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CIVIL SOCIETY FORUM

Eastern Partnership civil society in dire straits

Impact of funding challenges and the USAID funding freeze
Survey report of an EaP CSF Consultation

April 2025





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Introduction

This anonymous survey was designed by the Eastern Partnership Civil Society Forum (EaP CSF) Secretariat to gather insights on funding challenges experienced by CSOs in the Eastern Partnership (EaP) region, and more specifically, the impact of the ongoing USAID funding freeze.

Following the United States (U.S.) administration's decision to freeze foreign assistance for a 90-day review, 83% of the programmes at the U.S. Agency for International Development were cut in early March 2025. This decision had profound repercussions on ongoing humanitarian and development projects worldwide. In the Eastern Partnership countries, most of the aid had been allocated to strengthening civil society and the rule of law, as well as boosting economic growth. In 2023, the Agency provided \$16.8 billion in aid to Eastern Europe, with Ukraine as the primary recipient, followed by Moldova and Georgia.

The survey results highlighted that 61% of respondents have been detrimentally impacted by the USAID funding freeze to various degrees. Many organisations are facing immediate disruptions in project implementation, including the suspension of capacity-building programmes, community engagement initiatives, and essential services provided to beneficiaries. Additionally, many organisations highlighted that they are struggling to retain key team members and/or had to let go of personnel and proceed with important layoffs. Most organisations describe a climate of severe financial uncertainty, making it nearly impossible to plan or implement critical activities.

Main Takeaways

Some of the main takeaways from this survey report include the following:

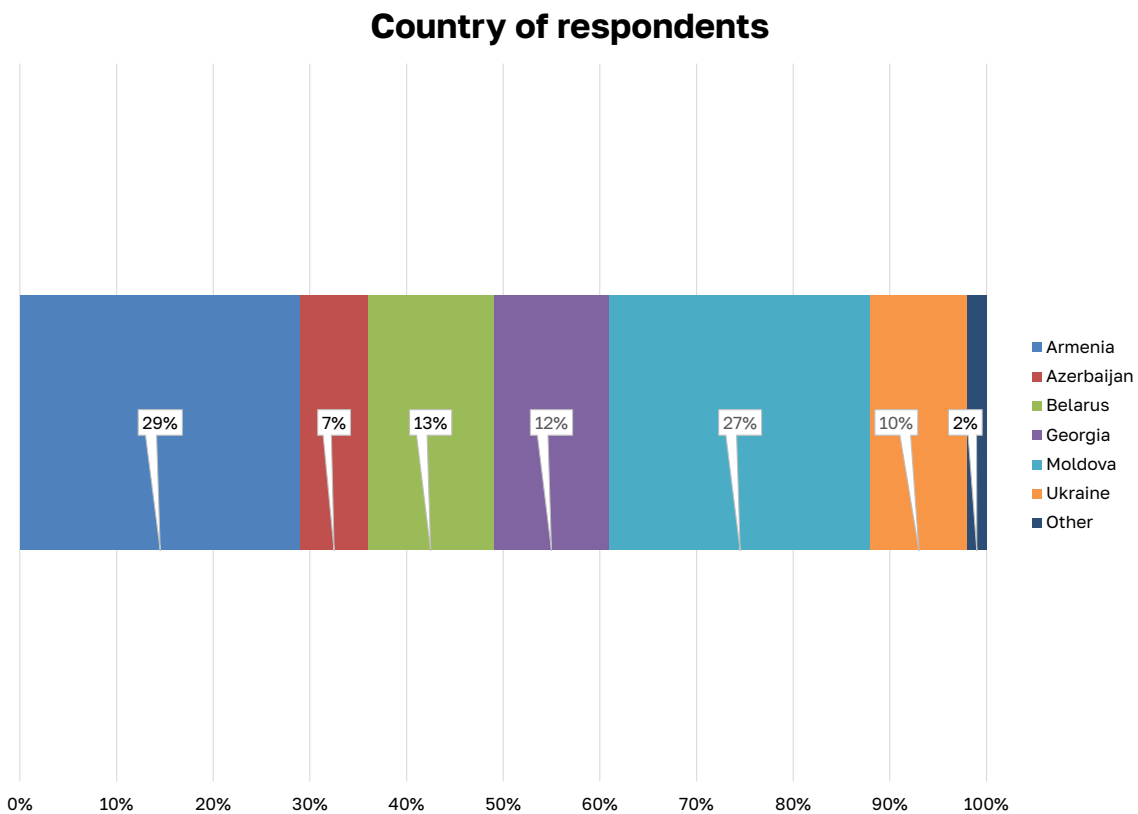
- Grants from international donors are the main source of funding for 83% of respondents.
- 45% of respondents indicated having no financial reserve and remain highly reliant on continuous financial support from donors to ensure their functioning, even in the short term.
- 37% of respondents indicated that the share of USAID funds in their 2025 annual budget was over 25%.
- Respondents affected by the USAID funding freeze have taken actions to cope with the situation, including but not limited to the termination of ongoing projects for 43% of them, cutting operational costs for 39%, reducing staff salaries for 34% and proceeding layoffs for 26%.
- 45% of respondents agree that the European Union (both via EU institutions and EU Member States) should step in to fill the financial gap created by USAID, and an additional 47% of respondents agree with the condition that other international donors should equally step in to fill the gap.
- This report highlights the challenges encountered by CSOs and calls for a strong, coordinated response from both international and regional partners to help stabilise and strengthen civil society in the Eastern Partnership region. It calls for the international community to work together to address the financial challenges that civil society faces in the EaP countries.

Methodology

The survey was filled in by 121 respondents. It was disseminated on 13th February 2025 to over 1200 EaP CSF member organisations through snowball sampling. The survey was closed on 2nd March 2025.

