

The cascading impact of aid cuts on civic space

OVERVIEW

In June 2025, Pact conducted a survey of its former local and regional civil society partners (i.e., grant recipients) engaged in implementing a range of democracy, human rights, and governance (DRG) projects previously funded by the U.S. Agency for International Development (USAID) and the U.S. Department of State (DOS). The purpose of the survey was to understand the impacts of funding cuts to the operations, security, and community-level interventions of a wide range of civic organizations, as well as to explore what impacts they are seeing in their wider country contexts.

The survey was administered remotely to 220 former grantees. Pact received 62 responses from individual organizations in six countries across four continents.¹ Unsurprisingly, grantees reported **significant and deep financial impacts** from recent aid cuts. They also described how those impacts have translated into **significant reductions in DRG-related activities** they and other key actors are able to carry out within their countries, including activities serving especially vulnerable populations. Furthermore, many grantees observed **immediate and negative effects on the broader civic spaces** in which they operate. This brief summarizes five key takeaways from the survey responses.

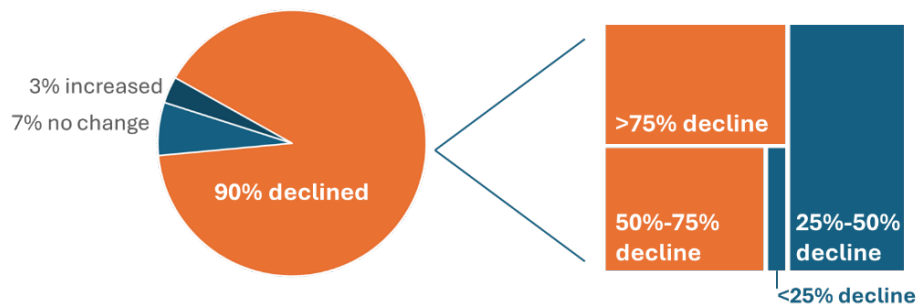
Takeaway 1: Financial impacts affect capacity for collective action and accountability.

The financial impact of the aid cuts demonstrates the indispensable role played by USG assistance in supporting an array of civic actors and critical civic initiatives, and what is now at risk. 90% reported that their funding had declined since January 2025, when USAID and DOS stop work orders were first received. Of those, 55% of respondents reported that their funding has declined by at least 50% and 29% reported seeing a decline of more than 75%. The remaining 41% of partners reported budget cuts of between 25% and 50%.

The effect of resource cuts on staff and programming has a larger impact on the ability of CSOs to network for collective action. 82% of respondents experiencing budget cuts have had to reduce staff, 70% have had to reduce “non-essential activities” such as staff training, and 45% have reduced their presence in peer and other networks. This latter effect is of particular concern given the importance of civic networks to advocacy and collective action.

The **vast majority** of respondents have lost financial resources.

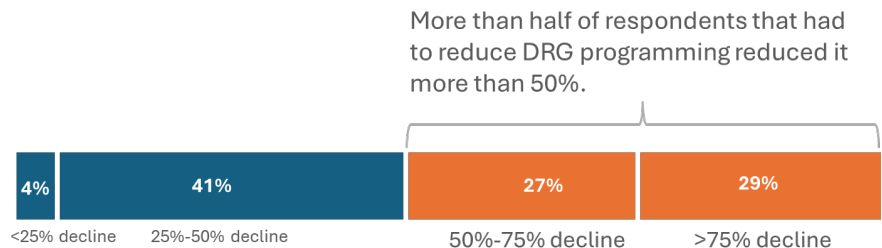
Of these, more than half of respondents lost a **significant portion** of their resources.



¹ Survey respondents were from Ethiopia, Sri Lanka, Sudan, and Ukraine, along with two other countries not named due to the sensitivity of their operating environments.

The extent of the impact on DRG programming is significant. 98% of respondents have had to make changes to their DRG activities. Of those, 27% have eliminated their DRG activities and another 27% have suspended activities. More than half have made program reductions of more than 50% of the previous scope, with almost a third reducing by 75% or more. Respondents reported that their reduced or terminated activities covered a wide range of advocacy, research, civic education, and other activities. One organization, for example, had to scale back legal assistance and other services for victims of torture and human rights violations in Sudan. Another Ukrainian organization had to end regional anti-corruption investigations and reduce advocacy for the confiscation of Russian sovereign assets.

