

### ABOUT THIS REPORT

#### Aim

This report aims to provide a national-level analysis of the implications of the US funding freeze and subsequent terminations of aid for the humanitarian context in Ethiopia to support understanding and decision-making.

#### Scope

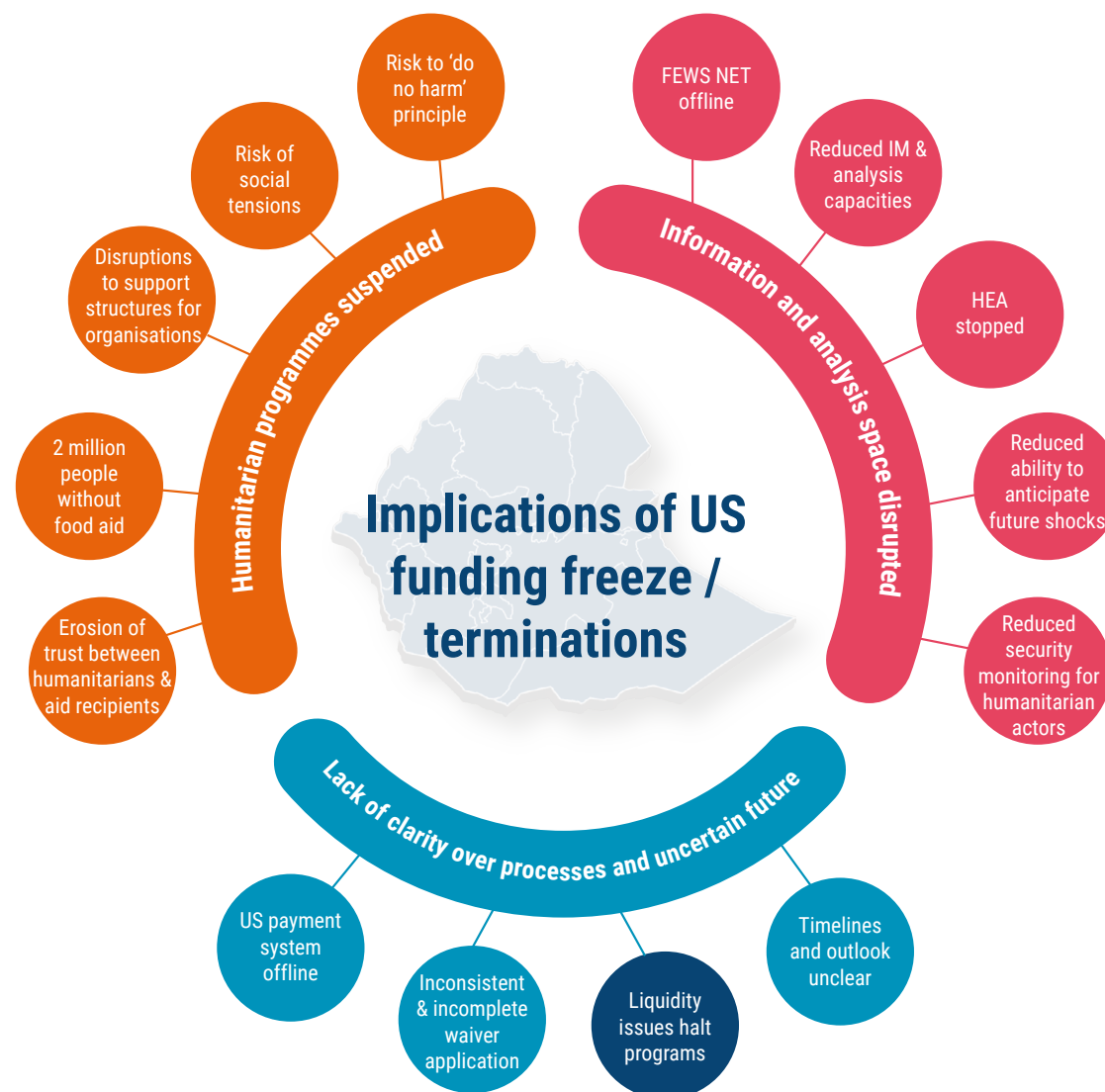
This analysis covers the broader national-level implications for the humanitarian response in Ethiopia. Comprehensive information on the number of people or programmes affected by the funding freeze and terminations is not available, and this analysis does not provide estimates of the number of people affected.

#### Methodology

This analysis is based on a review of available public and non-public information on the impact of the US funding freeze in Ethiopia, complemented by expert interviews with humanitarian responders in the country.

#### Limitations

The situation around the US funding freeze and grant terminations is rapidly evolving, both in terms of new developments related to waivers, US court cases, and USAID operations, as well as related to concrete impacts on humanitarian operations and crisis-affected people and the capacity of organisations to cope with the funding freeze and project terminations. Information on the impact on humanitarian sectors and specific organisations is also highly limited and only indicative. New information released after publication may invalidate parts of the analysis presented in this report. ACAPS encourages humanitarian responders to contact us with additional information not covered in this report at [info@acaps.org](mailto:info@acaps.org).