Country of respondents

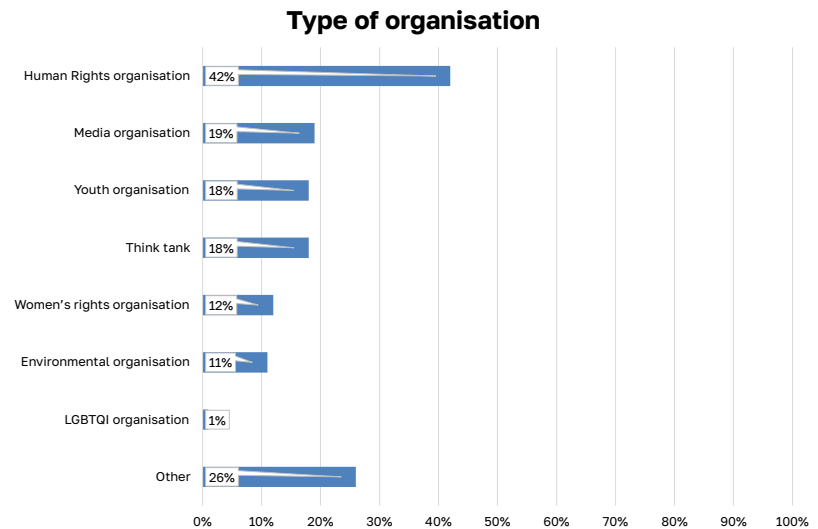
- Armenia – 35 (29%)
- Azerbaijan – 8 (7%)
- Belarus – 16 (13%)
- Georgia – 14 (12%)
- Moldova – 33 (27%)
- Ukraine – 12 (10%)
- Other – 3 (2%)



Type of organisation

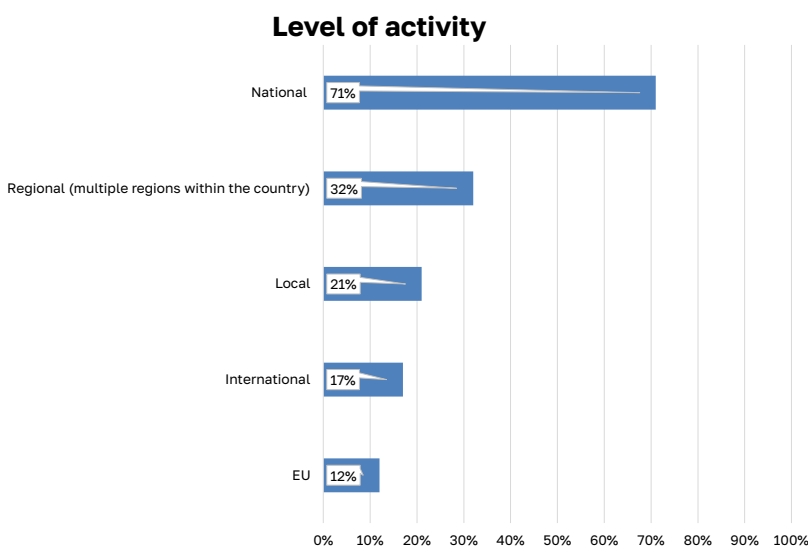
Out of these, the respondents were invited to select any type of organisation that applies to them and identified their organisations as follows:

- Human Rights organisation – 51 (42%)
- Media organisation – 23 (19%)
- Think tank – 22 (18%)
- Youth organisation – 22 (18%)
- Women’s rights organisation – 15 (12%)
- Environmental organisation – 14 (11%)
- LGBTQI organisation – 1 (<1%)
- Other – 31 (26%)



Level of activity

The respondents were invited to select all levels of activity that apply to their organisation. A majority of 86 (71%) of them indicated being active at National level, followed by 39 (32%) being active at regional level (meant as regions within the country). Another 25 (21%) indicated being active at the Local level, while 21 (17%) indicated being active at an international level, and 14 (12%) at EU level. We observe that a majority of respondents are active mostly at National level.

