


US FOREIGN AID FREEZE

Key update, issues, and strategies
for NGOs and partners

Feb. 6, 2025

 **EXECUTIVE OFFICE OF THE PRESIDENT**
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
January 27, 2025
M-25-13
MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES
FROM: Matthew J. Vaeth, Acting Director, Office of Management and Budget
SUBJECT: Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs

The American people elected Donald J. Trump to be President of the United States. He gave him a mandate to increase the impact of every federal taxpayer dollar. In February 2025, the nearly \$10 trillion that the Federal Government spent, more than \$3 trillion of that was financial assistance, such as grants and loans. Career and political appointees in the Executive Branch have a duty to align Federal spending and action with the will of the American people, expressed through Presidential priorities. Financial assistance should be dedicated to Administration priorities, focusing taxpayer dollars to advance a stronger American economy, eliminating the financial burden of inflation for citizens, unleashing American manufacturing, ending "wokeness" and the weaponization of government, and Making America Healthy Again. The use of Federal taxpayer dollars in government, and green new deal social engineering programs, Marxist equity, transgenderism, and green new deal social engineering programs, that do not improve the day-to-day lives of those who pay the taxpayer dollars that does not improve the day-to-day lives of those who pay the taxpayer dollars.

Rubio Says He Now Runs Aid Agency, as Staff Are Blocked From Systems

Marco Rubio, the secretary of state, told reporters on Monday that he had taken over the U.S. Agency for International Development (AID) and delegate its day-to-day business to an as of yet unnamed individual.

 Share full article



By Michael Crowley, Karoun Demirjian and E...
Reporting from Washington.
Feb. 3, 2025 Updated 12:54 p.m. ET

Secretary of State Marco Rubio told reporters on Monday that he had taken over as acting administrator of the U.S. Agency for International Development (AID).

Musk Says Trump Wants to Shut Down U.S. Foreign Aid Agency

President Trump has stopped short of saying the U.S. Agency for International Development should be closed. Elon Musk's comments added to the questions surrounding its future.

 Share full article

 **USAID** | **WEST BANK/GAZA**
FROM THE AMERICAN PEOPLE

Implementing Partner Notice No. 2025-WBG-01

To: USAID/West Bank and Gaza (WBG) Implementing Partners
From: Daniel Harter, Supervisory Contracting/Agreement Officer
Date: January 25, 2025
Subject: 1. Executive Order: [Reevaluating and Realigning United States Foreign Aid](#).
2. Executive Order: [Ending Radical and Wasteful Government DEI Programs and Preferencing](#)

Dear Implementing Partners (IPs):

This notice serves as a two-part directive to all USAID/WBG IPs that requires your immediate action:

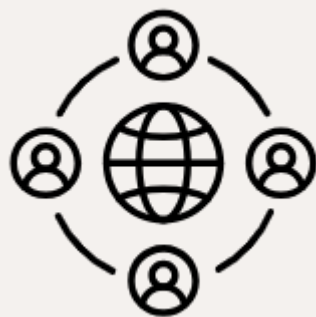
1. [Notice on Implementation of Executive Order on Reevaluating and Realigning United States Foreign Aid \(Please refer to Attachment No. 1\)](#)

First, this serves as a directive to immediately stop, cease, and/or suspend any work being performed under your respective contract, task order, grant, cooperative agreement, or other acquisition or assistance instrument.

Welcome



It's **urgent** AND still...
Best to be **calm** and smart.



You're not alone.
It's a wide, **global** net: \$70 billion.



Every situation can be **different** –
USAID letters vary.



Information is **changing rapidly**.
Just look back one week!

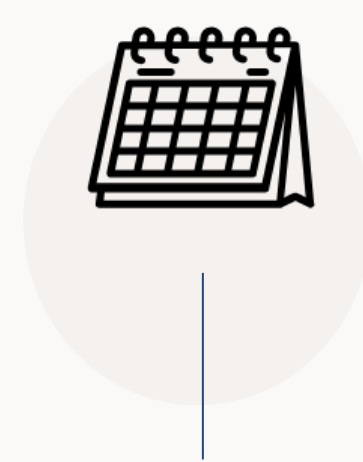
Keep in mind...