Source: ACAPS

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## KEY MESSAGES

- The inconsistent and incomplete application of waivers to the US funding freeze has severely disrupted humanitarian operations in Ethiopia, creating critical gaps in the delivery of life-saving assistance. This has led to situations where, for example, the waivers covered the distribution of food aid or the implementation of malnutrition treatments but not the costs to pay for warehouses or drivers (KII 26/02/2025 b; Devex 19/02/2025).
- Even for activities covered by waivers, US payments had not been processed until the end of February 2025, creating a liquidity crisis for many humanitarian organisations in Ethiopia and forcing them to stop US-funded programmes. For example, although a waiver for emergency food assistance applies, the Joint Emergency Operation Program (JEOP) has stopped distributions because of the inability to process payments, meaning that food remains in warehouses and cannot be distributed. Two million people in woredas with JEOP food distribution did not receive food assistance in February. Food distribution by WFP has continued, though the ratio of the package provided decreased from 80% in 2024 to 65% (Food Cluster 05/03/2025).
- The US funding cut has not only affected US-funded programmes but has also had wider implications for humanitarian operations in Ethiopia. For example, some organisations fund cross-cutting functions, such as critical security and administrative staff, through multiple grants; a reduction in US funding potentially affects projects funded by other donors. Complementarity and coordination between different projects and organisations at the implementation level also mean that even organisations and projects not funded by the US face the impact of coordination and implementing actors leaving the response space.
- The sudden nature of the aid freeze has led to programmes in Ethiopia being stopped without any lead time, significantly affecting organisations' ability to close projects in an ethical manner – e.g. by ensuring appropriate communication with individuals and communities benefitting from the projects. This risks doing permanent harm, jeopardises sustainability and the long-term impact of programmes, and disrupts relationships of trust between the humanitarian community and aid recipients in Ethiopia.
- The US funding freeze and terminations have directly affected providers of critical humanitarian information and information management (IM) services in Ethiopia. Especially considering that overall US humanitarian funding is likely to decrease in the coming years, the availability of humanitarian information for decision-making, including around prioritisation, is of critical importance for operational, programmatic, and strategic decision makers at all levels of the response.
- The constantly evolving situation means that the impact on the humanitarian response in Ethiopia needs to be continuously evaluated. At the same time, some stakeholders ACAPS spoke to mentioned increasing survey fatigue among responders with the

multiple surveys circulating at the global and country levels, highlighting the need for a consolidated and unified approach within the response regarding further data collection and analysis of the impact.

## CRISIS OVERVIEW

### Process confusion compounds humanitarian assistance programme disruptions from the global US funding freeze

On 20 January 2025, US President Donald Trump signed an executive order directing a 90-day pause on US foreign development assistance and a review of all foreign assistance programmes, including humanitarian assistance (WH 20/01/2025). From 24 January onwards, the US administration issued stop-work orders (SWOs) to current US grant recipients worldwide (CNN 25/01/2025). On 26 February, thousands of US-funded projects were terminated, including some that had received initial waivers to the SWO (Devex 26/02/2025).

The US administration also placed thousands of USAID staff on administrative leave, and USAID guidance on enforcing the pause and related waivers directed staff to restrict external communications to those essential for implementing the pause (USAID 10/02/2025; FedScoop 12/02/2025).

Legal challenges have led to uncertainty around the status of US aid, with the US administration repeatedly blocking or appealing initial court rulings ordering the unfreezing of funds (Devex 25/02/2025 and 27/02/2025).

### Uncertainties around the waivers, processing of payments, and grant terminations complicate aid operations in Ethiopia

On 28 January, US Secretary of State Marco Rubio issued an emergency humanitarian waiver for organisations to resume “life-saving humanitarian assistance”, which included “core life-saving medicine, medical services, food, shelter, and subsistence assistance, as well as supplies and reasonable administrative costs as necessary to deliver such assistance” (DOS 28/01/2025). Gender programmes and core sexual and reproductive healthcare, such as family planning, were explicitly excluded from the waiver. Notably, the waiver text did not refer to life-saving nutrition or protection assistance. There has been a high level of confusion and uncertainty regarding the applicability of waivers for specific cases and the definition of ‘life-saving’ activities (Forbes 31/01/2025; USAID 10/02/2025). Some organisations in Ethiopia have received waivers for US-funded projects, while others have not (The Guardian 21/02/2025).

Besides confusion around SWO exemptions, even for programmes that have received a waiver or that fall under the US Department of State’s definition of life-saving assistance, programme resumption has been affected by US payments to responders not being processed, forcing organisations to stop programme implementation owing to the lack of financial liquidity (KII 26/02/2025 b; Food Cluster 05/03/2025; Devex 17/02/2025; USAID 10/02/2025). The resulting confusion and delays have severely hindered operational planning and resource allocation, creating cascading disruptions that extend beyond US-funded programmes to the broader humanitarian response, which relies on predictable, coordinated funding flows and interconnected operational structures to effectively deliver aid and respond to evolving crises.

US grant terminations have also been fraught with uncertainties. Some organisations have received notices of grant termination that were later rescinded, adding to the overall confusion (KII 10/03/2025). On 10 March, US Secretary of State Marco Rubio announced that globally, 5,200 contracts (amounting to 83% of all USAID programmes) had been cancelled (CNN 10/03/2025). By mid-March, it remained unclear to what extent this figure includes contracts whose initial termination was revoked.

### Information gaps limit a detailed understanding of the impact

Precise information on the programmes, projects, organisations, and number of aid recipients in Ethiopia affected by the initial funding freeze and the termination of awards is currently unavailable. Considering the evolving situation and high levels of uncertainty around the applicability and interpretation of waivers, release of funds, and current lawsuits against the executive orders in the US, a comprehensive and precise picture of which programmes continue under waivers and which ones have been permanently terminated will take time to determine.

Despite the missing overall picture, given the scale of the award terminations and the high proportion and absolute amount of US funding to humanitarian operations in Ethiopia, the funding suspension is certain to have a significant immediate and long-term impact on crisis-affected populations across the country.

