



## The Impact of USAID funding cuts on Ghanaian CSOs



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## 1. Introduction

Recent decisions by the US Government (USG) to freeze and cut foreign aid disrupted vital programs and services provided by Ghanaian civil society organizations (CSOs). These changes are affecting crucial development and humanitarian efforts, putting communities at risk and threatening the sustainability of many organizations.

Yet, the full extent of the impact remains unclear. Funders and policy-makers lack empirical data on the effects of the funding cuts on CSOs, how they are coping, and where support is most needed.

In view that, STAR-Ghana Foundation conducted a rapid survey to understand the impact and assess how partners are adapting and building up advocacy actions on the effect of the aid cuts.

The report reiterates the objective of the study, the methodology employed, key findings, recommendations and key reflections that will instigate conversations on next steps.

## 2. Objective

To assess the impact of USAID funding cuts on CSOs operating in Ghana and generate key reflections for broader stakeholder engagements

## 3. Methodology

This study utilized an online survey administered via Google Forms to collect data from 113 Civil Society Organizations (CSOs) between March 25th and May 9th, 2025. Eligibility for participation was limited to CSOs based in Ghana. Quantitative data was analysed using SPSS, employing descriptive statistics and cross-tabulations to explore relationships between variables. Thematic analysis was conducted on qualitative responses to extract recurring themes. The findings were synthesized into this report, presenting key insights and practical recommendations to address the challenges posed by USAID funding cuts.

## 4. Summary of Findings and Key reflections

### Background data of sampled CSOs

- More than half (59%) of the CSOs interviewed were operating at the regional/national level
- 58% of the CSOs had a staff strength between 1 and 10
- Majority of the CSOs (45%) were located in the Northern zone
- Majority of the CSOs (58%) were in existence for 10 or more years

### CSOs impacted by USAID cut

- More than half (58%) of the respondents were affected by the USAID cut
- 1 out every 5 CSOs (20%) interviewed were directly affected
- Almost 4 out of every 10 CSOs were affected both directly(the organisation itself) and indirectly(Partners supported by the sampled organisation)
- Majority (51%) of the CSOs affected were in the Northern zone
- The top 2 thematic areas affected are Health (74%) and Education (72%)

### CSOs dependency on USAID

- More than half (57%) of the CSOs affected had a maximum annual budget \$100K in 2024
- 72% of the affected CSOs had a maximum of 50% of their budget funded by USAID in 2024

#### Alternative Funding to USAID cut

- 91% of the CSOs affected are yet to secure alternative funding after the USAID cut
- Almost half (46%) of the CSOs yet to secure alternative funding are unlikely to secure funding in the 6 months – 12 months

#### USAID cut effect on staff strength of CSOs

- In total, 320 staff across the affected organisations were laid off
- More than half (58%) of the CSOs affected by the cut, reduced their staff strength by 30 – 50%

#### Advocacy related to USAID cut

- Only 4 out of every 10 organisations affected have engaged in any form of advocacy
- Most of the engagements (72%) have happened at the regional/national level

#### **Key Recommendations from CSOs**

- **Strengthen Local Resource Mobilization:** Encourage organizations to intensify efforts in raising funds locally through domestic philanthropy and community engagement.
- **Build Strategic Partnerships:** Collaborate with other CSOs, NGOs, private sector entities, and local governments to pool resources and jointly address funding challenges.
- **Advocate for Policy Support:** Push for government-led funding initiatives, including the creation of dedicated civil society funds in national budgets.
- **Promote Social Enterprises:** Invest in income-generating activities and create sustainable business models to support organizational stability.
- **Capacity Building for Financial Resilience:** Equip organizations with skills in proposal writing, development of reserve policy, and innovative fundraising approaches.

#### **Key reflections from study**

1. CSOs impacted by USAID cut – From the study, the USAID cut affected majority of the sampled CSOs, either directly or indirectly. The effect was felt more strongly in the northern part of Ghana and around the health and education thematic areas. Since health and education are essential services to citizens, CSOs should be deliberate in engaging the Government to provide funding for the continuation of these initiatives.
2. CSOs dependency on USAID - It was very clear from the study that there was a high level of dependency of CSOs on USAID funding. This was evidenced by an overwhelming majority having a maximum of half of their budget funded by USAID. Perhaps this provides an opportunity for CSOs to think widely beyond foreign aid and potentially ignite conversations around local philanthropy, social enterprise and other funding initiatives.
3. Alternative Funding to USAID cut - The effect of the USAID cut is still lingering, as most of the CSOs affected are yet to secure any alternative funding. It's further staggering to note that, half of the CSOs who are yet to secure alternative funding are unlikely to do that even in the next one year. This emphasises CSOs high dependency on foreign aid and the call for capacity support and awareness around alternative funding opportunities.
4. USAID cut effect on staff strength of CSOs- The USAID cut resulted in CSOs taking up some devastating and inevitable measures. Key to note is the lay-off of 320 staff across the 65 affected organisations. Ultimately, affecting the livelihoods of these staff and their families
5. Advocacy related to USAID cut - In such circumstances, advocacy around the implications and possible redress is a very critical way forward. However, less than half of the affected organisations are yet to engage in any form of advocacy. These limited engagements curtail critical thinking amongst stakeholders on CSOs dependency on foreign aid.