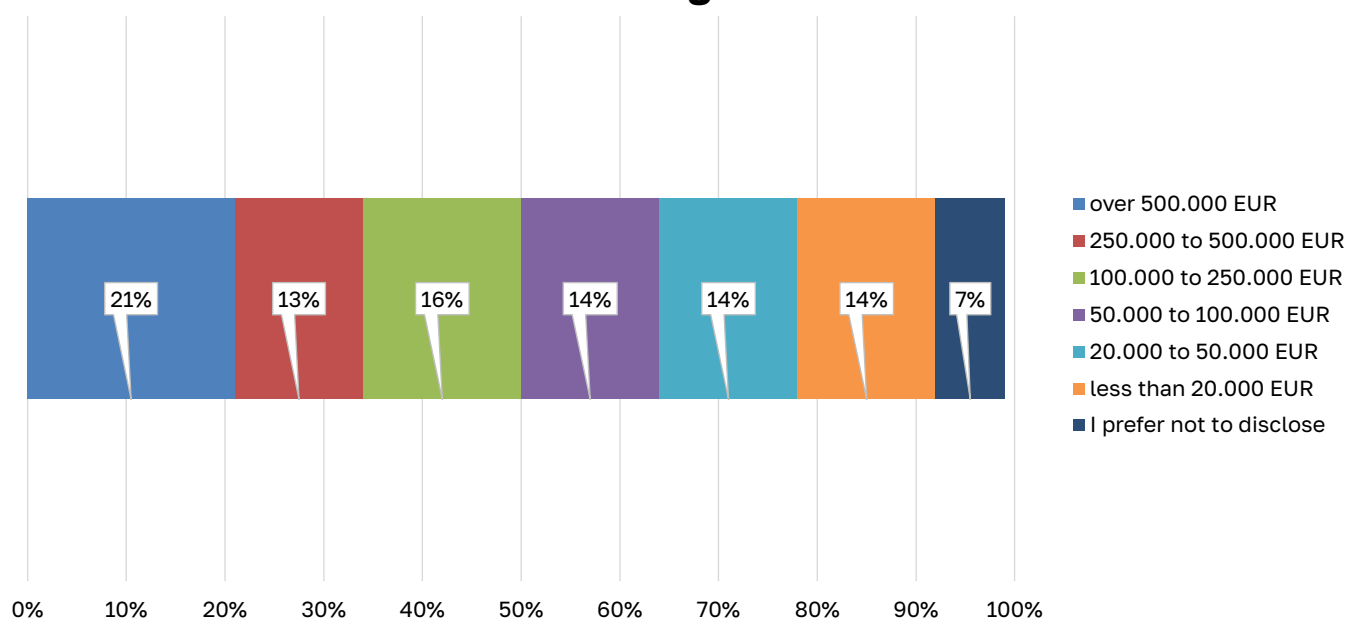


Survey Results

1. What was your organisation's annual budget for 2024?

Out of 121 respondents, 26 (21%) indicated having an annual budget for 2024 superior to 500.000 EUR. Another 16 (13%) stated having an annual budget between 250.000 EUR and 500.000 EUR. A further 20 (16%) organisations responded having a budget between 100.000 EUR and 250.000 EUR. 17 (14%) indicated having an annual budget between 50.000 EUR and 100.000 EUR, 17 (14%) between 20.000 EUR and 50.000 EUR, and another 17 (14%) indicated having less than 20.000 EUR. 8 (7%) respondents preferred not to disclose the information. We observe that the budgets indicated by respondents vary, indicating a spread range of organisation sizes.

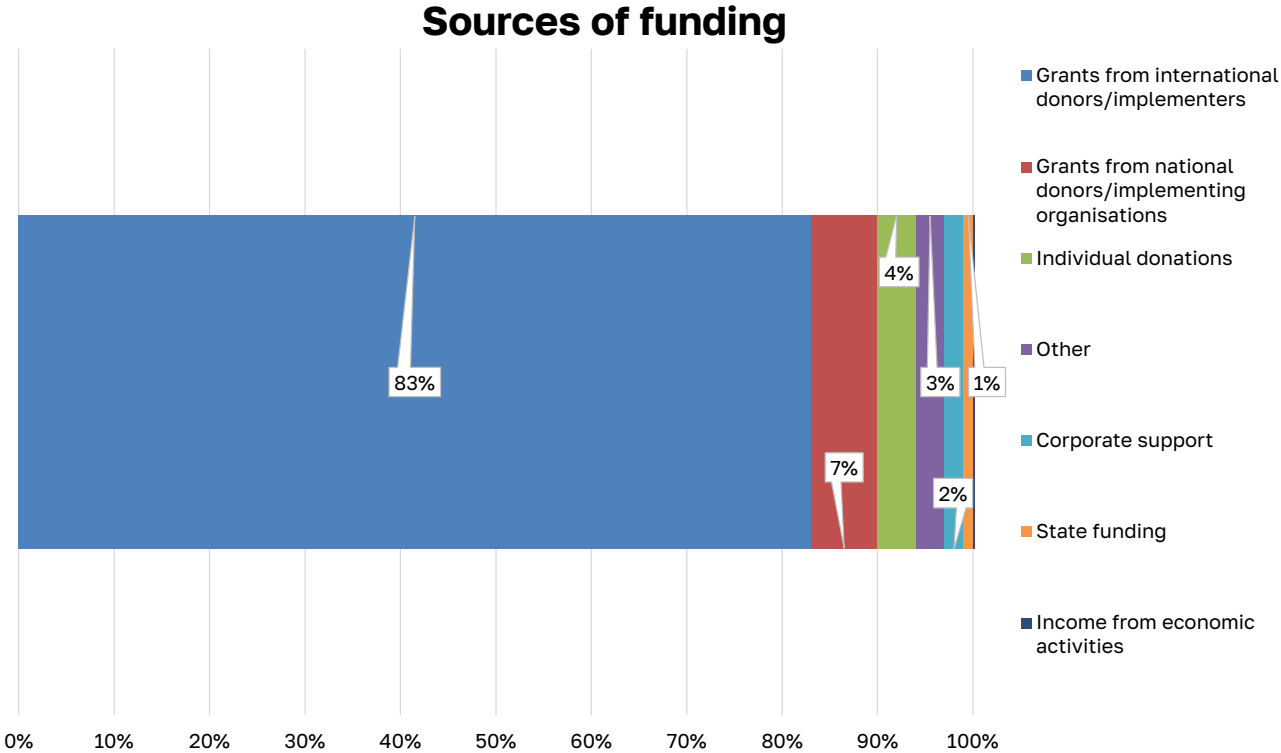
Annual budget 2024



2. What are your organisation's main sources of funding?

Out of 121 respondents, 100 (83%) indicated their main source of funding as Grants from international donors/implementers, and 8 (7%) respondents indicated their main source of funding as Grants from national donors/implementing organisations. 5 (4%) respondents mentioned Individual donations, 2 (<2%) mentioned corporate support, 1 (<1%) mentioned Income from economic activities and another 1 (<1%) mentioned State funding. 4 (3%) respondents gave 'other' as a response, while none (0%) indicated Crowdfunding or Community