This isn't
legal advice,
but you may
need some.



Proceed
with caution,
care, and
patience.



What's
temporary?
What's
permanent?



Submit
your top
questions.

What happened?

JAN
20

EXECUTIVE ORDER + STATE + USAID

- Top USAID leaders suspended.
- Contractors laid off.
- 30 days: create review standards.
- Must complete review by April 19.
- Goals: "Effective," "not duplicative," "aligned" with Trump.

JAN
25

USAID ORDERS

- Stop work.
- Terminate all DEIA activities.



What's covered?

Initial State /
USAID stop-
work orders
**extremely
broad.**

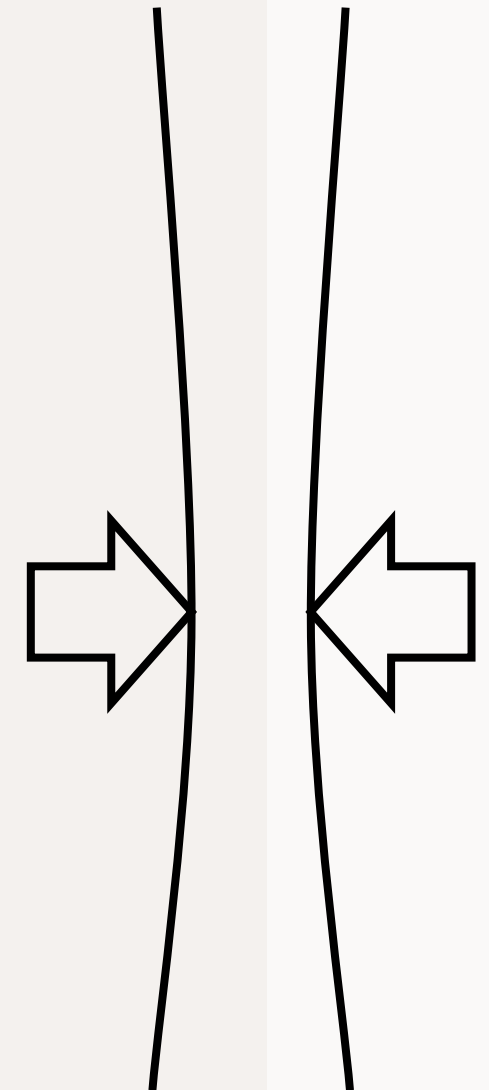
**Existing
awards:**
"Stop work
orders
consistent
with" award
terms.

**"No new
obligations,"**
NOFOs,
proposal
reviews.

What's not covered?

Allows only narrow exceptions:

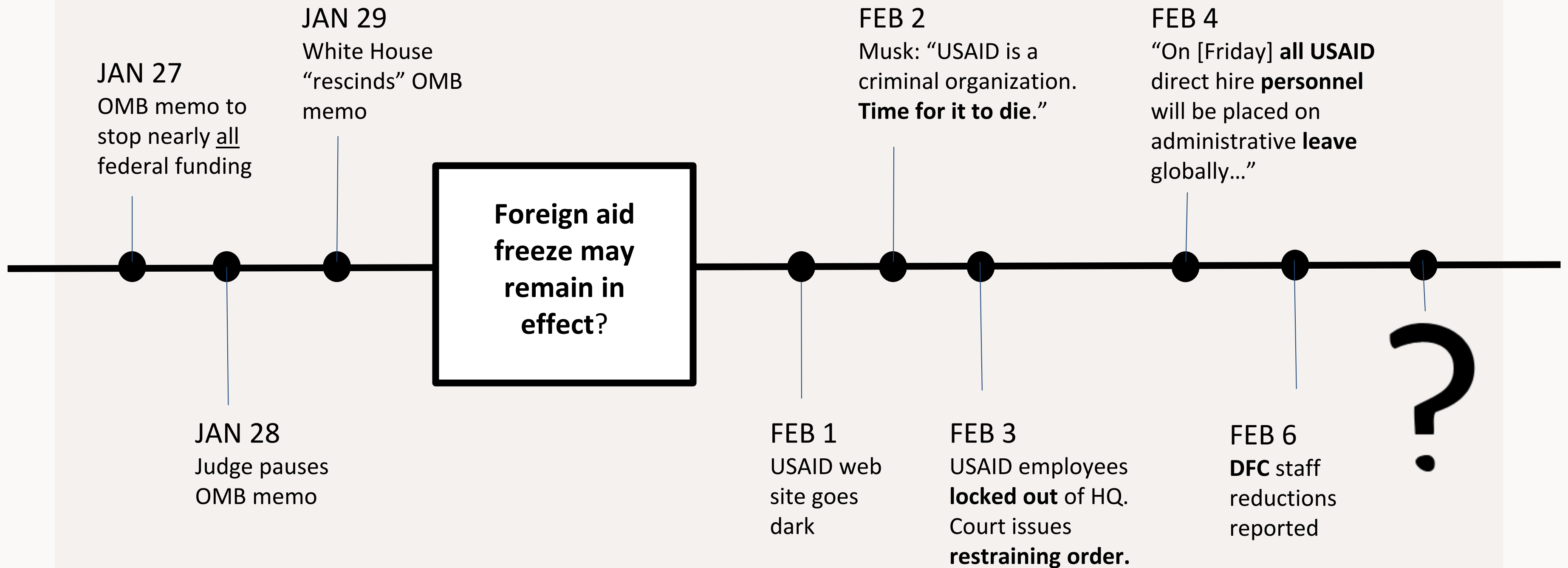
- * Israel/Egypt military aid.
- * Core lifesaving medical, food, shelter, and subsistence.
- * "Legitimate expenses" incurred prior to Jan 24.
- * "Legitimate expenses" to implement stop-work orders.
- * Waivers via undetermined process.



What did USAID WB/G say?

- Sent letters to individual NGOs.
- Some were asked to sign modified contract.
- Issued blanket Jan 25 USAID WB/G stop-work order.
- Take “all reasonable and appropriate steps to minimize” costs.
- Must issue 90-day stop-work order to sub-awardees.
- Confirm receipt to WB/G by email.
- Confirm cessation of DEIA by email.

And then what?



Loads of legal cases?

- Separation of powers under Constitution.
- Impoundment Control Act of 1974.
- What's "permissible by law?"
- Breach of contract?
- USAID employee rights?
- "Avalanche" of litigation?



Political state of play

- Democratic letters and protest at USAID.
- Thousands rally in Washington (Wed).

- Democratic Senators:
Hold all State nominees.
- BUT: President & SecState
sound aligned and
continue path.

I have authorized Peter W. Marocco, the Director of Foreign Assistance, and the individual to whom I have delegated authority to perform the duties of the Deputy Administrator of USAID, to begin the process of engaging in a review and potential reorganization of USAID's activities to maximize efficiency and align operations with the national interest. This review and potential reorganization will substantially further the foreign relations of the United States, and may include, among other things, the suspension or elimination of programs, projects, or activities; closing or suspending missions or posts; closing, reorganizing, downsizing, or renaming establishments, organizations, bureaus, centers, or offices; reducing the size of the workforce at such entities; and contracting out or privatizing functions or activities performed by Federal employees.

Israeli-Palestinian impact

PROGRAMS CUT

\$291m

Up to \$291m in
Israel / West Bank /
Gaza funds (2023)



Embassy /
OPA OK?

28

MEPPA PFP
grantees

~50

BREB
grantees

\$21.4m

in disbursements
at risk according
to ALLMEP survey

How it affects NGOs

- Direct impacts on grantees and projects.
- Salaries, rent, events, systems, outside contracts, line of credit, and relationships / trust.
- Downstream / ecosystem impact – partners and service providers.



How it affects NGOs

Examples of what we'd
lose:

ARAVA INSTITUTE

- 12 water / energy / food tech cooperation workshops.
- Farmer training for ag & environmental productivity.
- Social media task force WB tour.
- 60-expert cross-border initiatives.

WOLFSON MEDICAL CENTER

- Trauma surgeon collaboration.
- 300 doctors across Israel / WB / G.
- 93% want to continue.
- New grant expands to nurses.
- Zero private donor cost share.