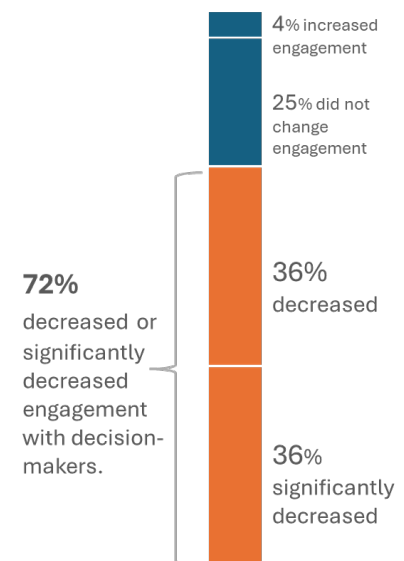
One organization has had to scale back legal assistance and other services for victims of torture and human rights violations in Sudan.



Takeaway 2: There is a cascade effect – A drop in resources has led to a decline in engagement with decision makers and security for civic actors.

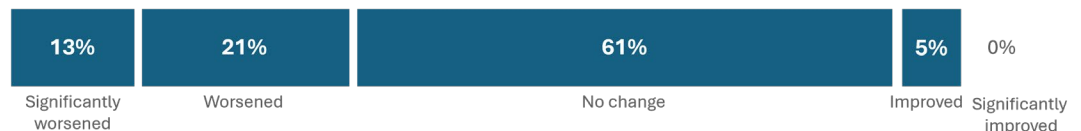
There are signs that reduced funding and reduced programming could lead to reduced influence for civic actors. Beyond the scale back in activities, 72% of organizations reporting declines in overall funding have seen a “decrease” or “significant decrease” in engagement with leaders and decision makers in their countries. When civic actors reduce engagement with public and private decision makers, it weakens channels for citizen voice, accountability, and inclusive policymaking. This disengagement can lead to decisions that are less responsive to community needs, exacerbating mistrust and social fragmentation.

The majority of respondents have reduced their engagement with decision-makers.

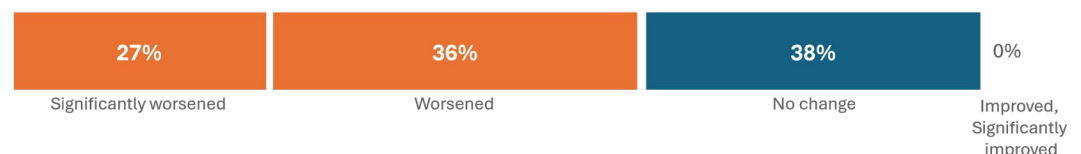


And respondents perceive a negative impact on their safety and security. 63% have seen a decrease or significant decrease in the physical safety of their staff. As one respondent explained, “physical security has changed primarily because, due to reduced funding, planning events had to be held not based on the priority of security of the premises, but rather...based on which venue was the cheapest.” Another person described, “we ceased providing our team with security needs in conflict areas, including private vehicles and bodyguards.” The reduction in the personal safety of staff could have a compounding effect and deter civic actors from operating in moderate to high-risk areas, limit their ability to recruit and retain staff, and contribute to stress and burnout at a time of heightened uncertainty.

Most respondents did not experience a significant change in digital security...



... but most respondents experienced a decrease in physical security:



Takeaway 3: There is also a ripple effect – Partners identify impacts in the overall civic space beyond their own programs.

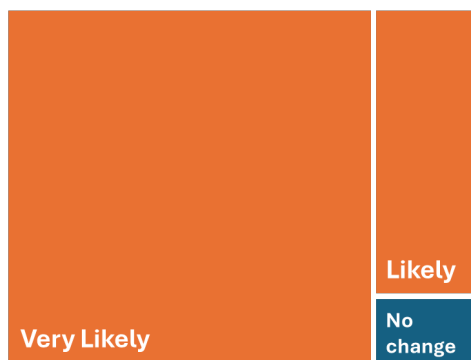
Beyond impacts on their own organizations, respondents identify a broader set of impacts in their operating environments. 94% of respondents have observed “significant reductions” (66%) or “reductions” (28%) in terms of DRG initiatives in their countries. For example, one person noted that “CSO and government partnership and joint engagement in relief and development as well as peacebuilding programs have been paused or stopped.” Another noted that voter education and local government accountability initiatives in their country had been cancelled. A third described that legal aid activities benefiting refugees from their politically closed country had ceased. As they explained, “for the CSO community in exile [from my country]...the overwhelming majority of us are migrants who fall into a very vulnerable group.”