## BROADER IMPLICATIONS FOR THE HUMANITARIAN RESPONSE IN ETHIOPIA

### Potential funding implications

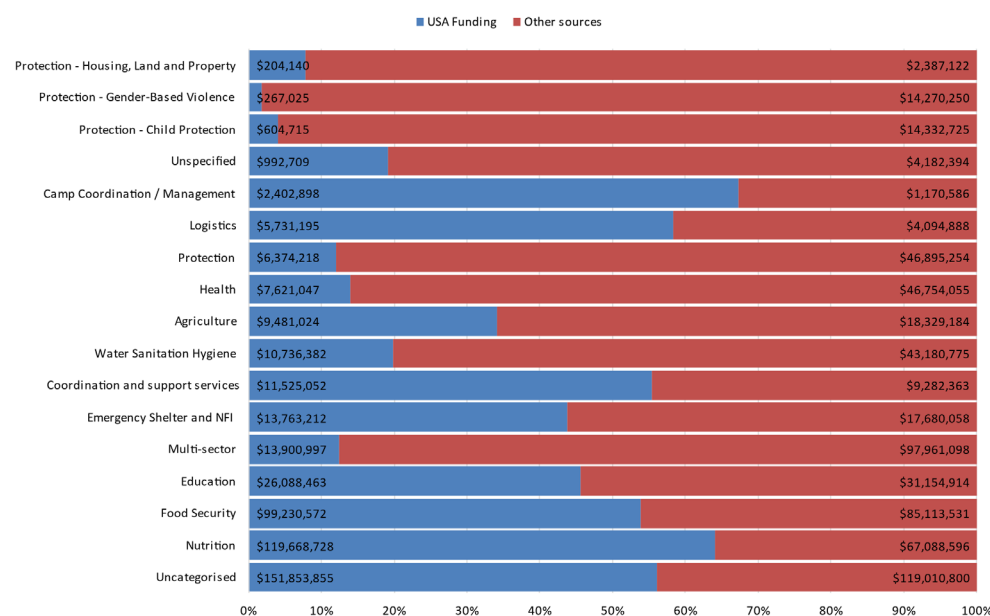
The US is Ethiopia's largest humanitarian donor, contributing approximately USD 806.5 million in humanitarian funding to Ethiopia in 2024, including USD 480.5 million recorded in the Financial Tracking Service (FTS) data (FTS accessed 12/02/2025; USAID 30/09/2024). According to the 2024 FTS, contributions by the US accounted for most (41%) of the country's total funding across all sectors that year; the next major contributors were the UK (14%), the EU (9%), Germany (7%), Sweden (3%), and Canada (2%).

### Analysis of Financial Tracking Service data

Food security and nutrition accounted for the largest share of US humanitarian funding to Ethiopia recorded in FTS in 2024. According to sector-specific contributions recorded in FTS, the nutrition and food security sectors received the most funding from the US, accounting for 25% (USD 119.7 million) and 21% (USD 99.2 million) of its total spending on Ethiopia, respectively (FTS accessed 12/02/2025). This prioritisation aligns with US contributions documented in USAID briefs which show that nutrition and food security accounted for the larger shares of the overall spending at 19.4% (USD 156.9 million) and 44.5% (USD 358.9 million), respectively (USAID 30/09/2024).

The FTS data is only indicative of the overall share of US contributions per sector, as some sectoral contributions likely fall under multisector or multiyear funding or are not categorised or captured in the FTS. Notably, the largest share (32% or USD 151.9 million) of overall US contributions in 2024 was uncategorised; this share made up 56% of all funding to Ethiopia that was uncategorised under 2024 FTS data. At the same time, 3% of its overall funding was categorised as multisectoral and unspecified. This suggests that overall US financing towards particular sectors could be higher than estimated given the limitations of available FTS data. Due to the discrepancies between data reported in the FTS and the US contributions documented in USAID briefs, it appears that not all US funding is captured within the FTS, further limiting the completeness of the analysis. Additionally, multi-year funding may also not be reflected in the FTS totals for 2024.

Figure 1. Distribution of US humanitarian funding to Ethiopia compared to other donors across all sectors in 2024



Source: ACAPS using FTS data accessed on 12/02/2025

### Coordination, security, and humanitarian information

**The funding freeze will potentially lead to a shrinking of the humanitarian information space in Ethiopia, reducing the availability of crucial information and analysis for humanitarian decision-making.**

The FEWS NET website, a BHA-funded project, has been offline since the end of January, with no information available on when or if it would be reinstated (The Guardian 31/01/2025; FEWS NET accessed 19/02/2025). Past FEWS NET publications and data remain available on third-party websites, such as ReliefWeb and Humanitarian Data Exchange.

In the absence of an IPC process in Ethiopia, FEWS NET had been a key non-governmental source of information and analysis on food security, livelihoods, agriculture, and seasonal patterns in the country. A permanent termination of its work would significantly reduce the evidence base for decision-making. At the same time, seasonal assessments through the

Household Economy Approach, which provided further data on food insecurity, were US-financed. While the latest Meher seasonal assessment was completed before the SWOs took hold, there are concerns over future gaps in food security data and the understanding of food insecurity across the country (Food Cluster 05/03/2025).

iMMAP Inc., which has been a key stakeholder of OCHA in providing IM services to clusters, has received global SWOs (iMMAP accessed 17/02/2025; iMMAP 12/02/2025). This interruption of IM services and related capacity-building risks disrupting the quality and regularity of reporting and crucial information flows.

**The reduction of available information and disruption of IM capacity will likely lead to significant reductions in the ability of stakeholders to coordinate.** Effective humanitarian coordination depends on the collection and sharing of information. Coordination and IM positions in national and subnational clusters in Ethiopia have been affected by the funding freeze (KII 26/02/2025 b; KII 10/03/2025). It is unclear to what extent these positions will be permanently reduced or if they can be sustained through other funding streams. Reductions in IM and coordination capacities risk creating duplication of efforts.

The US provided 56% of the funding for coordination and common services recorded in the FTS for Ethiopia in 2024 (FTS accessed 12/02/2025). The decrease in US funding affects organisations' **capacity to participate in joint activities, such as joint assessments**, and to access and produce evidence for advocacy (KII 07/03/2025).

**The safety and security of humanitarian staff across Ethiopia depend on the effective collection, sharing, and management of security-related information.** In the absence of the International NGO Safety Organisation in Ethiopia, many organisations depended on USAID's Partner Liaison Security Operations, which provided security-related updates and context analysis. This service has been stopped, making it more difficult for humanitarian organisations to anticipate and mitigate security risks (KII 26/02/2025 b).

## Disruption of project implementation

For organisations with multiple donors, different projects often contributed to the overall functioning of the organisation's programming in the country, co-funding positions such as finance, admin, logistics, and security (KII 26/02/2025 b). This means the termination of US funds will also affect the implementation of projects funded by other donors. When organisations scale down due to the funding freeze, they may be forced to cut critical staff, including technical and field experts (KII 10/03/2025). This could lead to programme closures, reduced intervention areas, and in the worst case, the shutdown of organisations, creating gaps in interventions, data collection, analysis, and coordination.

