

Facts on Foreign Assistance Executive Order Pause and Review

Context: United States foreign assistance is paused until April 20, pending a review of all assistance programs. The vast majority of development and humanitarian programs are on orders to stop all work, and there will be no new requests for proposals during the review. A waiver was issued by Secretary of State Rubio for life-saving assistance on January 29, but it is still unclear exactly what is covered under the waiver. Clarification has yet to be communicated by Agreement Officers to partners, and partners cannot continue working until this is received.

- On January 20, the White House issued an Executive Order (E.O.) titled "Reevaluating and Realigning United States Foreign Aid." This E.O. mandated a 90-day pause in "foreign development assistance" pending a review of such programs by the Office of Management and Budget (OMB) and State Department.
- On January 24, the State Department issued a stop-work order for existing grants and contracts—funds that had already been awarded and were being implemented—with limited exceptions for military aid to Egypt and Israel, and emergency food assistance. Within hours, organizations began getting specific "stop-work" orders from the State Department and in subsequent days, from the U.S. Agency for International Development (USAID).
- On January 29, the text of an emergency humanitarian waiver dated January 28 was released allowing for the limited restart of "life-saving humanitarian assistance" including medicine, food, and shelter for both USAID's Bureau for Humanitarian Assistance (BHA) and State's Bureau for Population, Refugees, and Migration (PRM) programming. However, there has been no guidance to implementers of humanitarian assistance to provide clarity on how to implement this waiver. Thus, life-saving humanitarian programs remain stopped. Stop-work orders are still in place for all other development, global health, and life-saving activities.

Administration Foreign Assistance Pause E.O. and Stop-Work Order

Myth: Implementing partners are "over-interpreting" the E.O. and don't really need to stop work on programs.

Fact: Following the E.O. release by the President on January 20, the Administration imposed stop-work orders and took further actions preventing work on existing, previously approved projects. Implementers are deeply concerned about the children, families and communities that rely on program services for their survival and livelihood. We are eager to resume activities allowed under the emergency food exemption and humanitarian assistance waiver. However, three things stand in the way from existing work continuing. None leaves room for over-interpretation:

1. Stop Work Orders: Starting on Friday, January 24, the State Department and USAID began sending out individual stop-work orders to programs. A blanket stop-work order for all was issued Tuesday, January 28. The individual orders were not uniform in their format, language, or mode of delivery but all instructed implementers to "stop all work under the award(s) and not incur any new costs."

2. Provided Instructions included in the Lifesaving Assistance Waiver signed by Sec. Rubio on Tuesday, January 28: After the blanket waiver for “life-saving” assistance was announced, implementing partners received instruction from USAID that “until such time as the Suspension of Work is lifted by the Agreement Officer in writing, U.S. government (USG) funds may not be utilized to continue work.” NGOs are subject to the legal and financial realities of cooperative agreements. It is clear that if implementers restart activities without explicit and specific permission from USG, NGOs run the risk of being unwittingly noncompliant with the Executive Order and State Department guidance, essentially spending money they don’t have.
3. Program funds are not accessible: As of Tuesday, February 4, the Payment Management System (PMS)—which is how implementers draw down program funds—remains shut down. Even for program activities for which organizations have received permission to restart approved activities, they are unable to access obligated funds. Implementers have received no explanation for this nor have been told when PMS will be reopened or by what process.

Myth: Waivers have been provided for programs to resume.

Fact: Yes, there have been some waivers issued for humanitarian assistance and PEPFAR, but funding has not resumed and work has not restarted. Because the State Department has indicated that the waiver is not self-executing, implementers must wait for individual communications from their agreement officers before resuming work. On Friday, January 31, a small number of implementing partners received “Partial Suspension Notices,” which we believe function as waivers for certain activities as they exempt a list of emergency sectors from suspension (see below).

1. Emergency food assistance
2. Emergency health
3. Emergency logistics
4. Emergency nutrition
5. Emergency protection
6. Emergency shelter and settlements
7. Emergency water, sanitation, and hygiene

All these notices were for International Disaster Assistance-funded programs. As of Tuesday, February 4, InterAction has heard of only one or two waivers coming and work has not restarted. However, no further guidance has been provided as to the dimensions of these exemptions, nor has funding resumed through the Payment Management System for these exempted sectors.

ASK: All USG-funded foreign assistance projects should be allowed to continue operating while the 90-day review process continues. Until that is permitted, NGOs should be enabled to utilize waivers announced by the Secretary of State by making those waivers self-executing and issuing clarifications of which specific bureaus and programs are covered by them.

Myth: USAID and/or State have provided guidance on how to apply for a waiver to implementing partners.

Fact: Implementing partners have received no official guidance on how to apply for a waiver. Despite this, program staff are doing their best to work with staff at USAID and State to provide information on the impact and effectiveness of U.S. development and humanitarian programs. Guidance has also not been provided to Congress, despite requests for clarification by Members and staff.

Myth: PEPFAR is exempt from this pause.

Fact: PEPFAR is not exempt from the pause. On February 1, PEPFAR implementing agencies [received guidance](#) in a policy memo that some activities may be allowed to resume, but has not received further clarification on what constitutes “life-saving.” As of Monday, February 3, funding has not been released from the USG and the PMS issue remains.

Myth: USAID and/or State have held town hall meetings and/or outreach to implementing partners.

Fact: As of February 1, no USAID or State Department implementing partner has been invited to a town hall, implementing partner meeting, or other forum. Additionally, USAID staff have been directed not to communicate publicly or with those outside USAID.

Planned Assistance Review

Myth: NGOs don’t want scrutiny of foreign assistance.

Fact: For decades, the NGO community has pushed the U.S. government to make foreign assistance as effective and impactful as possible, including efforts to support the passage of the Foreign Aid Transparency and Accountability Act in July 2016. Organizations not only meet the requirements in their agreements with USAID for delivering assistance, but also work with Congress and the Executive Branch to improve accountability and transparency of their work. Foreign assistance reviews are a regular, important, and prudent exercise. NGOs welcome the opportunity to assess whether programs are effective, efficient, and in line with U.S. national interests.

ASK: However, a blanket stop work order on existing programs is unnecessary to conduct this review. It is also costly, disruptive, wasteful, and ultimately inconsistent with the foreign policy goals of the United States.

Cost of Assistance

Myth: Implementing partners are self-enriching and keep profits from government contracts and grants for themselves. Only a small portion of funding actually gets to those in need.

Fact: The majority of U.S. foreign assistance goes to help those in need. In fact, among the five largest non-profit implementing partners for USAID in 2024, an average of 88.8% of the funding they received was used directly for program services to support people and communities around the world. Partners of USAID are restricted in how much funding they can use for overhead expenses to

ensure money is going to where it is intended. Financial reports for all organizations can be found through independent monitoring organizations like Charity Navigator and GuideStar.

The notion that only a small portion of funding gets to beneficiaries is a misunderstanding of another statistic: approximately [10% of USAID funds](#) go directly to local organizations in the developing world to carry out life-saving programs. It is not the percentage of funding reaching actual people. The other 90% of USAID's budget is allocated to all of the goods and services that USAID, U.S. companies, and non-profit organizations (U.S. implementing partners) deliver to those in need, either directly or through subcontractors/subgrantees.

Within implementing organizations, some indirect/overhead costs are necessary to pay for staff; office space; computers; financial management, risk management, and due diligence systems; and other expenses that ensure the programs are efficient, effective, and accountable to U.S. taxpayers.

Myth: Implementing partners use money from USAID to lobby Congress for more money.

Fact: USG funding is [not used](#) by implementers to lobby Congress.