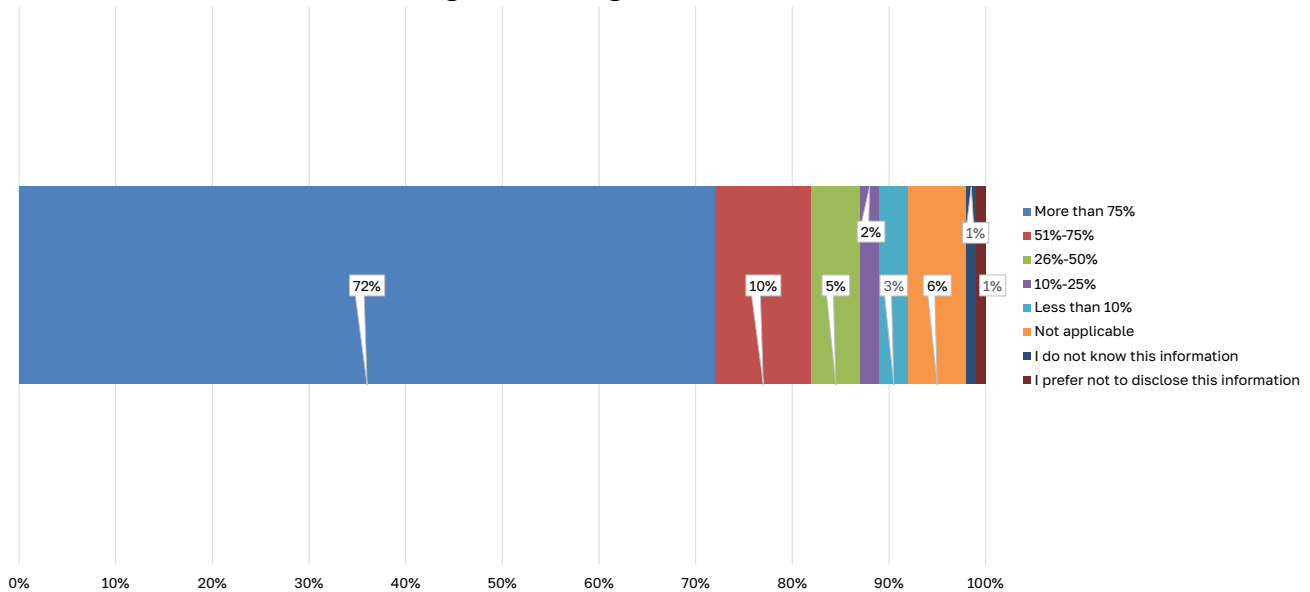
funds as a source of funding. We observe that grants from international donors and implementors remain by far the main source of funding for respondents.



3. If you receive(d) funds from international donors, what percentage has come from them over the last 3 years?

Out of 121 respondents, 87 (72%) indicated that more than 75% of their funds came from international donors over the last 3 years. Another 12 (10%) respondents indicated that it was between 51% and 75% of their funds. 6 (5%) respondents indicated between 26% and 50%, 3 (<2%) respondents indicated between 10% and 25%, while 4 (3%) respondents indicated less than 10%. 7 (6%) respondents indicated that the question was not applicable, while 1 (<1%) indicated not knowing the answer and 1 (<1%) preferred not to disclose the information. We observe that funding from international donors make up most of the funding for respondents.

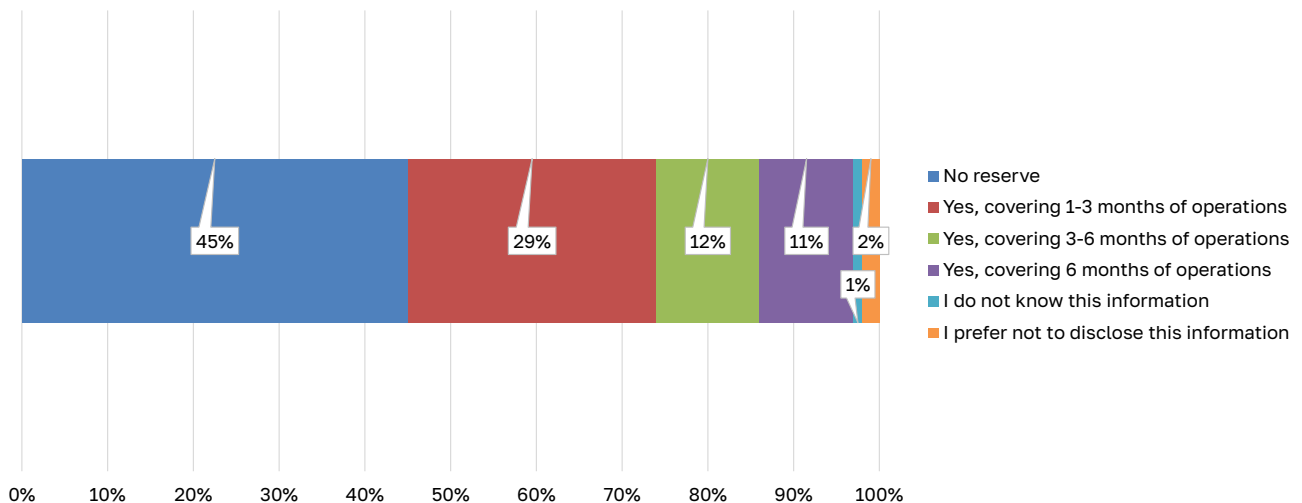
Percentage of funding from international donors



4. In case of funding challenges, does your organisation have a financial reserve?

Out of 121 respondents, 54 (45%) indicated having no financial reserve. 35 (29%) indicated having a financial reserve to cover 1 to 3 months of operations. 15 (12%) indicated having a financial reserve to cover 3 to 6 months of operations, and 13 (11%) to cover 6 months of operations. 3 (<2%) indicated not wanting to disclose the information, and 1 (<1%) to not know. We observe that respondents generally have very little to no financial reserve and remain highly reliant on continuous financial support from donors to ensure their functioning, even in the short term.

