



ONE Campaign Update on U.S. Foreign Assistance Pause and Review

Status of Waivers. Notwithstanding Secretary Rubio's issuance of waivers for lifesaving humanitarian assistance on January 24th, many implementing partners remain unable to resume operations because (1) they have not yet received formal notification from a Contracting Officer (CO) or Award Officer (AO) that they can resume work, and (2) payment systems remain nonfunctional, even for implementers with formal waiver notifications.

- **Formal notice required:** Implementers are unable to simply resume operations if they believe their activities are covered under a waiver. Instead, a Contracting or Agreement Officer (CO or AO) must issue a [formal notice](#) to implementers to resume work after a stop-work order has been issued. Many implementers are still waiting for specific guidance. With [ongoing staff reductions](#) at USAID, it is unclear how many CO/AOs remain and what guidance they are operating under.
- **Payment systems turned off:** USAID contractors typically follow a [reimbursement process](#) for payment on a monthly or quarterly basis. However, aid organizations have been unable to access funds through USAID's Payment Management System. Thus, regardless of waivers, implementers do not have funds to restart programs. The US government has accumulated at least [\\$500 million](#) in unpaid invoices to reimburse organizations for already completed work.

The situation continues to evolve rapidly with significant developments in the courts.

USAID Employee Lawsuit. A [lawsuit](#) filed by unions representing USAID employees alleges that the administration has "systematically dismantled" USAID in violation of law. Hours before the planned February 7th furlough of all USAID direct hire personnel, the judge issued a [temporary restraining order](#) blocking the administration from placing 2,200 USAID personnel on leave and reinstating 500 previously furloughed staff. But on February 21st, the Court issued an [opinion](#) denying further injunctive relief and dissolving its prior TRO, allowing the furloughs to continue. It stated that "the government's subsequent submissions have convinced the Court that plaintiffs' initial assertions of harm were overstated," and that plaintiffs' claims seeking injunctive relief from the court fall instead within the exclusive purview of administrative mechanisms that Congress established to

govern employment disputes between the federal government and its civil and foreign service officers.

Foreign Aid Implementer Lawsuit. In a separate [lawsuit](#) brought by foreign aid implementers, a DC Federal District Court granted a [temporary restraining order](#) (TRO) enjoining the administration (1) from enforcing its blanket suspension/pause of appropriated funds for foreign assistance contracts, grants, and awards that were in place as of Jan. 19, 2025 and (2) from implementing or enforcing any related terminations, suspensions, or stop-work orders. The theory was basically that the blanket suspension was arbitrary and capricious in violation of the Administrative Procedures Act, and plaintiffs had demonstrated irreparable harm and likelihood of success on the merits (as required for emergency injunctive relief).

But the February 13th TRO hasn't yet restarted anything: The administration subsequently [claimed](#) that "substantially all of the terminations, suspensions, and stop-work orders" were allowed by the express or implied terms of the individual contracts and grants, and so are not barred by the TRO. In response, Plaintiffs filed an [emergency motion](#) seeking TRO enforcement and a contempt finding against the administration. On February 20, while declining to hold the administration in contempt, the court [granted the motion](#) to enforce the TRO "insofar as Defendants have continued their blanket suspension of funds pending review of agreements." But the court also stated that "nothing in the TRO limits the agencies from conducting an individualized review of agreements and taking action as to a particular agreement where the agency determines that it has lawful authority to do so."

Review and Terminations. Meanwhile the foreign aid review process continues toward the April 19 deadline established by the initial [Executive Order](#), with limited transparency on the metrics the State Department is using to evaluate programs.

Even before the review is complete, more than 1,200 foreign assistance grants and contracts have already been [terminated](#), and more than 6,800 grants have been suspended. A recent [court filing](#) (see *paragraph 16*) has claimed several policy bases as justifying those terminations including, among others, "DEIA Oriented Awards," "Democracy Promotion," and "Sustainability and Climate Change," as well as some general bases subject to broad interpretation, such as "Unrelated to USAID's core mission," "General Waste," and "Inconsistency with Unrelated Executive Orders or Presidential Directives." Insofar as a basis for termination also represents a purpose for which Congress has appropriated funds (for example, "Democracy Promotion") such terminations suggest challenges to Congress's claimed "[power of the purse](#)" to direct expenditures of public money in the foreign policy realm.