## The Productive Safety Net Programme and disaster preparedness

The US Government, through USAID/BHA, is the largest bilateral donor of the Productive Safety Net Programme (PSNP), a government-led social protection scheme launched in 2005. The PSNP provides direct cash assistance to eligible individuals, either unconditionally or through participation in public works. The PSNP is a resilience-building social safety net, not an emergency life-saving program, aimed at helping people vulnerable to food insecurity with food or cash (TNH 28/03/2024). The current round, which began in 2021, targets approximately eight million people (US Embassy in Ethiopia 30/12/2024; SPEC accessed 21/02/2025; IFPRI accessed 21/02/2025; TNH 28/03/2024; ENA 29/03/2021). It is not clear if US support to the programme has been terminated.

The current round of the PSNP was planned to last five years, and months of support provided had already shortened from six to four prior to the US funding freeze, while inflation has further eroded the real value of cash assistance. By the end of September 2024, the inflation rate was 17.5% (TNH 28/03/2024; NBE 11/2024). If PSNP funding is reduced, it will leave recipients with even less assistance. As a result, recipients may struggle to meet basic needs, leading to increased food insecurity and forcing people to rely on coping strategies with potentially harmful outcomes, such as reducing meals, selling assets, or taking on debt.

USAID also supported disaster preparedness, response, and management in Ethiopia. Efforts included enhancing access to early warning systems, climate information, and disaster management plans, through which households and communities could be more resilient in facing future shocks (DOS 20/01/2025). The reduction of such projects could make communities less prepared for and less resilient to future disasters, increasing humanitarian needs once they occur.

## Accountability to affected populations

**The sudden halt to US-funded humanitarian programmes under the SWO has led to humanitarian organisations in Ethiopia having to close down projects in very short time frames without being able to follow considerations for an ethical programme closure** (KII 06/02/2025; KII 07/03/2025). For example, mental health and psychosocial support (MHPSS) programmes normally use exit strategies to ensure adequate communication with patients receiving mental health support, and sudden project closure risks causing harm to patients (The Guardian 21/02/2025). There is evidence that news about the US funding freeze and SWOs have increased feelings of hopelessness and being abandoned among crisis-affected people (KII 13/02/2025). For people relying on humanitarian support, a sudden stop to assistance means not having time to plan for potential coping strategies (IFRC 16/08/2021). The vulnerability to shocks of crisis-affected communities will be heightened when assistance is suddenly reduced or removed.

It also puts the sustainability of the programme at risk – for example, if there is no clear plan in place to hand over project components, such as facility or infrastructure maintenance, to the community (IFRC 16/08/2021).

**The US funding freeze risks disrupting relationships of trust between crisis-affected people and the humanitarian community**, particularly in cases of sudden or unethical project closures necessitated by the unexpected halt in funding, which risks undermining accountability to affected populations (KII 26/02/2025 a; KII 10/03/2025; KII 07/03/2025). This underscores the importance of upholding the humanitarian principle of ‘do no harm’ even in the context of donor-driven funding suspensions (IFRC 16/08/2021; KII 06/02/2025; KII 10/03/2025).

The funding cut also affects the work of organisations not funded by USAID, as community members urge them to fill gaps left by suspended assistance, prioritising urgent needs such as food and healthcare programmes (KII 26/02/2025 b). This may further increase the risk of disrupting relationships of trust and community acceptance of humanitarian responders.

**The sudden nature of the funding freeze also risks causing social tension.** For example, in the case of food assistance in northern Ethiopia, food aid distribution through WFP continues while the inaccessibility of payments has stopped distribution through JEOP, risking tensions between aid recipients (Food Cluster 05/03/2025).

### Impact on national and local organisations

The impact of the funding freeze on national and local NGOs and civil society organisations (CSOs) has not yet been mapped out, and information is highly limited. Media reported that 85% of CSOs have halted operations following the funding freeze and that some CSOs received up to 70% of their funding from USAID (The Reporter 01/03/2025). Local organisations are implementing stakeholders of the UN and INGOs and have also received direct US funding (KII 26/02/2025 b). Local capacities built through localisation processes and collaborations between international organisations and local implementing partners are at risk if local NGOs do not have alternative funding streams (KII 10/03/2025).

Local NGOs mostly focus on funding from donors outside of the country, as well-structured and consistent philanthropy is not common in Ethiopia (IU Lilly Family School of Philanthropy 2021).

### Government capacity and impact on development, peace-building, and promotion of democracy

It is unclear to what extent the freezing of bilateral aid has directly affected the Government of Ethiopia (GOE). The below-cited information about cuts in the health sector is currently the only available government statement on how the aid freeze has affected its capacities. Besides humanitarian assistance, the US, through the Department of State, also supported the advancement of democracy, human rights, and conflict mitigation. The US Embassy further supported programmes sustaining investigative journalism and countering misinformation (DOS 20/01/2025). It is unknown if any of this support will continue.

In fiscal year 2024–2025, 54.8% of Ethiopia’s food security budget and 8.5% of the country’s overall budget are expected from external loans and international assistance, and a large portion of the aid comes from countries that include the US and multinational institutions such as the UN (UNICEF 2024; EEA 03/2024).

### POTENTIAL HUMANITARIAN IMPLICATIONS

This part of the analysis is based on USAID’s multisectoral support in 2024 and how the sudden discontinuation of funding is likely to affect the respective sectors in the response. With human-made and natural hazards such as conflicts, earthquakes, and seasonal floods driving humanitarian needs, and with the humanitarian situation unlikely to improve, the reduction of US support will further strain the already overstretched response. In fiscal year 2024, USAID, under USAID/BHA and the Department of State Bureau of Population, Refugees, and Migration (STATE/PRM), provided a total of USD 806.5 million in funding for the response in Ethiopia (USAID 30/09/2024). This scale is difficult to replace.