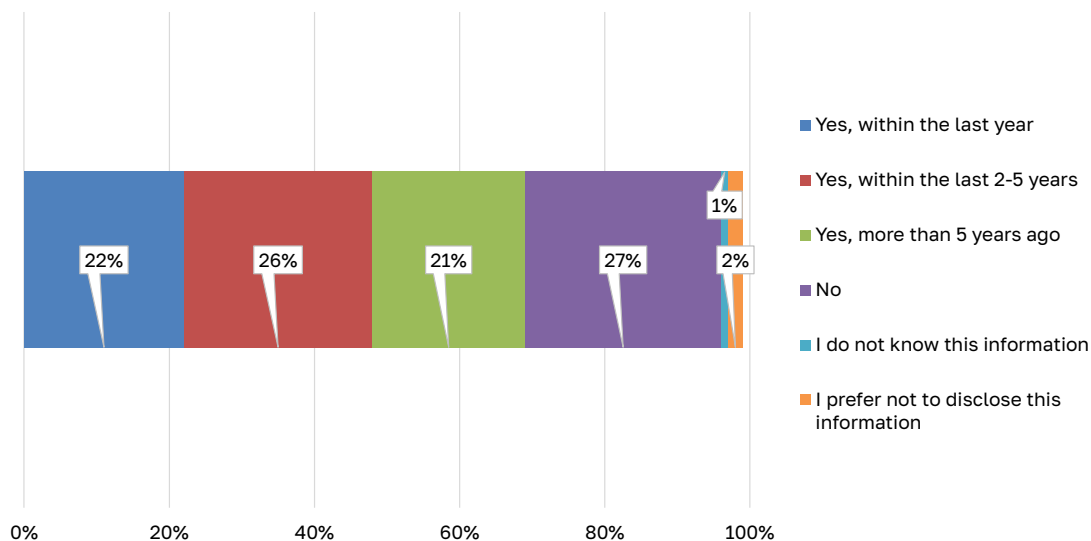
Financial reserves in the organisation



5. Has your organisation experienced any significant funding challenges in the past?

Out of 121 respondents, 27 (22%) indicated having experienced significant challenges in the last year, 31 (26%) in the last 2 to 5 years, and 25 (21%) experienced challenges more than 5 years ago. 33 (27%) indicated not having experienced significant challenges in the past. 3 (2%) indicated not wanting to disclose the information and 2 (<2%) to now know. We observe that most respondents (69%) have experienced financial challenges in the past, highlighting a degree of dependency on effective funding.

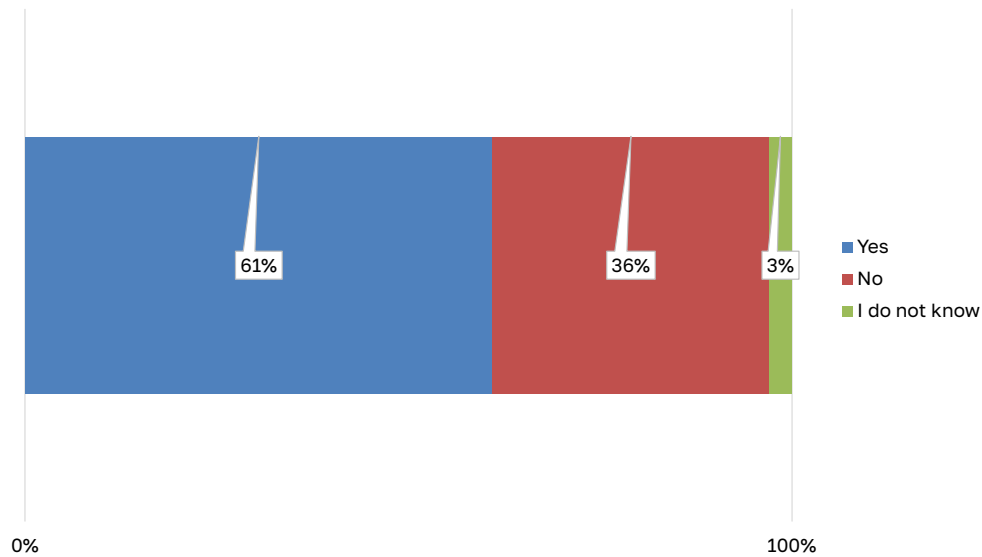
Financial challenges encountered in the past



6. Has your organisation been impacted by the ongoing USAID funding freeze?

Out of 121 respondents, 74 (61%) indicated having been impacted by the USAID funding freeze. 43 (36%) respondents indicated they were not impacted by the funding freeze. An additional 4 (3%) respondents indicated not knowing. Within the respondents, the organisations from Armenia and Belarus are most reliant on USAID as 75% of CSOs have been impacted by the freeze in each country. These are followed by CSOs in Ukraine with 58% impacted, in Georgia with 50% impacted, in Moldova with 48% impacted and finally in Azerbaijan with 38% impacted. We can conclude that respondents from Armenia and Belarus are most reliant on USAID funding, followed by the ones in Ukraine. Respondents from Georgia, Moldova and Azerbaijan are relatively less reliant on USAID funding.

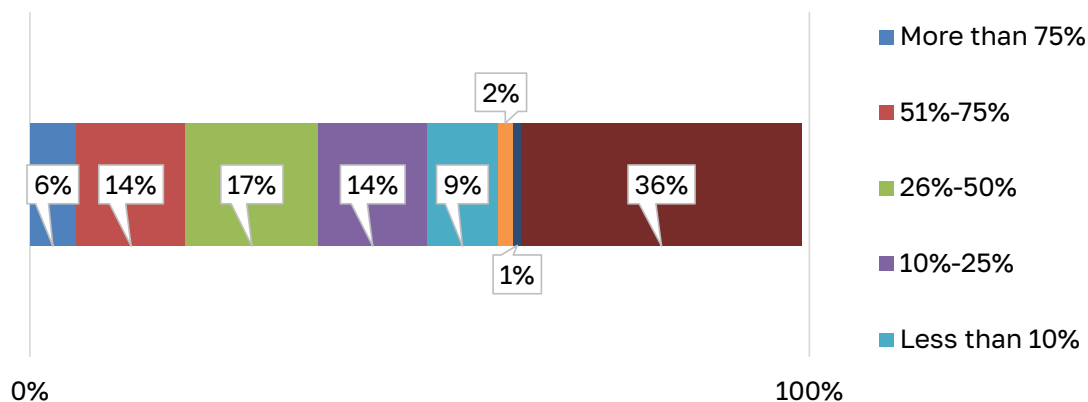
Was the organisation impacted by the USAID freeze?



7. If you answered “Yes” to question no. 6, what was the share of USAID funds in your organisation’s overall annual budget for 2025?

