Key Points on USAID February 10, 2025

Today's Key Message

It now appears that USAID is the playbook for President Trump and Elon Musk's plan for a rapid and potentially illegal overhaul of the U.S. government. This is being done without Congressional approval and oversight required for those agencies codified by statute.

ASK: Congress needs to act now on USAID to signal that this approach to reform will not stand.

- With announcements over the weekend that the <u>Consumer Financial Protection Bureau</u> (CFPB) is facing similar destructive actions to those executed in an attempt to dismantle USAID over the last two weeks, and DOGE accessing at least <u>15 government agencies</u>, it is clear that USAID was just the first stop in this effort.
- It is widely acknowledged and understood that reform and change are necessary and good. This is not a reform effort. Rep. Bacon (R-NE) put it best in his comments to the Wall Street Journal this weekend: "They were funding a lot of stupid stuff that's a fact. But they're also doing a lot of good stuff too. So you don't want to throw the baby out with the bathwater. Instead of taking a sledgehammer, let's get out the scalpel." Congress needs to act now so that there is a foreign assistance infrastructure left to reform.
- There remains no clear guidance for USAID staff that have been kept on or whose access
 to government systems was reinstated due to the court order last week. There are now a
 few thousand staff back online, ready to work, but who have not received guidance on
 where to focus their working hours.
 - Meanwhile, staff need direction and a mandate to enact the urgently needed, life-saving work that the waivers, approved by Secretary Rubio, allow to move forward.
- Despite the return to work order, USAID staff have been told to remain at home on telework status as the "former USAID headquarters at the Ronald Reagan Building" and other USAID properties remain closed indefinitely.
- There also continues to be confusion on the status of waivers, rescinded funds, and contract and program terminations. Many of the contracts/programs that USAID missions have been told to terminate fall under congressional mandates such as audits and oversight programs, and therefore cannot be terminated without congressional approval. Staff are now being told to cancel these contracts and programs that are meant to help USAID be a good steward of taxpayer dollars.
- Congress has a choice right now: USAID needs Members of Congress to step in and stop the dismantling so that an effective assistance review can be undertaken, otherwise, take responsibility for the catastrophic consequences of these actions and the complete loss of development as a tool in the U.S. national security and foreign policy toolkit.

Current Impact

USAID's Structure and People

- The continued hollowing out of USAID expertise and presence around the world will have global ripple effects for years to come.
- On February 4, the entire USAID direct hire workforce globally was notified that they
 were on administrative leave indefinitely, and all "non-essential" Institutional Support
 and Personal Service Contractors—approximately 3,000 people—were "terminated." The
 administrative leave status for U.S. direct hire personnel (approximately 2,500 staff) was
 reversed by a court order on February 7, however, this hold will only remain in place
 until midnight February 14, with a longer term pause being considered in a hearing on
 February 12.
- USAID has more than 13,000 total employees worldwide, including direct hires (foreign and civil service), locally employed foreign service national staff, and contractors.
- USAID was founded by an executive order (EO) but was codified in statute by Congress and only Congress has the power to approve the modification/merger of USAID or its closure. This cannot be done unilaterally by the Executive Branch.

American Economy

- From farmers in Kansas to NGO workers in North Carolina, the Foreign Assistance Stop Work order is hurting American workers and the U.S. economy. The loss of USAID means U.S. states will lose an estimated \$3.34b in direct economic benefit.
 - See this State by State view of USAID's work
- Implementing partners, which include NGOs and development companies based across 42 states in the United States - will be facing mass furloughs or layoffs, and some may even have to close their doors entirely in the coming days and weeks.
- The current estimate is that these actions will result in an estimated 52,000 American jobs, and 100,000 global jobs lost. USAIDstopwork.com is tracking actual jobs lost, furloughed, and placed on administrative leave and have confirmed 10,758 people across 43 states to be impacted, and 51,848 global jobs confirmed lost.
- Title II emergency food and nutrition assistance, which constitutes the bulk of USAID's food assistance, is currently suspended. This suspension will drive more people into famine conditions, and impact the American farmers who grow the food, as well as the U.S. ocean freighters that ship these commodities around the world. American farmers supply over 40% of the food aid USAID delivers, and on average, the U.S. government purchases \$2.1 billion in crops from American farmers each year.
- More than 475,000 metric tons of American food commodities—valued at more than \$450 million—are currently scheduled or in transit and at risk of being wasted. This food, grown by American farmers in the country's heartland, is enough to feed more than 36 million people and includes corn and cornmeal, lentils, pinto beans, rice, sorghum, vegetable oil, wheat, and yellow split peas.
- In addition, more than 29,000 metric tons of food commodities—valued at nearly \$39 million—are sitting on the floor in USAID warehouses in Houston, Texas, unable to be loaded onto waiting US-flagged ships for transportation to hungry people abroad. Food is also waiting to be loaded at ports in Boston (MA), Chicago (IL), Lake Charles (LA),

Miami (FL), Newark (NJ), New York (NY), Norfolk (VA), and Savannah (GA). A continued pause will hurt the American shipping industry which handles the majority of USAID food commodities.