Cuts to DRG activities are impacting disadvantaged groups. 63% explained that initiatives protecting or empowering vulnerable populations have been cut or scaled back, with the most affected communities identified being displaced people, women, and people with disabilities. For example, a Sudanese respondent explained that women’s protection and empowerment activities have been shut down, including women’s centers operating in conflict-affected communities. Another respondent described gender-based violence-focused interventions, including counseling services and legal support, being forced to close in their country. The reported impact on disadvantaged groups is concerning because, when programming that provides opportunities and resources to those communities are cut, so are the channels through which these groups have access to public voice, leadership, safety, and participation.

“There has been a decline in the number of actions taken with the government to protect land rights and public participation in government policymaking has declined.” ~Respondent

“Many civil society organizations, particularly smaller community-based groups, have reduced their activities or shut down.... Public forums and dialogues on governance, rights, and accountability have become less frequent.” ~Respondent

96% of respondents think it likely or very likely that civic space will shrink.



Respondents anticipate or already see negative impacts in their civic environments. 96% believe that, following aid cuts, it is “very likely” (78%) or “likely” (17%) that civic space will reduce in their country. Another 85% believe that there are signs that civic space has already been affected. Respondents pointed to the various organizations and civic initiatives that have been terminated or scaled back in their countries. As one person explained, “most CSO-[led] civic spaces where citizens come together their civic rights and to discuss face great threats.” Others pointed to actions by governments. A respondent in a repressive country explained that “the country...took advantage of the situation to impose a foreign agent law against civil society organizations, which includes a 30% tax on each donation.”

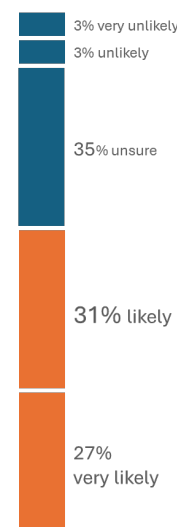
Takeaway 4: Civic organizations remain committed, but many are uncertain if they can continue.

Respondents want to remain engaged in DRG interventions because they see the clear impact and relevance to their country contexts. 90% of respondents reported that past DRG programs had made “significant positive impacts” (71%) or “positive impacts” (19%) in their countries. Partners pointed to a range of results from past interventions related to defending civic space, mitigating conflict, enabling policy reforms, and empowering marginalized populations. One respondent explained that “DRG programming by civil society in Ukraine has strengthened public oversight of government institutions and promoted transparency. These efforts have empowered citizens to participate more actively in decision-making processes at the local and national levels.” Another respondent from Sri Lanka pointed out that support for strategic litigation and advocacy

campaigns had contributed to “structural reforms,” including amending the country’s Prevention of Terrorism Act.

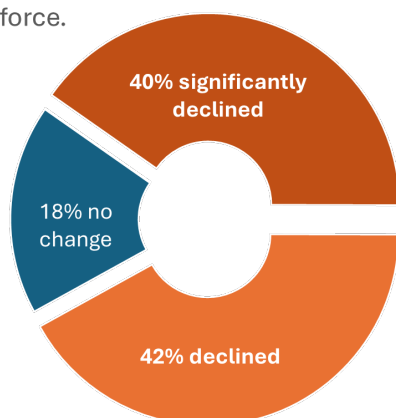
Most remain committed to DRG but some wonder if they can stay engaged. 58% of respondents reported that they are “very likely” or “likely” to continue working on DRG initiatives. However, 35% reported that they are “unsure” they will continue working on DRG initiatives, and a smaller number reported that they are “unlikely” or “very unlikely” to continue that work. Numerous partners reported sentiments such as “our organization remains committed to supporting and promoting the principles of democracy, human rights, and good governance.” One respondent explained that “the recent funding cuts have not only disrupted program implementation but also diminished the morale of civil society actors who rely on international solidarity to advocate for justice, equity, and democratic values. Despite the challenges we remain committed to our mission.” That same individual, however, noted that “sustained and predictable support is essential to ensure that the gains made in civic engagement and human rights protection are not lost.”

58% are committed to continuing DRG activities, but many are uncertain.



Takeaway 5: At least among democratic activists, public perceptions of the United States are at stake.