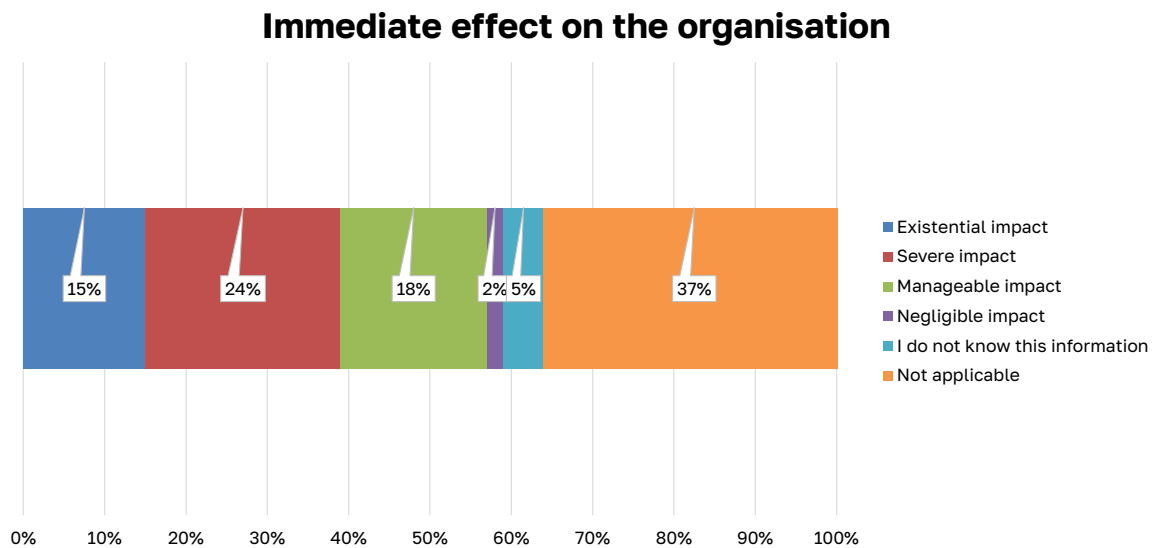
Out of 121 respondents, 7 (6%) answered that the share of USAID funds in their organisation was over 75% for 2025. 17 (14%) indicated that it was between 51% and 75%, 21 (17%) that it was between 26% and 50%, and 17 (14%) that it was between 10% and 25%. Another 11 (9%) indicated that it was below 11%. 44 (36%) respondents indicated that the question was not applicable to them, 3 (2%) that they did not want to disclose and 1 (<1%) that they did not know. We observe that the share of USAID funds in the 2025 annual budget of respondents impacted by the USAID freeze is generally significant, as 37% of them indicated that the share of USAID funds in their 2025 annual budget was over 25%.

USAID share in organisation's budget



8. If you answered “Yes” to question no. 6, how would you assess the immediate effect of USAID funding freeze on your organisation?

Out of 121 respondents, 18 (15%) answered that the immediate effect of USAID funding freeze on their organisation would be existential, 29 (24%) answered it would be severe, and 22 (18%) that it would be manageable. 3 (2%) respondents answered that the impact would be negligible, while 6 (5%) indicated not knowing. 45 (37%) respondents indicated that the question was not applicable to them. We can assess that the impact of the USAID funding freeze on the affected respondents is generally important.

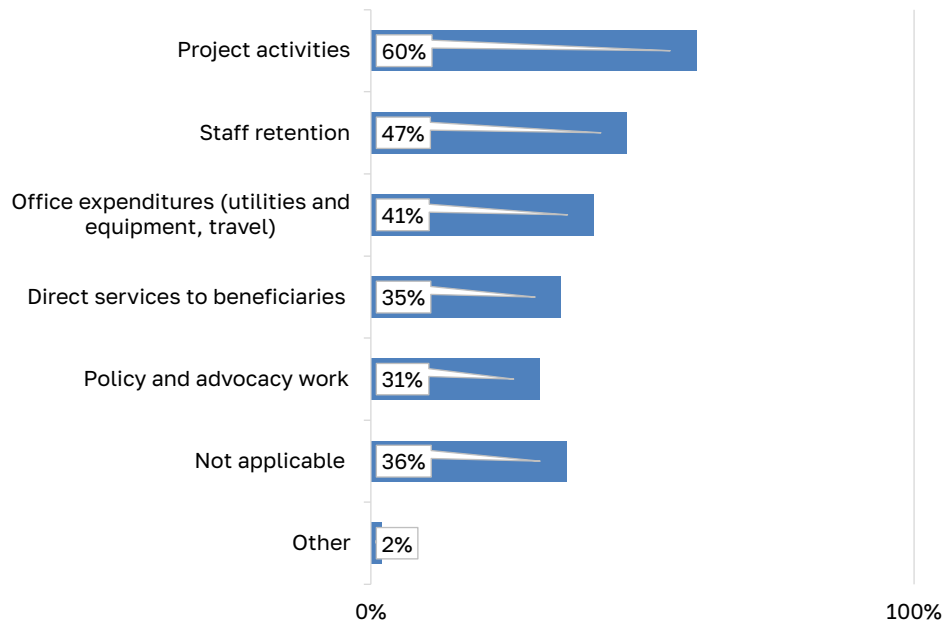


9. If you answered “Yes” to question no. 6, which aspects of your work have been affected?

The 121 respondents identified the following areas of work as affected by the USAID funding freeze:

- Project activities – 72 (60%)
- Staff retention – 57 (47%)
- Office expenditures (utilities and equipment, travel) - 50 (41%)
- Direct services to beneficiaries – 42 (35%)
- Policy and advocacy work – 38 (31%)
- Not applicable – 44 (36%)
- Other – 2 (<2%)