## 5. Main Findings

### a. Background data of respondents

|                                      | Frequency | Percent |
|--------------------------------------|-----------|---------|
| <b>Level of Operations</b>           |           |         |
| • Community/District                 | 44        | 39%     |
| • Regional/National                  | 67        | 59%     |
| • International                      | 2         | 2%      |
| <b>Years of existence</b>            |           |         |
| • 0-2 years                          | 5         | 5%      |
| • Above 2-5 years                    | 16        | 14%     |
| • Above 5-10 years                   | 26        | 23%     |
| • 10+ years                          | 66        | 58%     |
| <b>Organisational staff strength</b> |           |         |
| • Between 1 and 10                   | 65        | 58%     |
| • Between 11 and 20                  | 28        | 25%     |
| • Between 21 and 30                  | 10        | 9%      |
| • Between 31 and 50                  | 5         | 4%      |
| • 50+                                | 5         | 4%      |

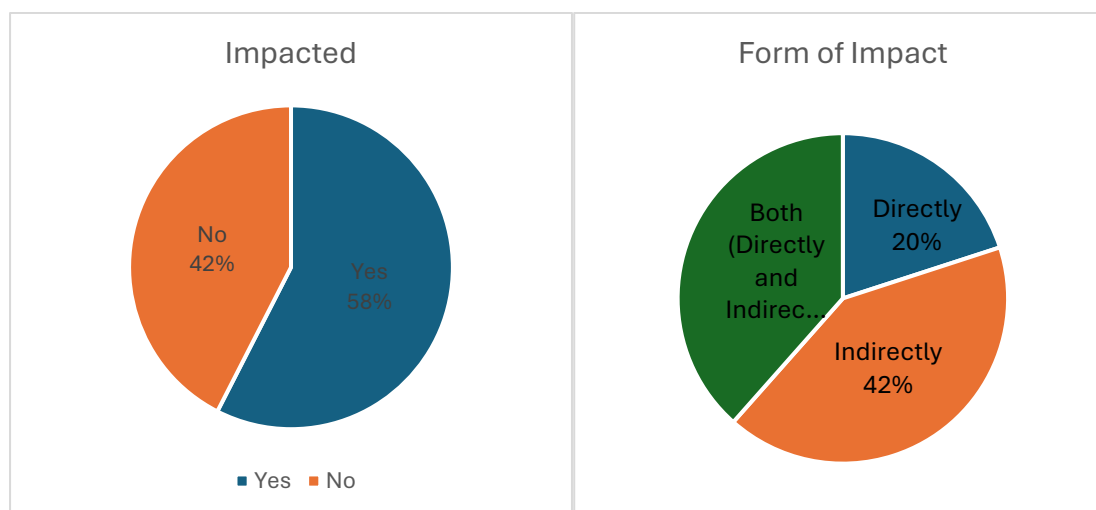
- More than half (59%) of the CSOs interviewed were operating at the regional/national level
- Majority of the CSOs (58%) were in existence for 10 or more years
- 58% of the CSOs had a staff strength between 1 and 10

### b. Zonal/Regional Representation

| Zone     | Regions (%)           | Aggregated % |
|----------|-----------------------|--------------|
| Southern | Central (4.4%)        | 36%          |
|          | Eastern (7.1%)        |              |
|          | Greater Accra (16.8%) |              |
|          | Oti (0.9%)            |              |
|          | Volta (4.4%)          |              |
|          | Western (1.8%)        |              |
|          | Western North (0.9%)  |              |
| Middle   | Ahafo (0.9%)          | 19%          |
|          | Ashanti (7.1%)        |              |
|          | Bono (8.0%)           |              |
|          | Bono East (2.7%)      |              |
| Northern | North East (3.5%)     | 45%          |
|          | Northern (17.7%)      |              |
|          | Savannah (9.7%)       |              |
|          | Upper East (9.7%)     |              |
|          | Upper West (4.4%)     |              |

- Majority of the respondents (45%) were from the Northern zone
- Specifically, the Northern region had the highest representation of 17.7%

### c. Impacted by USAID funding cut



- More than half (58%) of the respondents were affected by the USAID cut
- 1 out every 5 CSOs (20%) interviewed were directly affected
- Almost 4 out of every 10 CSOs were affected both directly (the organisation itself) and indirectly (Partners supported by the sampled organisation)