### Health

The funding freeze is expected to severely affect Ethiopia’s healthcare service provisions, although the overall scale of the impact on the health sector remains unclear. The disruption of health service funding will likely cascade into worsening humanitarian needs, straining the fragile health system and deepening vulnerabilities for communities with limited healthcare access. Although the waiver on 28 January granted the continuation of life-saving healthcare, it is unclear what programmes it applied to, and to what extent liquidity issues prevented programme continuation (DOS 28/01/2025; KFF 03/02/2025). In 2024, USAID/BHA provided around USD 22.2 million, including over USD 7.6 million tracked by the FTS, for health services. In the same year, USAID/BHA supported 14–17 organisations, including NGOs and UN agencies providing critical healthcare services in Ethiopia (FTS accessed 12/02/2025; USAID 30/09/2024).

The suspension of health programmes will likely severely affect communities' access to healthcare. Halting programmes such as vaccine rollouts, the provision of essential medicine and medical supplies, and disease prevention and mitigation efforts could also reverse decades of progress in controlling infectious diseases and ensuring HIV treatment access (Addis Insight 05/02/2025; The Guardian 21/02/2025; ICG 03/03/2025).

**HIV:** the US President's Emergency Plan for AIDS Relief (PEPFAR) was granted a limited global waiver on 1 February to continue life-saving HIV treatment services (KFF 03/02/2025; DOS 01/02/2025). It is unclear to what extent PEPFAR's programmes have continued in Ethiopia. National NGOs working on HIV reportedly received SWOs, leading to staff contract terminations in February (UNAIDS 05/02/2025; KFF 03/02/2025; NPR 26/02/2025). Other PEPFAR services, such as cervical cancer screening, PrEP (other than for pregnant women), and services for orphans and children, have not been covered by the waiver.

If US support is discontinued, Ethiopia's national HIV response will likely be particularly affected, with at least 503,000 people at risk of not receiving assistance (UNAIDS 05/02/2025). Within weeks of halting HIV medication, a person's health deteriorates, as the virus will start to replicate and attack the immune system, increasing vulnerability to AIDS and other infections (NPR 26/02/2025; MSF accessed 04/03/2025). The freeze in funding will also affect community programmes and drop-in centres providing services such as pre-exposure prophylaxis for HIV prevention and screening for tuberculosis, sexually transmitted infection treatment, and health outreach and education. It will stall critical services for women, young girls, and populations in need of HIV services (UNAIDS 05/02/2025).

**Healthcare system capacity:** on 31 January, the MOH ordered health bureaus to pause all activities and payments to employees hired by the US Government following the termination of US funding (The Guardian 21/02/2025; Addis Insight 05/02/2025; AllAfrica 05/02/2025). This stands to affect over 5,000 public health workers who support Ethiopia's national HIV response under US-funded programmes (UNAIDS 05/02/2025). The sudden loss of a significant number of personnel highlights a cascading effect that is likely to affect service delivery and access to healthcare, further compounding health risks. The pause will likely slow down efforts to build capacity. For example, a five-year project aimed at training doctors, nurses, midwives, and surgeons was stopped (The Guardian 21/02/2025). A reduction in trainees and health professionals would likely result in a reduced number of advanced clinical staff who would be able to address health emergencies.

**Cholera:** Ethiopia is currently facing a cholera outbreak that has resulted in over 27,000 cases and 260 deaths in 2024 alone. The outbreak remains active in Afar, Benishangul Gumuz, Gambela, Oromia, and Somali regions, with recent reports of cases in Amhara (Health Cluster 24/01/2025 and 26/02/2025; IMC 28/02/2025; ECHO 10/03/2025). The scaling down of WASH interventions would likely increase the prevalence of cholera and other waterborne diseases, as communities resort to using unsafe water sources, lack water treatment chemicals, and

revert to open defecation practices, due to full latrines and absence of service providers. These impacts would likely be especially severe in conflict and drought-affected areas with limited government intervention, and in overcrowded displacement sites where water scarcity, poor sanitation, and malnutrition compound health risks (KII 10/03/2025).

**Malaria:** with malaria cases significantly increasing, the discontinuation of any effort to curb the spread will likely aggravate the impact of the disease. The US President's Malaria Initiative has been supporting the malaria response in Ethiopia since 2008 (DOS 20/01/2025). It is not clear if the initiative has continued. Malaria cases surged in the country in 2024, reaching the highest number in seven years (WHO 31/10/2024). In January 2025 alone, more than 774,100 cases were reported, with high caseloads in Oromia, Amhara, South Ethiopia, and Benishangul Gumuz (Health Cluster 26/02/2025).

## WASH

Despite life-saving WASH activities being covered by the waiver, there is no clarity as to which programs are deemed "life-saving" (DOS 28/01/2025; KII 10/03/2025). As a result, uncertainty persists, as some waivers granted to organisations have been cancelled and later reinstated. This uncertainty has prevented even those with active waivers from restarting programmes (KII 10/03/2025). Impacted organisations include INGOs, UN, and local organisations, some working in large IDP sites or in places with frequent cholera outbreaks (KII 10/03/2025). Affected programmes, including IDP assistance, have been disrupted. For example, an organisation providing clean water to over 100,000 IDPs in Tigray reportedly has ceased operations due to the funding freeze (The Reporter 01/03/2025). In 2024, the USAID/BHA provided around USD 27.4 million, including over USD 10.7 million recorded in the FTS, for WASH programming (FTS accessed 12/02/2025; USAID 30/09/2024). In the same year, the USAID supported around 22–28 organisations, including NGOs and UN agencies in the WASH sector, in both direct service delivery and broader coordination and response frameworks. Areas of support include providing safe drinking water for people in need, rehabilitating water systems destroyed by conflict, promoting hygiene awareness, and training Ethiopian health workers to prevent and treat suspected cholera cases (USAID 08/01/2024 and 30/09/2024).

