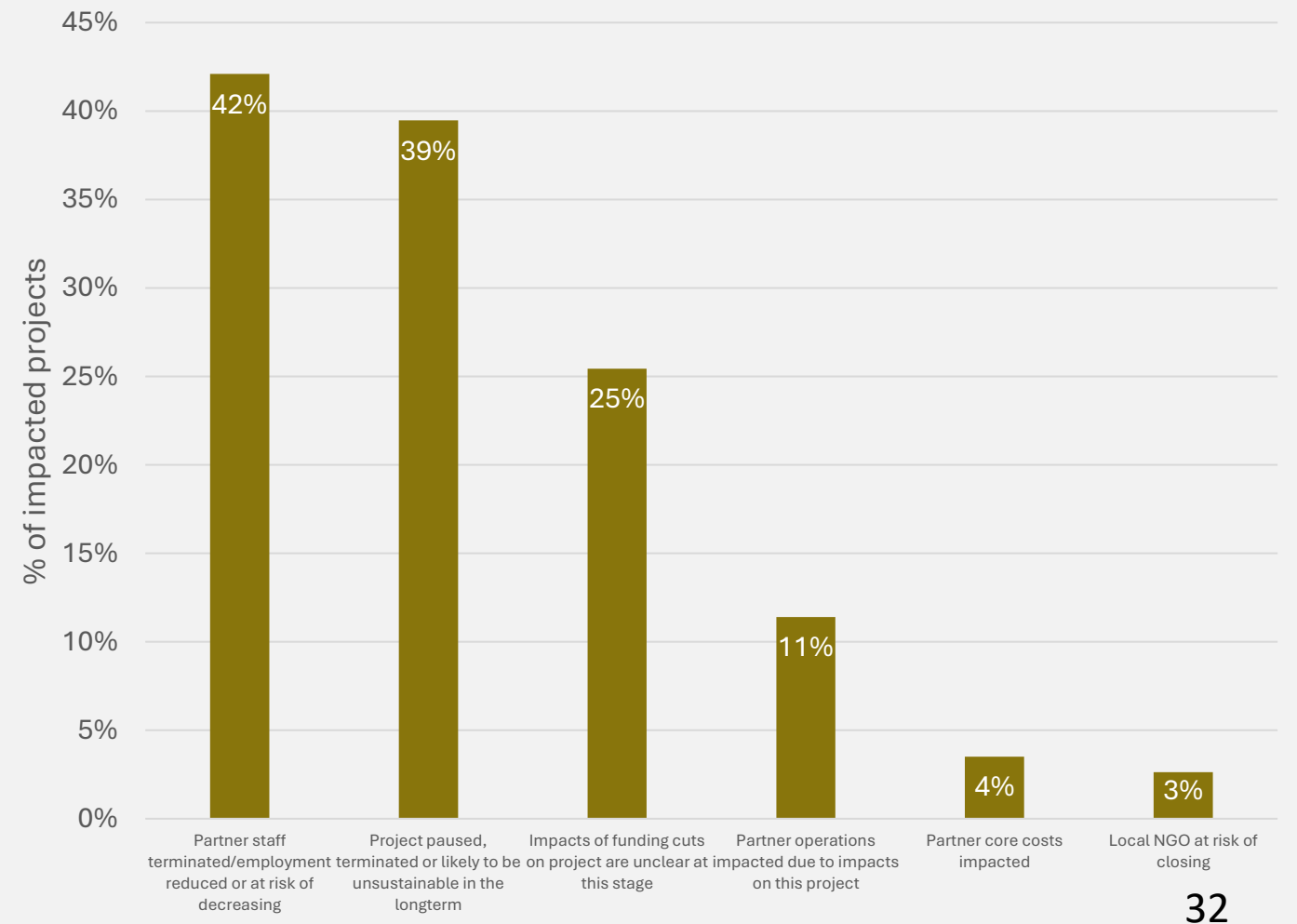
BREAKDOWN OF IMPACTED PROJECTS

- Where local partner is implementing separate US funded project
- Where local partner is implementing impacted ACFID member project



Impacts on local partners

- Impacts to local members and communities vary on a case-by-case basis, but broad themes emerged across responses.
- **Reduced capacity of local organisations to deliver development and humanitarian projects:** 42% of affected projects reported partner and/or local staff jobs at risk including being placed “on hold”, and contracts terminated or not being renewed. This means local organisations are operating under extreme capacity constraints and often unable deliver critical development and humanitarian assistance leading to long-term impacts in the communities in which they work.
- **Terminations/projects unsustainable:** 39% of projects have either been immediately paused/terminated or are unlikely to be able to be continued as a result of the USAID funding impacts.
- **Operational impacts:** Impacts on 11% of affected projects have extended across partner organisation operations beyond the project immediately at risk affecting other projects and the general operations of the organisation.