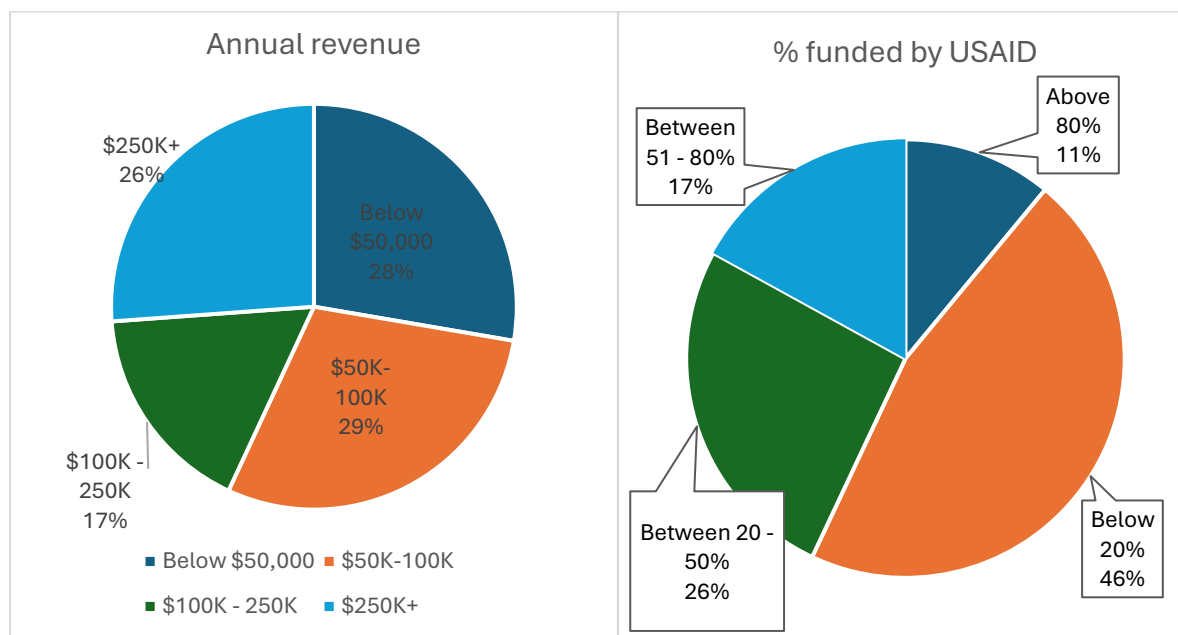
### d. Impact by location and thematic area (N=65)

|                                 | Percent (%) |
|---------------------------------|-------------|
| <b>Impact by location</b>       |             |
| • Southern                      | 32%         |
| • Middle                        | 17%         |
| • Northern                      | 51%         |
| <b>Impact by Thematic Area*</b> |             |
| • Health                        | 74%         |
| • Education                     | 72%         |
| • Social protection             | 66%         |
| • Peace & Security              | 42%         |
| • Governance                    | 59%         |
| • Agriculture                   | 65%         |
| • Media                         | 8%          |
| • Water & Sanitation            | 42%         |

\* Multiple responses

- CSOs in the Northern zone (51%) were mostly affected
- The top 2 thematic areas affected are Health (74%) and Education (72%)

### e. Annual revenue against % funded by USAID (2024)



- More than half (57%) of the CSOs had a maximum annual budget \$100K in 2024
- 72% of the CSOs had a maximum of 50% of their budget funded by USAID in 2024