Various conflicts and natural hazards, such as drought and flooding, have caused damage to WASH infrastructure in the country, limiting access to safe drinking water, sanitation, and hygiene in homes, schools, and healthcare centres (Health Cluster 06/08/2024). WASH service disruptions would likely set back progress made towards the rehabilitation of water systems, which could prolong related risks to affected populations. Half of Ethiopia's population lacks access to safe drinking water services, and 90% are without basic sanitation, including water supply, sewage, and waste disposal. 92% of households do not have access to handwashing facilities with soap and water (GOE 07/02/2023).

## Food security and agriculture

Even though life-saving food assistance was exempted from the SWO, operational challenges, such as a nonfunctional payment system, have led to a partial disruption of food assistance (DOS 28/01/2025; Food Cluster 05/03/2025; KII 26/02/2025 b).

Food assistance in Ethiopia is distributed through the GOE's Ethiopia Disaster Risk Management Commission (EDRMC), WFP, and JEOP (OCHA 28/06/2024). Since February, **food assistance through JEOP has stopped**, affecting around two million people, while in January, only around 75% of the targeted population received food (Food Cluster 05/03/2025). The suspension is a result of JEOP's inability to access payment for distribution, as USAID/BHA is the only donor of the consortium (Food Cluster 05/03/2025; KII 26/02/2025 b). The liquidity issue caused by the payment system not functioning is currently impeding the capacity to operate (Food Cluster 05/03/2025). With payments unavailable, food remains stuck in warehouses, with the risk of looting or spoiling (Food Cluster 05/03/2025; KII 26/02/2025 b; The Guardian 21/02/2025).

**In woredas targeted by EDRMC and WFP**, food distribution has continued, though WFP has reduced the ratio of the food package in its designated woredas to 65%, down from 80% (Food Cluster 05/03/2024). As USAID's payment system remains offline, WFP is currently unable to buy more food once the existing supplies across the country are depleted (Food Cluster 05/03/2025; The Guardian 21/02/2025).

This disparity in food assistance, with JEOP-supported woredas not receiving food aid while WFP and EDRMC-supported woredas do, risks causing social tensions (Food Cluster 05/03/2025). This may also jeopardise the work of WFP, besides endangering food aid recipients' and aid workers' safety as well.

In 2024, USAID/BHA provided around USD 358.9 million, including over USD 99.2 million recorded in the FTS, for food security to WFP and JEOP (FTS accessed 12/02/2025; USAID 30/09/2024). The funds assisted with providing emergency food assistance to at-risk populations, including refugees, in the form of in-kind food assistance, cash assistance, and nutrition support (USAID 30/09/2024).

As they face different crises, groups most vulnerable to food insecurity include women, children, IDPs, refugees, older people, and people with disabilities (Health Cluster 06/08/2024). With the interruption of food assistance, a large number of people would likely be at risk of increased food insecurity.

USAID also worked with the GOE to improve the agriculture sector. In March 2024, together with the GOE, USAID launched projects that aspired to increase income and decrease the malnutrition rate in Ethiopia, including a programme providing quality seeds across 20 woredas (US Embassy in Ethiopia 07/03/2024). The February–May period marks the Belg season, a major grain-growing period when regions such as Afar, Somali, and parts of Amhara, Oromia,

and Tigray receive rainfall, supporting the planting of cereals, pulses, and oil crops (FEWS NET 19/02/2024; MOA 28/03/2024). The discontinuation of technical support, input support, and financing could disrupt plans for the Belg season planting, leaving targeted farmers without the expected assistance – reducing harvest yields, weakening household food security, and increasing reliance on emergency assistance.

Such programmes aim to reduce aid dependency and build resilience, and their abrupt discontinuation would likely increase the number of food-insecure people (KII 26/02/2025 b).

## Livelihoods

The SWOs and project terminations have implications for community livelihoods, as many organisations employed Ethiopian staff members who supported their households through humanitarian work (KII 13/02/2025; Ethio Negari 05/02/2025). The MOH has terminated the contracts of around 5,000 public health workers and around 10,000 data clerks whose salaries were supported by US funding (UN 07/02/2025; The Guardian 21/02/2025; Addis Insight 05/02/2025). There are currently no estimates on how many people working for humanitarian organisations or US-funded government programmes have been terminated.

The employees of aid organisations affected by the funding freeze will face unemployment and have reduced purchasing power, leading to economic hardship for their families and broader negative impacts on community livelihoods and businesses that rely on their income.

## Nutrition

Some providers of nutrition services have received bilateral waivers and resumed their programmes, while others have yet to restart (KII 26/02/2025 b). Most nutrition interventions in Afar, Amhara, Oromia, Somali, and Tigray regions have ceased. The pipeline for ready-to-use therapeutic food (RUTF), used to treat malnutrition, is expected to break after May 2025, which would affect over 654,000 severely malnourished children. In 2024, USAID/BHA funded 90% of RUTF distributions for severe acute malnutrition treatment in Ethiopia. The delivery of nutrition supplies to support over 122,000 moderately malnourished children and over 308,000 pregnant and lactating women has also been put on hold (Nutrition Cluster 12/03/2025).

In 2024, USAID/BHA provided around USD 156.9 million, including over USD 119.6 million recorded in the FTS, for nutrition programming (FTS accessed 12/02/2025; USAID 30/09/2024). Working with around 18–19 stakeholders, USAID/BHA and STATE/PRM provided assistance in the nutrition sector, including for refugees in Gambela and Afar, focusing on reducing malnutrition-related diseases and deaths by preventing, identifying, and treating acute malnutrition in children and pregnant and lactating women (USAID 08/01/2024 and 30/09/2024).





Climate shocks, conflict, disease outbreaks, and poor access to health, nutrition, and WASH services drive malnutrition in Ethiopia (Nutrition Cluster 20/02/2024). Across different regions, acute malnutrition rates among pregnant and lactating women and children under five remain high (WFP 18/07/2024). Of the two million children ages 6–59 months screened across the country in 2024, around 409,000 were suffering from global acute malnutrition (Nutrition Cluster accessed 21/12/2024). The interruption of nutrition interventions would likely worsen acute and chronic malnutrition, resulting in increased child mortality and morbidity, higher susceptibility to diseases from weakened immunity, and a strain on healthcare systems with the rise of severe cases (Nutrition Cluster 12/03/2025; FEWS NET 29/03/2024).