Examples of impacts on local partner organisations due to USAID cuts

Funding cuts and uncertainty resulting in **closure of local NGO**

Funding cuts and uncertainty resulting in **partner office closure**

Core funding significantly reduced (and flow on effects to broader operations)

Staff terminations (and flow on effects to families and communities)

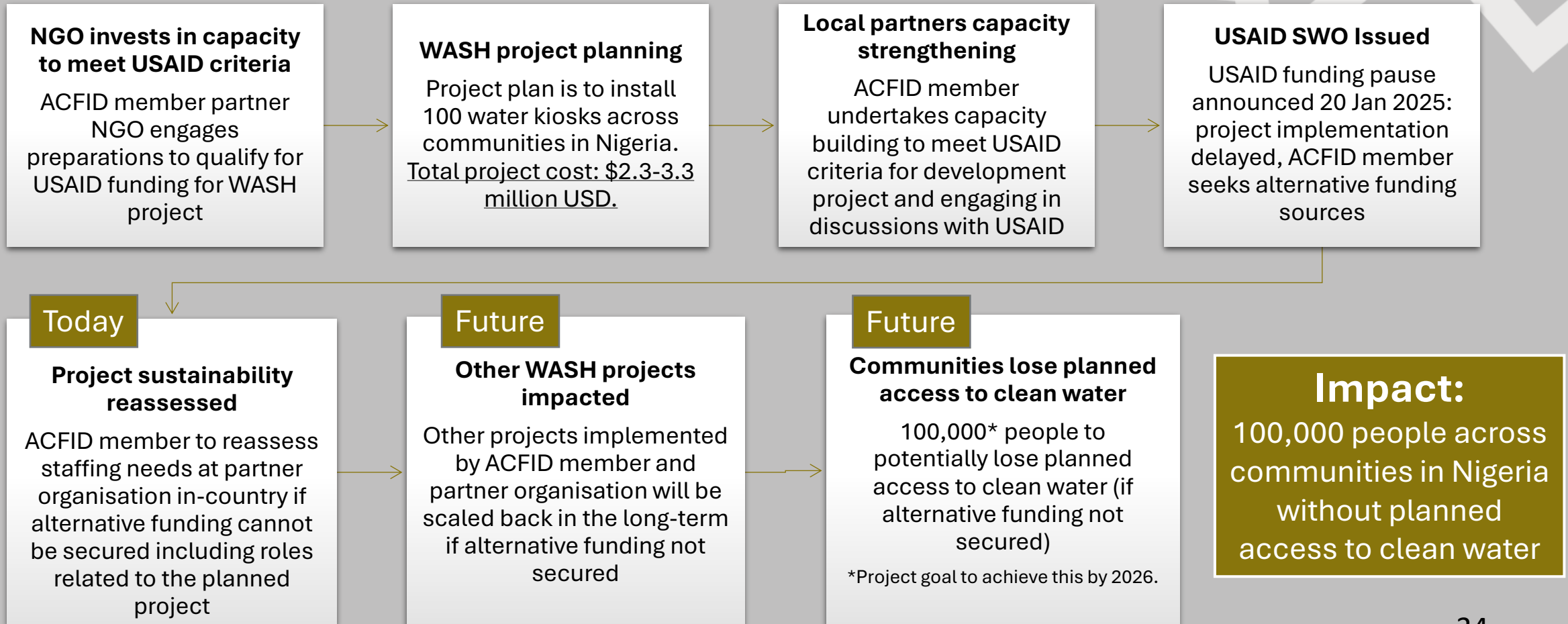
Operational disruptions (inability to implement planned activities, sustain staff)

Post termination complexities (ie interaction with local labour laws)

Potential loss of trust and support from local communities

Financial uncertainty (unable to plan future projects)

Example of US SWO impact on local partner WASH project in Africa



Where to from here? opportunities for Australia in a post-USAID world

Fill the gap where we can

Australia should seek to 'fill the gap' and restore Australian NGO and partner programs that have been terminated due to US funding cuts. This will save lives, enable program continuity ensure that development gains aren't lost, and cultivate valuable partnerships crucial to the effectiveness of Australia's development program and our diplomatic reach.

Rebalance the aid program to 'foundations of development'

The termination of USAID programs delivering foundational development programs has created a huge shortfall with some sectors including education and maternal and child health receiving cuts to over 90% of their budget globally. Australia should rebalance aid investments towards programs that focus on the foundations of development, particularly in areas where these programs have been cut.

Strengthen regional partnerships

A number of Australia's development partners in the region and globally are projected to lose over 90% of their USAID funding leaving the door wide open for other donors. Australia has an opportunity to protect development gains through increased investment while deepening its relationships in the region.


Leverage areas of existing expertise

Australia should deepen investment in development and humanitarian sectoral areas where we have technical expertise such as gender equality and healthcare. These investments will fill gaps, protect development gains and secure an out-sized impact for Australia's development program.




 acfid.asn.au

 advocacy@acfid.asn.au

 [/ACFID](https://www.facebook.com/ACFID)

 [/acfid](https://www.linkedin.com/company/acfid)

 14 Napier Close, Deakin, ACT 2600



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT