Catalyzing the U.S. Response to COVID-19 in Humanitarian Settings

November 2020

Executive Summary

The next U.S. administration will take office during a critical time in the COVID-19 response overseas. In fragile countries, the pandemic is driving a "double emergency" in which vulnerable populations are experiencing not only the direct health impacts of the virus, but also its secondary devastation to weak humanitarian, economic, security and political environments. In these crisis-affected contexts, state structures are often unable or unwilling to provide essential services and the most vulnerable – refugees and displaced persons in particular – are often left out of national response plans and services either by accident or by design. Populations in these settings thus rely on humanitarian NGOs and a robust multilateral response to fill critical gaps during COVID-19 outbreaks.

International Rescue Committee (IRC)

The IRC's recommendations for the COVID-19 response draw on decades of experience as a humanitarian and health responder in the world's most complex crises, including as one of the largest responders to the Ebola outbreaks in West Africa and the DRC and Cholera in Yemen – the largest outbreaks of the diseases in modern history. The IRC operates in over 40 countries and supports populations affected by crisis through its global technical expertise in health, education, protection and economic wellbeing in humanitarian settings.

Despite the scale and severity of the virus, related lockdowns, and secondary effects in fragile settings, the Trump Administration has failed to mount an adequate response. U.S. funding levels remained low, funding flows were dangerously slow, and very little made its way to partners on the frontlines who were best positioned to respond. At the same time, the global nature of the crisis, together with existing and newly created bureaucratic and political obstacles, blunted USAID's traditional strengths and constrained implementing partners. Humanitarians found themselves responding to a vast array of local contexts, many of which restricted humanitarian action. As virus epicenters shifted and secondary impacts became more acute, there was little flexibility in the response to allow humanitarians to track risk, deploy resources where needed, and adapt innovations at scale. The result was an underfunded and rigid response that failed to address the unique challenges of a global pandemic that both catalyzed global disruptions and demanded rapid, bespoke interventions at the community-level.

U.S. failings had a global impact. Without U.S. leadership, multilateralism faltered. Global supply chains were chaotic, constraints on humanitarian access went unaddressed, the UN's Global Humanitarian Response Plan (GHRP) for COVID-19 remained underfunded, and efforts to offer social protections for the world's most vulnerable failed to launch. The most vulnerable may pay the price today but controlling the outbreak and mitigating its secondary impacts in fragile settings is a necessary prerequisite to ending the pandemic globally. Otherwise, the pandemic and its wider impacts risk spreading unchecked and reversing decades of U.S. investments abroad and hard-won progress to reduce poverty, inequality, hunger, violence, and disease.

The Biden campaign's plans to restore U.S. leadership and mobilize a coordinated international response to assist vulnerable nations are welcome and critical steps to alter the trajectory of the pandemic and its aftereffects and reassert U.S. global leadership writ large. To jumpstart these efforts, the Biden administration should:

1. Provide greater funding and ensure it reaches frontline responders in fragile settings.
2. Re-establish USAID's traditional speed and agility by removing bureaucratic and policy constraints and ensuring flexibility and innovation, particularly in USAID's Bureau for Humanitarian Assistance.
3. Galvanize multilateral coordination aimed at securing more international financing and use it to incentivize more inclusive policies, secure exceptions to protect and expand humanitarian access, and lay the groundwork for a long-term response to the pandemic's devastating secondary impacts.

Challenges and Recommendations for the U.S. Response

1 Failure to finance the frontlines

The U.S. failed to provide sufficient COVID-19 response funding to frontline agencies in fragile settings, where humanitarian NGOs deliver the bulk of assistance and services necessary to prevent and control infections and mitigate the knock-on effects of the pandemic on non-COVID health needs (e.g. primary healthcare or vaccine access), livelihoods, food security and nutrition, and protection.

Experience from the West Africa and DRC Ebola outbreaks showed that effective outbreak response in fragile contexts requires the experience of local and frontline NGOs, like the IRC, to reach the most vulnerable who are disproportionately affected. Frontline NGOs bring a strong understanding of pre-existing needs, existing service provision, community engagement and partnerships, cultural and context sensitivity, and the secondary impacts of outbreaks. COVID-19 also upended traditional service delivery models as it abruptly halted international travel, severely disrupted global supply chains, and ushered in an array of hyper local restrictions and access challenges – making the context knowledge of frontline agencies and their local partners all the more vital.