## Protection

Protection activities are not explicitly covered in the global waiver, and family planning, abortion, and other activities are not considered life-saving under the waiver. It is unclear which US-funded protection activities have continued (DOS 28/01/2025; KII 26/02/2025 a; KII 26/02/2025 b). Some organisations with protection activities under SWOs have reported having to scale down (KII 26/02/2025 a). Programmes working on supporting survivors of GBV, child protection, and housing, land, and property (HLP) assistance remain at risk of scaling down (KII 03/02/2025 a; KII 07/03/2025; KII 26/02/2025).

The **GBV** response has previously been constrained by a shortage of one-stop centres and safe houses, along with limited capacity among subnational authorities and insufficient funding for protection responders (Protection Cluster 02/05/2024). The reduction of these responders will leave at-risk population groups, such as women, children, and people with disabilities, without assistance and with lifelong consequences. While protection risks are expected to intensify in displacement sites, poor IDP site conditions – overcrowding, unsafe facilities, and limited services – heighten the vulnerability of community members, especially women and girls, to GBV (Protection cluster 09/10/2024).

Gender-based violence (GBV) against women and girls, and to a lesser extent against men and boys, is increasing in conflict-affected areas, while overall protection needs remain high among crises-affected and displaced communities (Health Cluster 06/08/2024; OCHA 13/12/2024). The disruption of protection services, even temporarily, limits GBV survivors' access to health services and women's ability to make critical decisions, such as family planning and managing unwanted pregnancies (ICG 10/03/2025).

Given the SWOs, several support projects for rape survivors, including counselling, MHPSS, and physiotherapy, have been suspended (The Guardian 21/02/2025). Such disruptions not only leave survivors without critical care but also increase long-term trauma and weaken their trust in available services, undermining the humanitarian system's ability to respond effectively in the future.

In response to the funding freeze, organisations working on child protection programmes have reported suspending key activities, including family tracing and the management of high-risk cases, such as unaccompanied children, GBV survivors, and those with mental health issues. With reduced funding, high-risk child protection programmes may be discontinued, leading to the deterioration of child protection systems, weakened social services, limited legal and institutional support, the disruption of alternative care systems, reduced education access, inadequate psychosocial support, and a decrease in child-friendly spaces. This would increase children's vulnerability to risks such as child labour, exploitation, child marriage, and trafficking (KII 07/03/2025).

In 2024, protection was mainstreamed in all USAID/BHA and STATE/PRM-supported programmes. USAID/BHA supported 13–18 organisations responding to protection needs related to man-made and natural hazards (USAID 08/01/2024 and 30/09/2024). USAID provided around USD 15.9 million, including over USD 7.4 million reported in the FTS, for protection services (FTS accessed 12/02/2025; USAID 30/09/2024). The programmes supported included, for example, GBV case management support and MHPSS services for conflict-affected communities. STATE/PRM also supported the provision of protection services to IDPs and refugees (USAID 30/09/2024).

## Emergency shelter and NFIs

Although the global waiver includes shelter as life-saving humanitarian assistance, it is not clear if the waiver also includes the continuation of provision of relief items, including bed mats, blankets, and wash basins, to the displaced population (DOS 28/01/2025). In 2024, USAID/BHA supported 3–14 organisations, providing site management capacity-building, construction, maintenance, and repair at IDP sites, emergency shelter kits, and the above-mentioned relief items to IDPs. STATE/PRM also provided shelter assistance to refugees and IDPs (USAID 30/09/2024 and 08/01/2024). USAID/BHA provided around USD 6.5 million, with over USD 13.7 million recorded in the FTS, for shelter and settlement programming support (FTS accessed 12/02/2025; USAID 30/09/2024).

Prolonged displacement in conflict and drought-affected areas has left millions of people in displacement. The latest IOM Displacement Tracking Matrix data collected between July–August 2024 estimated approximately 1.9 million IDPs across the country, though the real total IDP figure is likely higher due to limitations in IOM's data collection and recent large-scale displacements due to earthquakes in Oromia and Afar (IOM 20/01/2025). The crises continue to increase the need for emergency shelter and NFI support (ES/NFI Cluster 27/01/2025). The funding freeze would likely reduce the funding support for shelter, rehabilitation, and essential services, undermining assistance for displaced populations, long-term recovery efforts, and sustainable reintegration for returning populations.

## Education

Some organisations working in Education have received waivers and SWOs, but the full picture of the impact remains uncertain. By early March, education sector responders were set to not receive an estimated USD 18 million in US funding for 2025 (KII 03/03/2025 b). In 2024, the US contributed over USD 26 million to the education sector, as per the FTS. Reports indicate staff contract terminations in organisations within the sector (KII 03/03/2025 b).

The education sector is also affected indirectly as programmes that help children stay in school have been terminated, e.g. food provision and WASH services. Households with reduced access to assistance due to the funding suspension and resulting economic pressures are more likely to take children out of school to support families in sustaining a living and in chores (KII 03/03/2025 b; KII 07/03/2025). As a result of traditional gender norms, girls would be disproportionately affected. Coping mechanisms with negative outcomes that expose children to protection risks such as child labour, early marriage, forced marriage, and female genital mutilation/cutting may also rise to increase the desirability of girls for marriage (KII 07/03/2025; Cohen et al. 01/06/2022; Protection Cluster 09/10/2024). In schools, children get access to services such as WASH, MHPSS, and school feeding. As children remain out of school, their access to education and these services will also stop – increasing their vulnerability to exploitation. Reduced access to education would also have long-term implications, including limited opportunity, economic instability, youth unemployment, and generational poverty (KII 03/03/2025 b; KII 07/03/2025).

By January 2025, as a result of emergencies and protracted crises, around 11,000 schools were damaged, with more than 8.6 million children out of school across the country (Education Cluster accessed 04/03/2025).