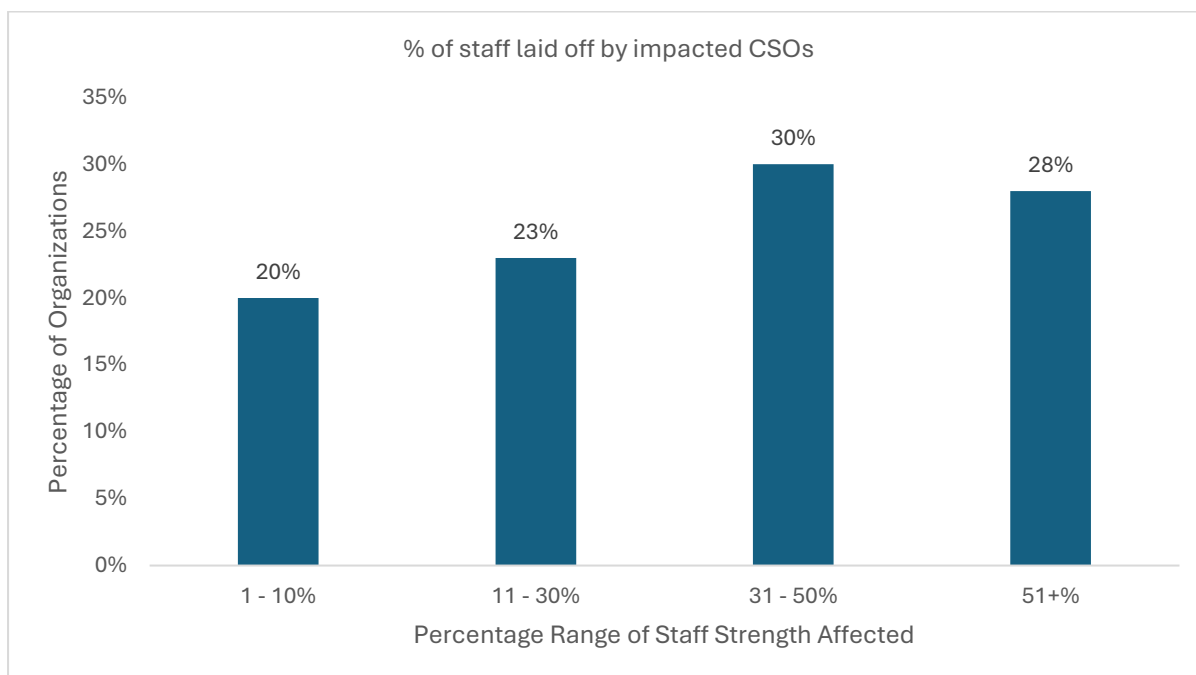
### f. Coping/Survival mechanisms

|   | Percent (%) |
|---|-------------|
| <b>Secured alternative funding</b>                    |             |
| • Yes   | 9%          |
| • No  | 91%         |
| <b>If No, Likelihood of securing in 6 – 12 months</b> |             |
| • Likely  | 20%         |
| • Somewhat  | 34%         |
| • Unlikely  | 46%         |
| <b>Adaptive strategies</b>                            |             |
| • Downscaling of staff                                | 62%         |
| • Downscaling of activities                           | 13%         |
| • Closing/downsizing operational areas                | 56%         |
| • Local fundraising                                   | 4%          |

- 91% of the CSOs affected are yet to secure an alternative funding after the USAID cut
- Almost half (46%) of the CSOs yet to secure alternative funding are unlikely to secure funding in the 6 months – 12 months

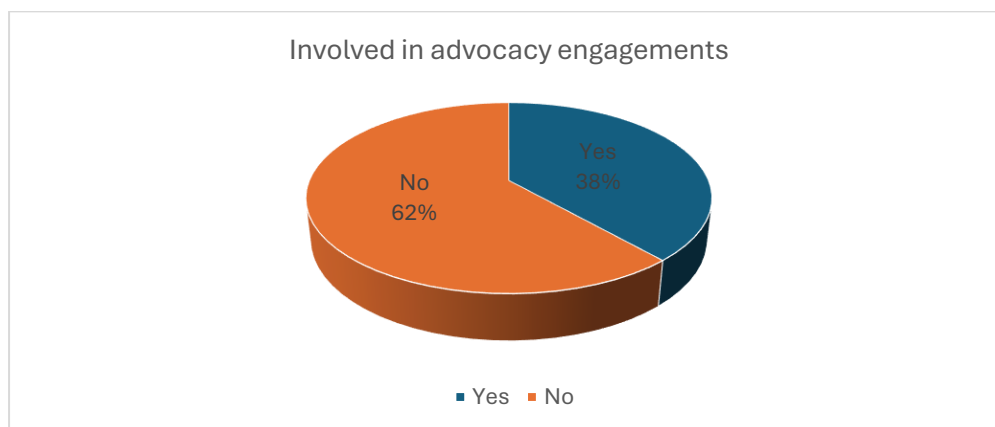
### g. Staff affected and its effect on overall staff strength

| Staff affected | % on staff strength   |
|----------------|---|
| 320            | 1- 10% (20%)<br>11 – 30% (23%)<br>31 – 50% (30%)<br>51+ (28%) |



- In total, 320 staff across the organisations affected were laid off
- More than half (58%) of the CSOs affected by the cut, reduced their staff strength by 30 – 50%

#### h. Advocacy initiatives



|  | Percent (%) |
|--|-------------|
| <b>Advocacy engagements by level of operations</b> |             |
| • Community/District                               | 28%         |
| • Regional/National                                | 72%         |
| • International                                    | 0%          |

- Only 4 out of every 10 organisations affected have engaged in any form of advocacy
- Most of the engagements (72%) have happened at the regional/national level

## **6. Key Recommendations from respondents**

- **Strengthen Local Resource Mobilization:** Encourage organizations to intensify efforts in raising funds locally through domestic philanthropy and community engagement.
- **Build Strategic Partnerships:** Collaborate with other CSOs, NGOs, private sector entities, and local governments to pool resources and jointly address funding challenges.
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