Yet despite this demonstrated need for frontline expertise and capacity, of the $1.59 billion approved by Congress in March for COVID-19 response abroad, only 3% of the funds that got out the door had gone to NGOs and other private relief groups by June. Instead, the U.S. channeled most humanitarian funds through the UN system, which introduced significant delays in getting funds to frontline responders. As a result, existing humanitarian responses, which are already on average 40% underfunded, were further overstretched as response actors pivoted to address COVID-19 and its secondary impacts.

U.S. funding patterns played out globally as well. The U.S. government's failure to allocate swift and sufficient resources or channel funding to frontline responders gave it little leverage to galvanize other donors to do so or to pressure UN agencies to move resources from its COVID-19 Global Humanitarian Response Plan (GHRP) to frontline agencies. It took over two months for the UN to raise the first $1 billion for the GHRP and another two months for the second $1 billion. To date, about 36% of the GHRP has been funded, compared to 64% during the Ebola crisis over a similar time period. While the UN committed to pushing 30% of the GHRP to the frontlines – up from its initial plan of 5% – only 19.5% has gone to NGOs as of November 10.

The wider crises driven by COVID-19

- **Hunger crisis.** The IRC estimates COVID-19 could delay progress towards Zero Hunger by 3 years. This year, 27 countries are at risk of COVID-19-driven food crises and the number of people facing acute food insecurity is expected to double to 265 million. Rates of acute malnutrition are projected to rise 14% and affect 54 million children under age 5. In the worst-case scenarios, famines could occur in multiple countries.
- **Lost livelihoods and rising poverty.** 88-115 million people are estimated to fall into extreme poverty this year – the first increase in two decades. Women are particularly affected given 60% of them work in the informal economy; an additional 47 million women will be pushed into poverty by 2021.
- **Shadow pandemic of violence.** 15 million cases of gender-based violence are expected for every 3 months of global lockdown.
- **Secondary health crises.** Up to 1.2 million children and 56,700 mothers could die in six months due to a disruption in basic interventions. The annual death toll from HIV, tuberculosis and malaria is set to double this year due to disruptions in supply chains. Vaccination efforts have been postponed in 38 countries, affecting up to 148 million children.
- **Harm to children's well-being.** 86% of children in developing countries at the primary school level no longer have access to education, compared to 20% in developed countries. 24 million children are projected to drop out of school. Girls face additional risks of exploitation, early marriage and child labor. An additional 13 million child marriages are estimated by 2030 as a result of COVID-19.

There is still time to intervene to mitigate these secondary impacts and prevent the worst-case scenarios like famines. To address these challenges, the U.S. should provide greater and more flexible humanitarian funding and leverage contributions to mobilize other donors and pressure UN agencies to move money faster and more flexibly to frontline NGOs and local partners. Specifically, the U.S. should:

- **Commit $20 billion more to address COVID-19 abroad.**
- **Prioritize bilateral funding to NGOs and local actors** who are already positioned to scale up to serve the most vulnerable and those most likely to fall through the cracks of state responses.
- **Provide greater resources for and mobilize other donors to fund the GHRP for COVID-19** on top of funding for existing Humanitarian Response Plans.
- **Leverage these enhanced contributions to press other donors to increase funding to NGOs**, including engaging the UN to meet its commitment to direct at least 30% of GHRP financing to NGOs.

2 Failure to adapt the bureaucracy to meet evolving global needs

See the annex for a comprehensive documentation of new and pre-existing U.S. restrictions that significantly undermined the COVID-19 response abroad.

The U.S. has long been the world's essential humanitarian donor with the Office of U.S. Foreign Disaster Assistance (OFDA) – now the Bureau for Humanitarian Assistance (BHA) – first in class in responding quickly and at scale to acute emergencies. But its response to COVID-19 in fragile settings was slow and did little to create the groundwork for other donors to build on – in large part because the bureaucracy was quickly overwhelmed and lacked rapid response mechanisms at scale, while also taking decisions driven by political factors rather than facts on the ground.

U.S. decision making and USAID's design and awarding process for grants moved far too slowly for a rapidly spreading disease. During the West Africa Ebola outbreak in 2015, the time from submission to pre-award letter that allows programming to start was about four weeks in Liberia – even in the absence of supplemental funding from Congress or any USAID/OFDA experience in large-scale outbreak control. Since then, USAID and its partners have built their capacity responding to multiple Ebola outbreaks in DRC and the worst cholera outbreak in history in Yemen. Yet it took three months for IRC to receive its first BHA grant to respond to COVID-19; the IRC submitted a request for funding for Afghanistan on March 21 and received the award on June 17. While IRC waited for this funding, the COVID-19 outbreak in Afghanistan rose from 24 cases to over 26,000 – a 108,000% increase. More broadly, out of the $1.59 billion in the March supplemental for COVID-19 overseas, only $386 million had been released by June, leaving 75% of funds unspent as needs were skyrocketing.

Compounding and in some cases driving the paralysis at BHA, the U.S. imposed new restrictions and constraints on humanitarians that jeopardized and politicized the response early on. Opaque and often overtly political constraints such as restrictions on personal protective equipment – together with existing counterterror regulations and sanctions regimes – sowed confusion and slowed the response. Even when humanitarian exemptions were in place, they were often undermined in practice by bank de-risking, onerous compliance requirements, and chilling effects that often precluded humanitarian best practices like multi-purpose cash assistance. For instance, USAID's suspension of humanitarian assistance to northern Yemen since March has slowed or stopped life-saving health, hygiene and sanitation programming, including programs essential to prevent and respond to COVID-19. Without a lifting of the suspension, some NGOs in Yemen will be forced to close life-saving programs and field offices or even end their presence in the North.

With humanitarian actors constrained, there was no one to effectively fill the gap in crisis settings. The Global Health Security Agenda (GHSA) is predicated on supporting local health systems – an approach that is insufficient in conflict and crisis settings where state capacity is weak and the most vulnerable populations are likely to be left out of state-led responses. Less than half of health facilities are fully functional in places like Syria, Yemen, and northeast Nigeria. The pandemic laid bare the absence of standing outbreak response capabilities within the U.S. government, particularly rapid response mechanisms or surge capacity at scale. The processes that were in place, such as DARTs, proved far too small in number to respond to a global crisis and lacked adequate

alternatives when faced with reduced international travel. These limits had global effects given that other donors' responses in these settings are often built on the U.S. response.

A lack of flexibility in grants constrained NGOs' ability to assess risk and adapt their responses to the shifts in the pandemic and local contexts, including the disease's indirect but significant effects on non-COVID health, livelihoods, food security, education, and protection. In fragile settings, these indirect effects often eclipsed the immediate impact of the virus. Yet the funding that was provided often focused narrowly on the disease at the expense of the overall humanitarian system, making it difficult or even impossible for humanitarians to address unique needs of vulnerable populations. Local responders needed to rapidly evolve programs based on local contexts. Greater and more flexible funding could have enabled the adoption of best practices and innovations in the sector at scale to mitigate some of the secondary impacts of COVID-19.

Humanitarian innovations for a COVID-19 world

- **Nutrition**. IRC recommends a package of simplified approaches for diagnosing and treating acute malnutrition through community health workers that could dramatically expand access to treatment.
- **Education.** NGO adaptions to remote learning needs in crisis settings included play-based activities, audio content, tablet-based learning and WhatsApp and phone calls for at-home learning. To support these adaptations, there is an urgent need for rapid digital capacity assessments and tailored content.
- **Cash.** Humanitarian cash transfers are a proven, cost efficient tool for meeting needs. During the pandemic, NGOs like IRC shifted to provide advance sums and accelerated their use of digital payments to reduce in-person distributions and allow families to purchase supplies ahead of long-term lockdowns.

U.S. bureaucratic impediments during COVID-19 revealed and added to a systemic bureaucratic crisis that cannot be resolved by only removing the damaging policies put in place during the Trump administration or implementing incremental reforms at the margins. There must be a new normal in humanitarian policy and practice that builds on lessons learned during this crisis. An unprecedented challenge requires new approaches not only for this pandemic but for future humanitarian crises. Specifically, the U.S. should:

- **Implement creative approaches to streamline grantmaking and facilitate faster and more efficient funding to frontline agencies via consortia models.** Consortia models bring together a set of NGOs to pool technical expertise, speed, flexibility and scale. They offer similar efficiency and coordination for grantmakers as UN agencies but directly reach frontline and local responders and incorporate local and technical expertise. The top U.S.-based humanitarian NGOs collectively partner with over 2,000 local organizations.
- **Review existing policies that affect the humanitarian response to COVID-19 and repeal harmful policies that restrict humanitarian programming**. USAID, State and Treasury should conduct this review in consultation with humanitarian organizations. These policies include those related to gender programming, PPE procurement and exports of other COVID-related supplies, the use of cash, and sanctions (including expanded carve outs for humanitarians). This should be a coordinated effort from USAID, the State Department, and Treasury Department.
- **Ensure flexibility in funding** to frontline responders such that humanitarian actors at the local level can assess risks and pivot their responses as needs change on the ground and adapt programming to address the pandemic's secondary effects; and that at the global level humanitarian actors can assess risk and deploy resources where and when they are needed as hot spots ebb and flow.
- **Lift the USAID suspension of humanitarian assistance to northern Yemen.**
- **Support a standing and more localized capacity for outbreak response.** In fragile and conflict-affected states, the GHSA should be reformed and adapted to support sub-national and non-governmental standing capacity to detect, prevent and respond to infectious disease threats.
- **Rapidly identify and scale up innovations for humanitarian response.** USAID should facilitate mechanisms and learning and adapting and ensure flexibility for programmatic innovation at scale to mitigate against the worst and secondary impacts of the virus. Proven innovations related to education, nutrition, and cash programming particularly require U.S. funding and support.

3 Failure to multilateralize the response

The global nature of COVID-19 and scarce global resources to respond demand clear global decision making and coordination. But the U.S. failed to leverage its presence and position in multilateral institutions to secure global guidance. In the absence of traditional U.S. leadership on humanitarian crises, no global convener emerged to bring donors, UN member states, the UN system, and International Financial Institutions (IFIs) together to agree on funding and policy commitments, coordinating mechanisms, and responsibility sharing.

In practice, this meant donors looked inward and missed key opportunities to use their funds to incentivize the protection and inclusion of the most vulnerable populations (see the box below for more information on the impact on the most vulnerable). The U.S. and the rest of the G20 and OECD countries allocated $11 trillion in their own domestic economic stimulus packages, while it would cost less than 1% of those packages ($90 billion) to protect the world's poorest 700 million people from the worst impacts of COVID-19. At the same time, funding from IFIs has failed to meet the needs in fragile settings; only 7% of their $143 billion in financing has been committed to low-income countries. The G20's Debt Service Suspension Initiative is a welcome move, given that 64 developing countries spent more on debt service than on health in 2019.

The U.S. failed to drive forward multilateral coordinating mechanisms. The U.S. withdrawal from global systems instigated a race to the bottom in which countries competed rather than collaborated, imposing restrictions on the export of critical COVID-19 supplies and failing to create international coordinating mechanisms to assess risk, direct resources where most needed, or ensure access to and inclusion of the most vulnerable. As the largest donor to WHO, the U.S. withdrawal and funding freeze undermined WHO's irreplaceable role as public health messenger as well as its expertise in supporting governments and health responses in humanitarian settings. The U.S. promoted a nationalist and zero-sum attitude, particularly towards the distribution of PPE and other COVID-19 supplies as well as vaccine development efforts as demonstrated by its refusal to join COVAX.

The most vulnerable left out and left behind during COVID-19

Humanitarian settings and displaced populations were hit hardest by COVID-19. IRC research from top refugee-hosting countries found refugees were 60% more likely to be working in highly impacted sectors, particularly in the informal economy. Within a month of the crisis, workers in the informal sector saw a 60% decline in earnings.

Governments in fragile settings were ill-equipped to handle outbreaks on their own and/or unwilling to respond to the needs of their populations. Of the ten nations that host the most refugees, only four had measures in place to mitigate the economic fallout from the virus. Even before COVID-19, these states faced weak state capacity and existing humanitarian crises layered on top of each other. In places like the Central African Republic and South Sudan, NGOs provide 75% and 80% of health services, respectively. As a result, there was little in the way of relief packages or social safety nets in these contexts. Lost income in these places often meant going without food or reverting to extremes to survive.

Despite being among those hit hardest by the disease and related restrictions, displaced and other vulnerable populations were often left out of national COVID-19 responses. Analysis prior to COVID-19 found that of countries with UNHCR operations, only 10% include refugees in national or local development plans and just 50% include refugees in national health care systems. The pandemic thus exacerbated existing inequalities for those at the margins, particularly displaced populations, migrants, and women, who already faced restrictions on movement and on their access to safe, legal work and healthcare.

These populations were most reliant on an effective international response to fill the gaps of weak states. Yet the U.S. failed to recognize how vulnerable populations were being left behind in these settings – and increasingly relied on stretched humanitarian actors for lifesaving services – or the extent to which U.S. humanitarian diplomacy was desperately needed to help humanitarian actors mount effective responses in the midst of conflict zones and complex crises to reach these groups. U.S. engagement with major refugee and IDP-hosting countries, donors, and IFIs – and the leveraging of U.S. funding – is critical now to secure policy improvements for the inclusion of displaced people in national COVID-19 responses in fragile settings, particularly social safety net programs and health responses.

The U.S. failed to promote humanitarian access via a global ceasefire and humanitarian exceptions for travel and supplies. In the UN Security Council, the United States' politicization of the crisis and efforts to blame China slowed the Council's efforts to unite around the UN Secretary General's call for ceasefires globally until July 1 – nearly four months after WHO declared COVID-19 a pandemic and after confirmed cases had surpassed 10 million worldwide. In sharp contrast, just over a month after WHO declared Ebola in West Africa a Public Health Emergency of International Concern, the Security Council passed UNSC resolution 2177 with a record-setting 134 countries co-sponsoring the resolution, which recognized the Ebola outbreak as a threat to international peace and security and the central role of WHO and indirectly led to a UN coordinating mechanism. The Council's paralysis during COVID-19 took place as conflict and violence levels grew globally. Since the beginning of the pandemic, political violence has increased in 43 countries, including in settings where IRC works like Libya, Yemen, and Mali that were already experiencing complex emergencies.

Alongside conflict, humanitarians also faced new bureaucratic barriers – many well-intentioned – imposed in an effort to slow the spread of the virus. Less than three weeks after the pandemic was declared, 93% of humanitarians reported local or national authorities had imposed measures impacting normal operations. In the absence of coordinated guidance on humanitarian exceptions, there was no global, common agreement to ensure the uninterrupted flow of life-saving humanitarian goods and personnel. Individual humanitarian actors were left to negotiate and adapt on a country-by-country basis.

The pandemic is far from over and so U.S. leadership is urgently needed to ensure that government responses facilitate access, prioritize protection, inclusion and a humanitarian response at scale. The U.S. should lead by example on funding commitments to increase its credibility and leverage to press other states to do more. Longer term, U.S. leadership is key to managing the pandemic's global economic and security impacts. Specifically, the U.S. should:

- **Lead efforts through the UN to create an international coordinating mechanism** to direct resources where most needed, promote a harmonized response and coordinate production and distribution of critical COVID-19 supplies. This mechanism should include a plan for distribution of a COVID-19 vaccine in fragile contexts, where existing health infrastructure is unable to handle distributions at this scale or reach all vulnerable groups.
- **Engage in humanitarian diplomacy to alleviate constraints on humanitarian action and service delivery in fragile settings.** The U.S. should press authorities in crisis-affected countries to remove bureaucratic obstacles and delays that impede humanitarian responses. The U.S. should also push for humanitarian exceptions for all restrictions related to COVID-19, including those on travel and movement.
- **Lead global efforts to promote ceasefires and halt attacks on civilians and civilian infrastructure.** The U.S. should push for ceasefires to allow humanitarians to respond to COVID-19 outbreaks and other needs; pressure warring parties to stop attacks on civilian infrastructure, including healthcare and sanitation facilities; and publicly hold perpetrators of such attacks to account.
- **Ensure the global economic response meets the needs of the most vulnerable**, particularly refugees, IDPs, migrants and other marginalized populations. The U.S. should press donors, governments, and IFIs to include vulnerable populations in immediate and long-term plans to address COVID-19 and its secondary impacts, including in longer-term health system strengthening. For instance, the World Bank and other multilateral development banks should help expand national social safety nets programs to these populations, including national cash transfer programs.
- **Press the G20 and IFIs to define concrete commitments to financial assistance for fragile and conflict-affected states,** including extending the debt relief moratorium to low-income countries.

IRC Recommendations

In first 100 days of the administration:

- **Commit $20 billion** more to address COVID-19 and its secondary effects abroad and prioritize bilateral funding to frontline NGOs and local actors.
- **Urgently launch an inter-agency review** involving USAID, State and Treasury, in consultation with humanitarian organizations, to examine existing policies that impact the humanitarian response to COVID-19 and repeal harmful policies that restrict humanitarian programming.
- **Immediately lift the USAID suspension of humanitarian assistance to northern Yemen.**

In the first year of the administration:

- **Leverage U.S. funding to press other donors to increase their own humanitarian funding and move funding to NGOs.** Donors should fully fund the GHRP for COVID-19 on top of funding for existing Humanitarian Response Plans. The U.S. should press the UN to meet its commitment to direct at least 30% of GHRP financing to NGOs and galvanize other large donors to do the same.
- **Implement creative approaches to streamline grantmaking and facilitate faster and more efficient funding to frontline agencies via consortia models.** Consortia models bring together a set of NGOs to pool technical expertise, speed, flexibility and scale. They offer similar efficiency and coordination for grantmakers as UN agencies but directly reach frontline and local responders and incorporate local and technical expertise.
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- **Ensure flexibility in funding** to frontline responders such that humanitarian actors at the local level can assess risks and pivot their responses as needs change on the ground and adapt programming to address the pandemic's secondary effects; and that at the global level humanitarian actors can assess risk and deploy resources where and when they are needed as hot spots ebb and flow.
- **Support a standing and more localized capacity for outbreak response.** In fragile and conflict-affected states, the GHSA should be reformed and adapted to support sub-national and non-governmental standing capacity to detect, prevent and respond to infectious disease threats.
- **Rapidly identify and scale up innovations for humanitarian response.** USAID should facilitate mechanisms and learning and adapting and ensure flexibility for programmatic innovation at scale to mitigate against the worst and secondary impacts of the virus. Proven innovations related to education, nutrition, and cash programming particularly require U.S. funding and support.
- **Lead global efforts to promote ceasefires and halt attacks on civilians and civilian infrastructure.** The U.S. should push for ceasefires to allow humanitarians to respond to COVID-19 and other needs; pressure warring parties to stop attacks on civilian infrastructure, including healthcare and sanitation facilities; and publicly hold perpetrators of such attacks to account.
- **Press the G20 and IFIs to define concrete commitments for financial assistance for fragile and conflict-affected states,** including extending the debt relief moratorium to low-income states.

Annex: U.S. Policies Disrupting Humanitarian Access and Assistance

COVID-19 response policies

- **U.S. withdrawal from COVAX Facility.**
  - The COVAX Facility is a global risk-sharing mechanism to develop and equitably distribute an eventual COVID-19 vaccine. By withdrawing from the COVAX Facility, the U.S. has essentially cut itself off from 172 countries and a large and diverse vaccine portfolio that could benefit higher-income and lower-income countries alike. A lack of U.S. support and funding puts the facility and those it could help at risk; a lack of funding may mean a smaller vaccine portfolio and/or limit equitable vaccine distribution.
- **Restrictions on the export and purchase of COVID-19 supplies**
  - Following a series of executive orders and memos in March and April, the Federal Emergency Management Agency (FEMA) issued a temporary rule limiting the export of specific supplies related to COVID-19, including PPE and ventilators from April to August. In April, USAID also introduced a new directive that required NGOs to get prior approval to use U.S. funds to buy Personal Protective Equipment (PPE) or ventilators. These restrictions undermined NGOs' efforts to protect their staff from contracting and spreading COVID-19, significantly hampering the response, putting vulnerable populations also in harms' way and throwing into question the effectiveness of USAID's response. Even when exceptions were approved, the process was opaque and slow.
- **Branding and marking restrictions on U.S. aid for COVID-19 response in conflict-affected countries**
  - Branding and marking can put NGOs, local partners and communities at risk in conflict settings, creating a perception that humanitarian NGOs are not in fact impartial, but rather an extension of the U.S. government. Obtaining a waiver for branding and marking takes away valuable time that humanitarian responders do not have in an emergency like COVID-19. The introduction of stricter branding and marking requirements in the COVID-19 supplemental created uncertainty and additional administrative work for both NGOs and USAID.

Sanctions, counter-terrorism regulations, bank de-risking

- **International Emergency Economic Powers Act (IEEPA), Office of Foreign Assets Control (OFAC) targeted sanctions, and Providing Material Support to Terrorists statute**
  - OFAC counter-terrorism sanctions, the U.S. "material support" for terrorism statute and other regulations pursuant to the IEEPA have chilling effects on humanitarian assistance; they hinder humanitarian and development organizations' ability to work, and fund and partner with local organizations, in conflict areas (e.g. al-Shabaab controlled areas in Somalia). They also have, in some instances, meant U.S. funding has been withheld out of fear that funding would be diverted and employees would be prosecuted under the material support laws. Even where humanitarian exemptions are in place, they are often undermined in practice by bank de-risking, onerous compliance requirements, and other challenges that slow or undermine the humanitarian response.
  - Moreover, funding is often not provided to certain types of humanitarian activities, such as unconditional cash assistance that are deemed, despite evidence, as risky. This has inhibited efforts to scale up cash assistance even though it is identified as best practice in many settings. This was most recently an issue in Beirut post blast when the U.S. refused to fund cash programming despite assessed needs.
- **USAID Partner Vetting System (PVS)**
  - PVS creates hazards for aid workers and undermines program effectiveness. It prevents some potential grantees from applying for funds and hampers the efforts of others to deliver services and programs. It can create a perception that NGOs collecting personal information are operating as an extension of U.S. law enforcement or intelligence agencies, which undermines the basic humanitarian principle of neutrality. It also undermines trust with communities, which NGOs rely on to preserve the safety of their staff and operations.
- **Supplementary counter-terrorism grant conditions / Lake Chad Basin (LCB) grant clause**
  - The LCB grant clause requires award recipients to obtain the prior written approval of the USAID Agreement Officer before providing any assistance made available under the award to individuals it knows to have been formerly affiliated with Boko Haram or ISIS-West Africa, including former fighters, non-

fighting members, and individuals who may have been kidnapped by these groups but held for periods greater than 6 months. Supplementary grant conditions such as the LCB grant clause delegates all risk to NGOs, rather than establishing a risk-sharing model. As one recent positive step that could be mirrored, USAID's Anti-Terrorism Certification grant clause now provides improved clarity and reasonable standards regarding grantees' obligations in all grant agreements going forward.

- **Anti-Money Laundering and Combatting the Financing of Terror (AML/CFT) compliance and bank de-risking**
  - Bank de-risking, due to pressure on financial institutions to maintain compliance with AML/CFT regulations, can prevent or delay funds to relief agencies, in turn preventing humanitarian NGOs from safely and effectively transferring funds to programs where people are most in need. When this occurs, humanitarian NGOs often have to resort to transferring money in risky ways to preserve program continuity.
- **Regulation 2 CFR 200.216 Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment**
  - In countries that rely almost entirely on the covered technology, these regulations can cause program delays or cancellations, and create significant uncertainty for humanitarian responders. The regulation puts nearly $1 billion in U.S. assistance for health and development programs at risk. USAID and some other U.S. agencies have received waivers for internet and phone services through September 30, 2022, but it is unclear if the waivers will be extended.
- **Embargoes impacting humanitarian supplies**
  - Humanitarian NGOs face impediments to transporting equipment - support equipment, such as computers, and supplies for distribution to vulnerable populations - into countries under embargo. More generally, embargoes can be harmful as they prevent the importation of commercial goods necessary for the survival of the population.