National Security

- USAID should be reformed to better align with an America First foreign policy agenda and adapt to a new era of strategic competition, but Elon Musk and Pete Marocco's actions are not doing this, they are robbing the United States of a critical soft power tool. Because many of those actions are sloppy, they are likely to end up costing U.S. taxpayers much more than an orderly reform process.
- In the absence of USAID leadership and influence, vulnerable people around the world will turn to others for help, not only China and Russia, but potentially violent extremist organizations.
- Dozens of embassies have been sending cables to Department of State headquarters
 detailing how this action to dismantle USAID and recall staff is a mistake, and a major
 threat to national security and U.S. diplomacy.
- USAID food aid supports national security by maintaining a strong U.S.-flag merchant fleet, ensuring sealift capacity for military operations, and sustaining the domestic maritime industry.
- America's Adversaries Cheer On USAID's Demise
 - Khmer Times Front Page Headline on February 7, 2025: <u>China provides \$4.4</u>
 million more in demining aid amid USAID funding freeze
 - Moscow Times Headline on February 6, 2025: <u>Russia Welcomes USAID Cuts, Calls Agency 'Machine for Interfering'</u>

Humanitarian Assistance

- On February 9th, the World Food Program announced that the recent pause of their in-kind food assistance purchased from U.S. farmers with Title II funds has been rescinded. This allows for the resumption of food purchases and deliveries under existing USAID agreements and for NGOs to continue to operate through this partnership.
 - While this is welcome news, this is only one instance among numerous programs and projects that remain in limbo on whether or not Congressionally appropriated funds for their activities will be unfrozen so that life-saving work can be resumed.
 - The delays and dysfunction in the waiver process continue to put people at risk and must be clarified immediately for USAID to resume its impactful work around the world.
- In Somalia, with the purging of USAID staff, there is more than \$400 million in USAID humanitarian funding that now lacks appropriate oversight, including for emergency food aid that is reaching over one million hungry people each month.
- Food assistance rations to one million refugees in Bangladesh could be severely reduced by April without new funds for humanitarian assistance.

- Flood affected areas in southern Pakistan, an important national security partner, where 12 mobile health units, providing services for approximately 740,000 people, including primary health and maternal newborn and child health care, are not receiving the care they need due to the freeze on foreign assistance funds.
- In South Sudan, there is approximately \$200 million in emergency food aid (Title II) and \$100 million in Commodity Credit Corporation (CCC) funding on the way or sitting in Mombasa, Kenya, to feed an estimated five million people, where 60 percent of the population is extremely food insecure. One in four children under five is suffering from severe acute malnutrition.

Health

- Cases of Ebola in Uganda have spread to seven confirmed cases from the initial two and are no longer being contained by American foreign aid and technical expertise. All 10 confirmed cases of Marburg virus (similar to Ebola) in Tanzania have died. Ebola and other related viruses can quickly spread to become another pandemic if USAID is not present. USAID was responsible for containing the 2013-2015 Ebola outbreak, preventing a global pandemic from occurring, and saving millions of lives.
- HIV/AIDS (PEPFAR):
 - Based on FY2024 dispensing data, 222,333 people pick up new supplies of ARVs every single day, 365 days per year. So, 222,233 people lose access to treatment every day that the stop work order is in effect. Of these, 7,445 are children under the age of 15 losing access to treatment for each day. (amfAR)
 - For each day pregnant women with HIV go without treatment due to the stop work order, there will be 1,471 new HIV infections among infants. They will likely go undiagnosed because infant HIV testing services are suspended. (amfAR)

Malaria:

- The abrupt suspension of USAID funding has immediate implications for life-saving programs worldwide. The "stop work" order affects approximately 1,400 activities across 133 countries and regions, including those under the President's Malaria Initiative. In 2023, this initiative delivered 37 million insecticide-treated bed nets, a critical tool in malaria prevention. The cessation of such programs threatens to reverse progress made in malaria control (Source).
- One implementing partner that receives USAID funding has more than one million insecticide-treated bed nets in a warehouse in Ethiopia that, along with antimalarial drugs and diagnostics, are going to waste because they are not allowed to deploy them anymore. (<u>Nature</u>)
- After one week of the freeze, 912,720 women and girls have been denied care, and after one month, the figure will reach about four million. Over the course of the full 90-day review period, 11.7 million women and girls will be denied essential care (Source: Guttmacher).