## Support for IDPs and returnees

The SWO has affected programmes for IDPs and returnees, including conflict resolution efforts and peacebuilding – which are key to ending violence and enabling sustainable returns (Ethio Negari 05/02/2025). The discontinuation of such efforts would increase the likelihood of tensions, secondary displacement, and conflicts.

The suspension of programmes providing assistance to IDPs will likely worsen the conditions at IDP sites, where they would face vulnerability to hunger, poor health, inadequate shelter, WASH, and heightened protection risks – leading to the adoption of coping strategies with harmful consequences further endangering their wellbeing and long-term stability.

From the July–August 2024 data collection, IOM identified approximately 2.8 million IDP returnees across Ethiopia, most of them having been initially displaced by conflict (IOM 20/01/2025 and 26/07/2024). The returnee population faces challenges in accessing basic services, livelihood opportunities, and safe housing, all of which may be aggravated by the suspension of US-funded programmes supporting shelter rehabilitation, basic services restoration, and protection.

Returnees receive minimal support, with many conflict-induced IDPs returning to demolished or occupied houses and often remaining in displacement sites. Along with urgent needs such as food, WASH, health, shelter, and NFIs, they also require HLP assistance. Even prior to the SWOs and funding freeze, HLP assistance was already limited (KII 03/03/2025 a). With further reduced assistance, returnees may struggle to meet basic needs or face secondary displacement – exposing them to protection risks and exploitation and impeding long-term recovery and stability (KII 03/02/2025 a). A lack of assistance for returnees also increases coping mechanisms with negative outcomes, such as survival sex, child marriage, forced marriage, and child labour.

## Refugee support

The scale of the impact of the funding freeze on the refugee response is unclear (KII 26/02/2025 b). Programmes such as education, including school feeding for refugees and financial assistance to help refugees start small businesses, have been affected (KII 03/03/2025 b; The Guardian 21/02/2025). With the lack of clarity on the waiver, organisations are uncertain about what is acceptable as ‘life-saving’. For example, one organisation stated that while they are able to continue water trucking for refugees, they are unsure if they are permitted to lay water pipes, which would provide a long-term solution (The Guardian 21/02/2025).

In 2024, STATE/PRM supported responders providing nutrition and antenatal and postnatal maternal care for refugees in Gambela and Afar regions, besides supporting the provision of protection services for IDPs and refugees and, through UNHCR, delivering shelter assistance (USAID 08/01/2024). Reduced support for refugees owing to the funding freeze would leave them with limited assistance and may push them into coping mechanisms with negative outcomes, such as early marriage, survival sex, and forced marriage – disproportionately affecting women and girls. Child labour would also heighten protection risks.

The refugee population continues to grow in Ethiopia given instability in neighbouring countries such as Somalia, South Sudan, and Sudan. Refugees are also affected by crises such as conflicts, droughts, and floods (UNHCR 30/04/2024, 28/08/2024, and 08/07/2024; ACAPS 05/07/2024; TNH 21/11/2024).

Ethiopia hosts more than one million registered refugees and asylum seekers (UNHCR 30/04/2024). The refugee response in Ethiopia is led by the Refugees and Returnees Services and UNHCR and is heavily dependent on international overall assistance, including for food, shelter, healthcare, and protection (UNHCR 30/04/2024). Owing to limited resources, refugees received only 60% of food assistance in 2024 (WFP 23/08/2024).

## AGGRAVATING FACTORS

### Human-made and natural hazards

Human-made and natural hazards such as conflicts, droughts, floods, and earthquakes drive humanitarian needs in Ethiopia. The conflicts in Amhara and Oromia and drier-than-usual conditions in Belg-rain-receiving areas (typically from February–May) are expected to reduce pasture and crop yields. This further intensifies food insecurity among agropastoral communities already struggling to recover from previous droughts, further eroding livelihoods (ICPAC accessed 24/02/2025; EMI accessed 24/02/2025). The seismic activity at the Fentale volcanic complex that started in September 2024 has affected approximately 99,000 people across Afar, Amhara and Oromia, with reported damage to homes and critical infrastructure (Fana BC 04/01/2025; OCHA 23/01/2025; IFRC 22/01/2025). This adds to the number of people in displacement across the country who would rely on humanitarian assistance.

### Economic context

The US funding freeze is happening alongside economic setbacks in the country. According to the 2024 HNO, poverty across the country has increased over the past eight years, especially in urban and conflict-affected areas (OCHA 26/02/2024). Natural and human-made hazards reduce agricultural production and income, limiting access to essential goods and making it harder for communities to afford food and basic necessities (CARE 20/12/2024).

These pressures have intensified following the floating of the Ethiopian birr in late July as part of the terms of the IMF and World Bank (The Reporter 28/07/2024; AP 12/08/2024; AS 21/08/2024). From June–December 2024, the Ethiopian birr depreciated by approximately 120% against the US dollar in the official market, more than halving its worth (FEWS NET 19/09/2024; AS 18/10/2024; OANDA accessed 24/02/2025). Dependence on imports and limited exports further strained the economy, driving up costs and inflation, making essential goods more expensive and reducing the purchasing power of households (EEA 08/2024; AS 18/10/2024 and 23/12/2024). Increasing fuel prices are leading to high transportation costs for people and goods, contributing to overall price increases (AS 09/10/2024; EBC 10/2024). The drastic

increase in the cost of living has significantly increased rent and food prices, deepening the financial strain on households (PwC 16/10/2024; WFP 23/08/2024). As economic strain depletes resources across communities, traditional social and community-based resilience mechanisms may also likely weaken or collapse.

### Changing donor priorities

Other humanitarian donor countries across Europe have announced global reductions of humanitarian assistance as well, creating further pressures on the humanitarian response and increasing competition over reduced funds (Reuters 25/02/2025 and 24/12/2024; Forbes 25/02/2025; Business Day 21/02/2025). There is further concern around some issues, such as gender-related programming, being reduced further in light of shifting donor priorities globally (KII 28/02/2025).

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