82% of respondents reported a decline in their view of the United States as a positive democratic force.



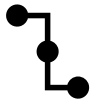
Respondents reported notable declines in how they view the U.S. 82% of respondents indicated that their view of the U.S. as a “positive democratic force” had “significantly declined” (40%) or “declined” (42%) as a result of the cuts to DRG programming. One respondent explained that “the current U.S. government measures in reducing or cutting back foreign aid contradicts the moral values that long existed and were maintained by the American people.” Another noted that, “for many years, U.S. support has played a vital role in strengthening civil society, democratic institutions, and human rights protections in my country. This support signalled a strong commitment to shared democratic values.... However, the funding cuts have created uncertainty and weakened ongoing efforts in governance, civic engagement, and rights advocacy.”

However, some hold out hope. One person wrote, “I sincerely hope the decision to cut funding for DRG programs will be revisited in the near future. Reinstating support would reaffirm a commitment to shared values

and strengthen ongoing efforts on the ground.” Another wrote, “...we’ve always looked up to the USA as a positive democratic force — an example to follow — and I don’t want to change that view.”

RECOMMENDATIONS

The survey data presented in this brief show that the financial impacts of DRG-focused aid cuts are leading to real world impacts in terms of compromised security and resilience of civic institutions and a pull back on critical interventions at the community level. Respondents reported that a range of activities focused on public policy reform, accountability and anti-corruption, human rights protection, conflict prevention and mitigation, and so on, have been terminated or reduced. They worry that, with these programmatic cuts, they will see broader restrictions on civic space in their countries and that the U.S.’s long-term reputation as a “positive democratic force” will suffer. There is space for the U.S. government, private philanthropy, and other institutions committed to democratic outcomes to take near-term actions to respond to these conditions, including:



Invest in bridge support for civic institutions. This is a time of transition and uncertainty for civic actors globally. Bridge funding aimed at helping civic institutions navigate the next funding “steady state” is critical. Targeted and flexible resources can assist civic institutions to keep important civic initiatives going while they explore whether longer term support is viable.



Test and scale new models of delivering resources to individual civic leaders. In addition to organizations, many individuals and experts are at risk of leaving the DRG sector. Private foundations and other funders can expand and scale fellowships to individual civic leaders to help keep them engaged while giving them space to forge new approaches for delivering civic initiatives.



Support DRG interventions that are uniquely positioned to provide certain lifesaving assistance. The U.S. government has indicated its support for continuing “lifesaving aid,” such as health and humanitarian assistance. Civic actors also have a significant role to play in sustaining life and wellbeing, such as through conflict prevention, mitigation, and response interventions; emergency assistance for victims of human rights abuse and political repression; and civic mobilization interventions that prepare communities to address humanitarian and other needs in the context of conflict and repression. Restarting and preserving these critical initiatives should be a top priority.



Work with local civic actors to monitor the evolving impact of aid cuts and changes to civic space. This survey captures the experience and perspectives of local and regional organizations at a single point in time. The impact on civic partners, their communities, and their country contexts will evolve in the months and even years to come. Policymakers, funders, and implementers need to invest in near- and long-term efforts to understand the cascading effects of declining resources for DRG through collaboration with civic institutions that are living the realities.

Pact remains committed to mobilizing support and attention for our brave and dedicated civic partners working to protect vulnerable communities and advance democratic and peaceful outcomes in their societies. In the months to come we will engage with these partners to track their evolving needs and help amplify their first-hand observations and perspectives. We look forward to collaborating with others committed to the health and resilience of critical civic actors around the world.

“As an organization working closely with grassroots communities, we have witnessed firsthand the critical role that DRG support plays in empowering citizens, protecting human rights, and strengthening local governance. The recent funding cuts have not only disrupted program implementation but also diminished the morale of civil society actors who rely on international solidarity to advocate for justice, equity, and democratic values. Despite the challenges, we remain committed to our mission, but sustained and predictable support is essential to ensure that the gains made in civic engagement and human rights protection are not lost. We hope future DRG strategies will prioritize long-term partnership, local ownership, and flexible support to meet the evolving needs on the ground.” ~Respondent

Pact has decades of experience supporting diverse civil society and human rights actors to expand and protect civic space and advance democratic reforms and accountability. In 2024 alone, more than 47,000 people participated in Pact-supported initiatives resulting in positive state-society engagement across 10 countries. These initiatives influenced 432 national and subnational level policies.

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