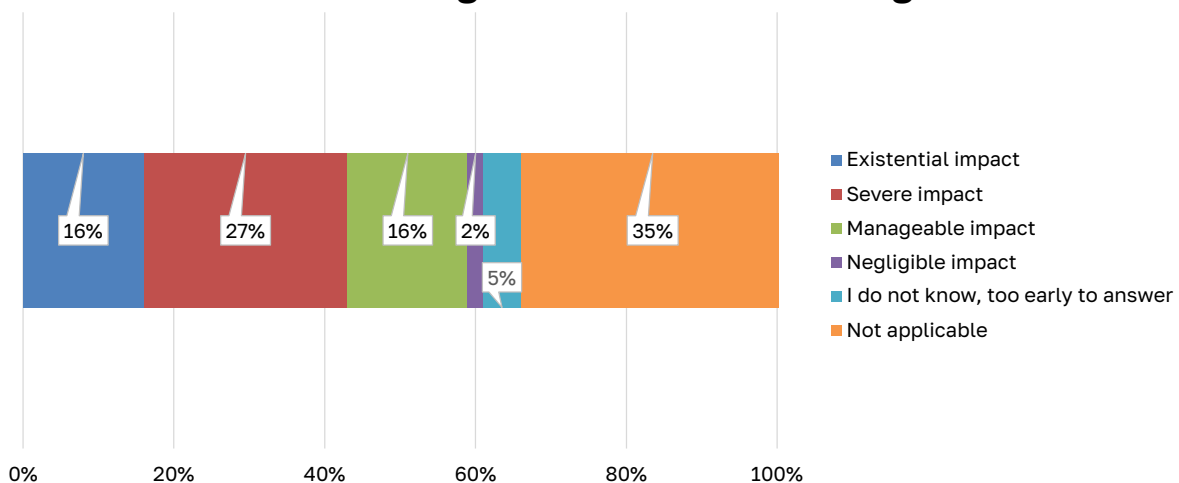
Aspects of work affected by the USAID freeze



10. If you answered “Yes” to question no.6, how would you assess the medium to long term effect of the funding freeze on your organisation (6 months up to 2 years)?

Out of 121 respondents, 19 (16%) answered that the medium to long term effect of the USAID funding freeze on their organisation would be existential, 33 (27%) answered it would be severe, and 19 (16%) that it would be manageable. 2 (<2%) respondents answered that the impact would be negligible, while 6 (5%) indicated not knowing. 42 (35%) respondents indicated that the question was not applicable to them. We can assess that the medium to long term effect of the USAID funding freeze on concerned respondents is generally important.

Medium to long term effect on the organisation

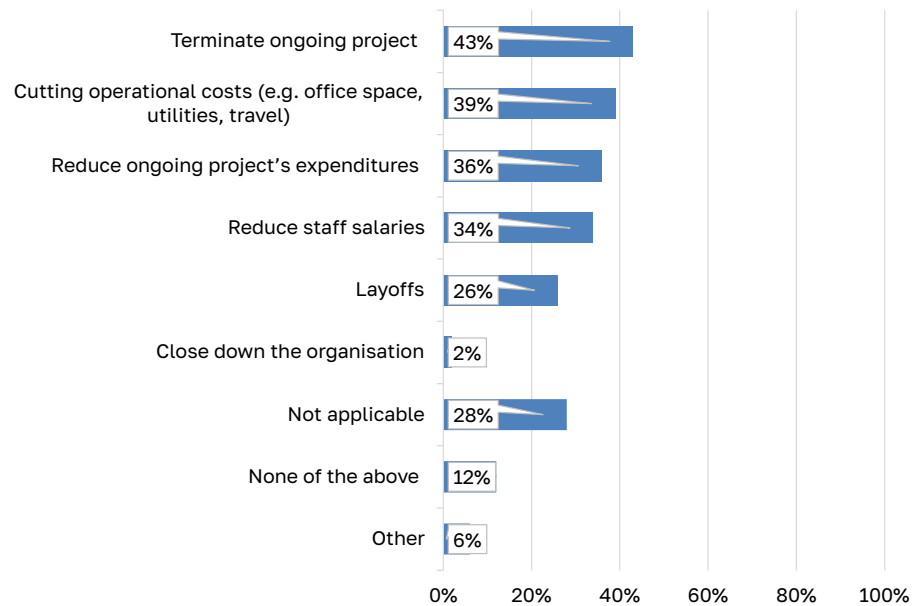


11. What actions have you been forced to take after the announcement of the USAID funding freeze?

The 121 respondents identified the following actions they were forced to undertake after the USAID funding freeze:

- Terminate ongoing project – 52 (43%)
- Cutting operational costs (e.g. office space, utilities, travel) - 47 (39%)
- Reduce ongoing project's expenditures – 43 (36%)
- Reduce staff salaries – 41 (34%)
- Layoffs (inability to pay salaries) - 32 (26%)
- Close down the organisation – 2 (<2%)
- Not applicable – 34 (28%)
- None of the above – 14 (12%)
- Other – 7 (6%)

Actions undertaken after the USAID funding freeze announcement



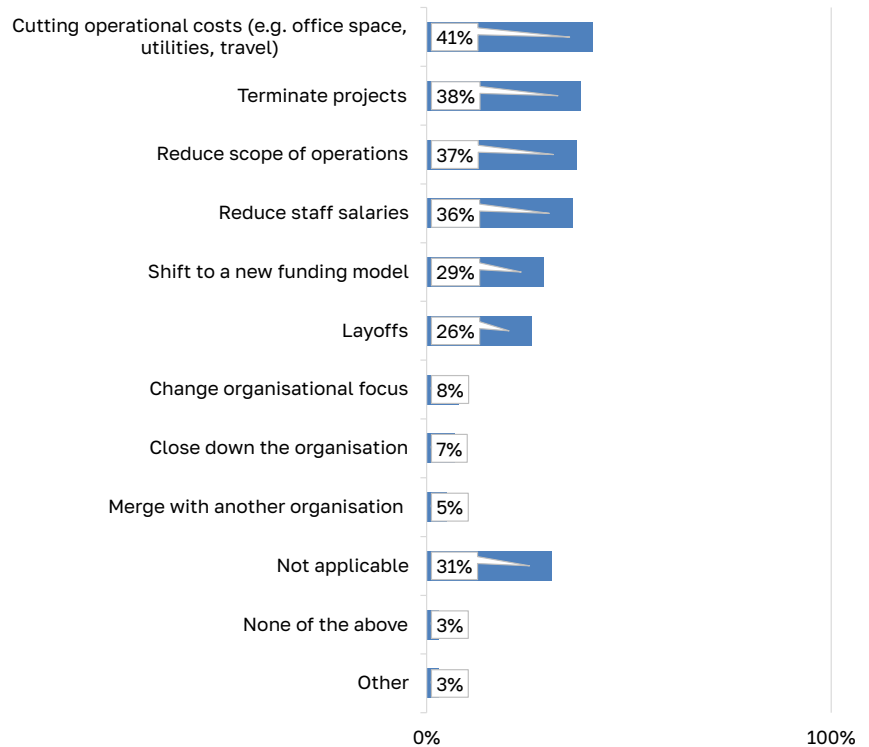
12. Provided that the freeze is not lifted within the next 3 months, what actions will you be forced to take to cope with the situation?