Aid suspensions

- **Suspension of U.S. bilateral assistance in northern Yemen**
  - In March 2020, the USAID suspended most humanitarian assistance to northern Yemen, the area under Ansar Allah control and home to 80% of Yemen's population. USAID provided limited carve-outs that have proven far too narrow to deliver an effective humanitarian response. NGOs have been forced to reduce or close down health and hygiene and sanitation programming – services that are critical for the COVID-19 response. Without a lifting of the suspension, NGOs have warned that some may be forced to close life-saving programs or even end their presence in the North.
- **U.S. funding cuts to UN institutions, including UN Population Fund (UNFPA), UN Relief Works Agency (UNRWA) and World Health Organization (WHO)**
  - **WHO**: The U.S. froze funding to WHO in April 2020 and announced its withdrawal from WHO and end to funding WHO in May 2020. The U.S. was previously the biggest donor to the WHO, contributing over $400 million in 2019 (15% of the organization's budget). The U.S. government provides 27% of the WHO's budget for polio eradication; 19% of its budget for tackling tuberculosis, HIV, malaria and vaccine-preventable diseases such as measles; and 23% of its budget for emergency health operations. These initiatives will shrink without U.S. contributions, putting vulnerable people's lives in peril – especially those impacted by COVID-19 – and reversing hard-won gains in global health and development.
  - **UNFPA**: The U.S. cut funding to UNFPA in 2017, impeding the agency's critical work to protect the health and lives of hundreds of millions of women and girls around the world, including those in humanitarian settings. The U.S. was the fourth largest donor to UNFPA (providing $75 million in 2015), and one of its top donors in fragile settings such as Syria and Yemen.
  - **UNRWA**: The conditionality and suspension on U.S. bilateral assistance in the West Bank and Gaza, and subsequent halt to funding to UNRWA since August 2018 (over $300 million each year), precipitated a severe financial crisis at the UN agency that provides critical aid to millions of Palestinian refugees. The U.S. was historically the largest bilateral donor to UNRWA.
- **U.S. funding frozen for the Northern Triangle, and potentially Ethiopia**
  - Abrupt cut-offs of U.S. assistance create significant uncertainty for development and humanitarian programs, often forcing implementers to halt activities and fire staff to the detriment of vulnerable

populations. This occurred when the U.S. froze aid to the Northern Triangle (El Salvador, Guatemala, and Honduras) in March 2019, diverting around $450 million in aid previously approved and freezing future funds without clear steps countries must take for the resumption of U.S. funding. There could be similar consequences in Ethiopia, where the U.S. indicated in August 2020 it would halt some U.S. foreign assistance (potentially affecting up to $130 million in aid).

Other policies and practices

- **Mexico City Policy / Protecting Life in Global Health Assistance** (PLGHA)
  - In January 2017, President Trump issued a Presidential Memorandum that reinstated the 2001 Presidential Memorandum on the Mexico City Policy (Global Gag Rule) and directed the Secretary of State to implement a plan to extend its requirements to global health assistance. The Mexico City Policy has led to people around the world losing access to reliable, comprehensive health care and to a rollback in gains in women's and girls' health. The Global Gag Rule has reduced access to contraception, and increased the number of unintended pregnancies and induced, unsafe abortions. The policy also makes it harder for civil society organizations to collaborate; it prevents NGOs that receive U.S. aid from funding other groups that provide or offer counsel on abortion – even if they do not use U.S. funding to do so. These challenges have been significantly exacerbated by 2017's expanded version, PLGHA, which affects all global health funding, not just family planning/reproductive health programs. The PLGHA's negative impact extends beyond sexual and reproductive health, inhibiting clean water, tuberculosis and malaria, and child and newborn health programs.
- **Presidential Determination on Trafficking in Persons** (TIP)
  - The Presidential Determination in October 2019 with respect to section 110 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7107) essentially prevented an estimated $700 million of U.S.-funded aid programs from reaching vulnerable populations by limiting aid to countries seen as not meeting these standards but without clear guidance from USAID or the State Department to NGOs on which programs were affected. TIP waivers have often either not been provided or severely delayed, forcing humanitarian NGOs to halt or delay implementation of critical programs and planning, including multiple programs that could have helped alleviate the Ebola outbreak in DRC. The Determination has also led NGOs to experience uncertainty and instability around programming and staffing.