Compliance and survival

- Top priority = **business continuity**.
- **Audit** / analyze cash flow.
- **Cut costs to survive** & mitigate damages.



- Consult **legal counsel** – US and local.
- Review / respond to stop work orders & regulations.
- Are your funds already “obligated?”

Compliance and survival



- What costs can't actually / legally suspend or mitigate?
- Document convos with AO/CO in writing.
- Be ready to finish project if / when order released.
- Manage team / partner concerns.

Explaining program impact

- Urgent national security impact – ceasefire.
- Aligns/supports President Trump's Middle East agenda.
- Counters violence & radicalization.
- Invests in economic growth with ROI.
- Helps end wars and make peace.
- Builds foundation for regional peace.



Explaining program impact

- Pragmatic, data-tested, and effective to work.
- Lessens US burden – empowers locals.
- Better life for Israelis and Palestinians.
- Unifies people at home and abroad.
- Pushes back Iran and outflanks China in the Middle East.



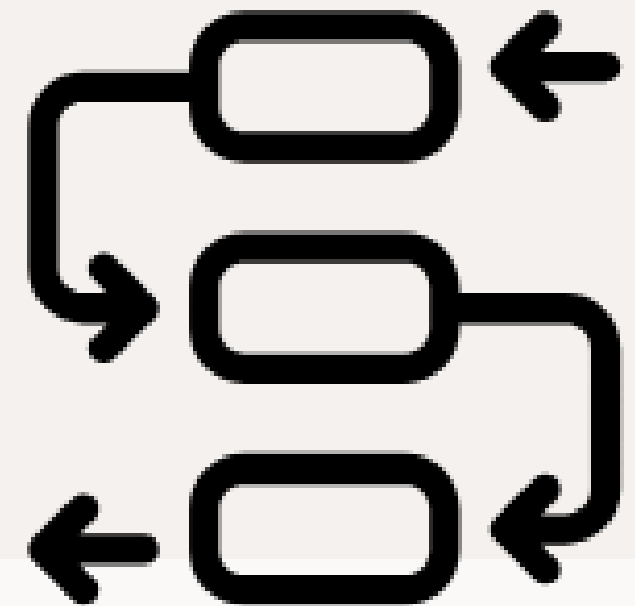
Key questions so far...

- Is foreign aid still frozen?
- Is MEPPA / Embassy accepting proposals?
- What costs are unavoidable?
- Continue US-funded project with private funds?
- Should we sign the certification?
- Should we sign a contract amendment?
- What happens if USAID closes?



What to expect next

- Clarification: Is USAID alive?
- **Legal** and **political** pushback.
- Further **notifications** to NGOs.
- More **guidance** / clarity / waivers.
- Submit for upcoming grant deadlines.



Principles for funders



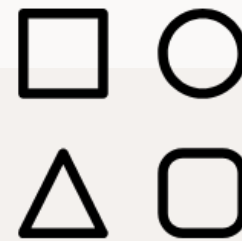
DO NO HARM

Be additive.
Grow the
pie.



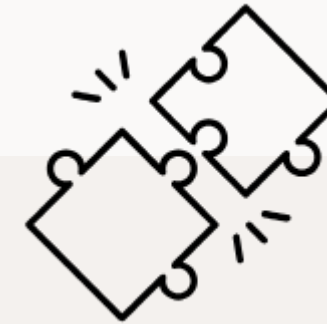
BALANCE

Maintain
balance in
the field.



FOCUS

Find your
slice – what
won't other
funds?



COLLABORATE

Coordinate
funders.
Connect
NGOs. Pool
funding?



STRENGTHEN

Be a source
of strength
and resolve.

What can funders do?

- Offer stopgap emergency funds for current & new grantees.
- Focus on maintaining infrastructure.
- Be flexible with funds and milestones / timelines.
- Offer advances on later payments.
- Convert restricted to general operating support.
- Spread the word – email / socials, host an event.

We need your help



POWER MAPPING

Where are your staff,
board, or donors
connected?



GATHERING STORIES

How will this affect
your operations?
Layoffs? Loss of
participants?

Questions?



Have more questions, ideas,
or contacts?

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