The 121 respondents identified the following actions they would be forced to undertake to cope with the situation should the USAID funding freeze not be lifted after 3 months:

- Cutting operational costs (e.g. office space, utilities, travel) - 50 (41%)
- Terminate projects – 46 (38%)
- Reduce scope of operations – 45 (37%)
- Reduce staff salaries – 43 (36%)
- Shift to a new funding model – 35 (29%)
- Layoffs – 31 (26%)
- Change organisational focus – 10 (8%)
- Close down the organisation – 9 (7%)

Further actions to be undertaken

- Merge with another organisation – 6 (5%)
- Not applicable – 37 (31%)
- None of the above – 4 (3%)
- Other – 4 (3%)



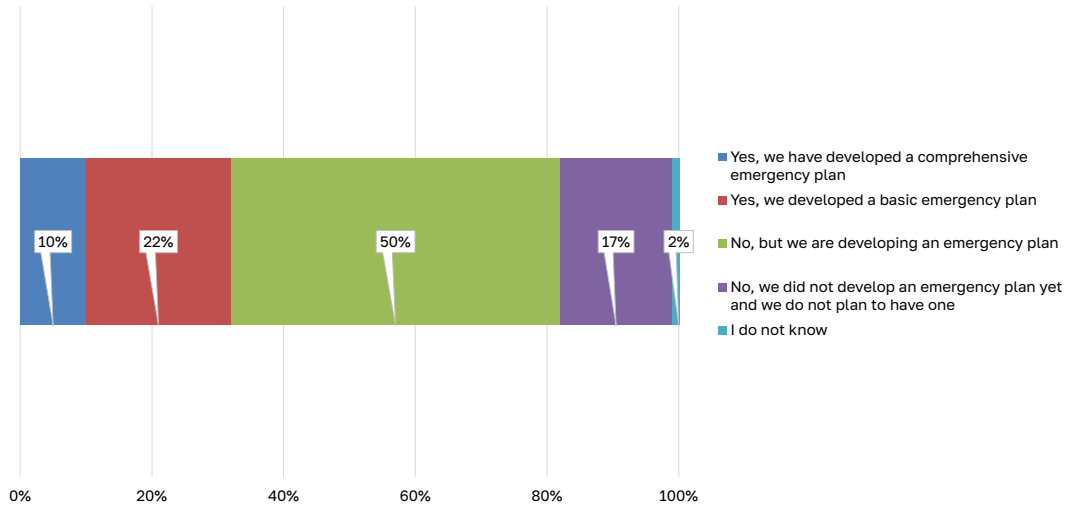
13. Please share more details about how the funding freeze has affected or will affect your projects, operations, staff, or beneficiaries so far?

The most recurring answer received from respondents is that the USAID funding freeze has had a detrimental impact. Many organisations are facing immediate disruptions in project implementation, including the suspension of capacity-building programmes, community engagement initiatives, and essential services provided to beneficiaries. Additionally, many respondents highlighted that they are struggling to retain key team members and/or had to let go of personnel and proceed with important layoffs. Most respondents describe a climate of severe financial uncertainty, making it nearly impossible to plan or implement critical activities.

14. Given ongoing financial challenges for the CSO sector, has your organisation put in place an emergency plan?

Out of 121 respondents, 12 (10%) indicated having developed a comprehensive emergency plan, while 27 (22%) respondents indicated having developed a basic emergency plan. 60 (50%) respondents indicated that they did not yet have an emergency plan but are currently developing one, while 20 (17%) did not develop an emergency plan and do not plan to do so. 2 (<2%) indicated not knowing. We observe that most respondents are responsive to the financial challenges for the CSO sector and have developed and/or are developing some sort of emergency plan.

Implementation of an emergency plan

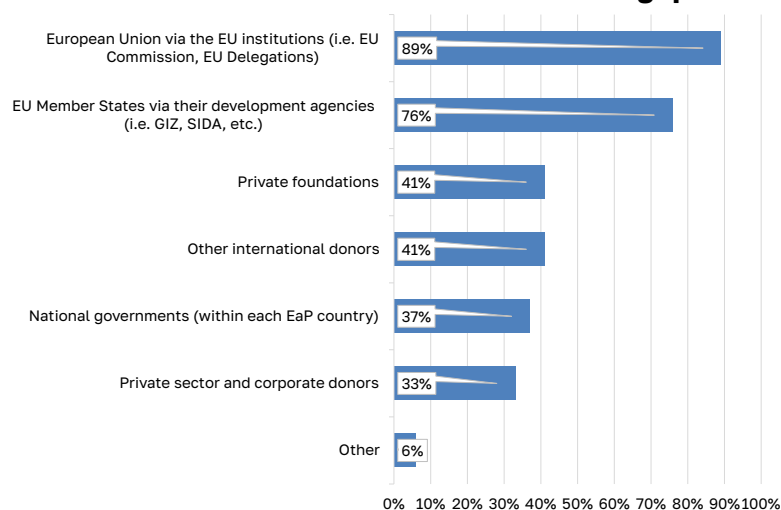


15. Whom do you see as a potential donor able to fill the financial gap in the medium to long-term?

The 121 respondents indicated the following as potential donors able to fill the financial gap in the medium to long-term:

- European Union via the EU institutions (i.e. EU Commission, EU Delegations) - 108 (89%)
- EU Member States via their development agencies (i.e. GIZ, SIDA, etc.) - 92 (76%)
- Private foundations - 50 (41%)
- Other international donors - 50 (41%)
- National governments (within each EaP country) - 45 (37%)
- Private sector and corporate donors - 40 (33%)
- Other - 7 (6%)

Potential donors to fill the financial gap

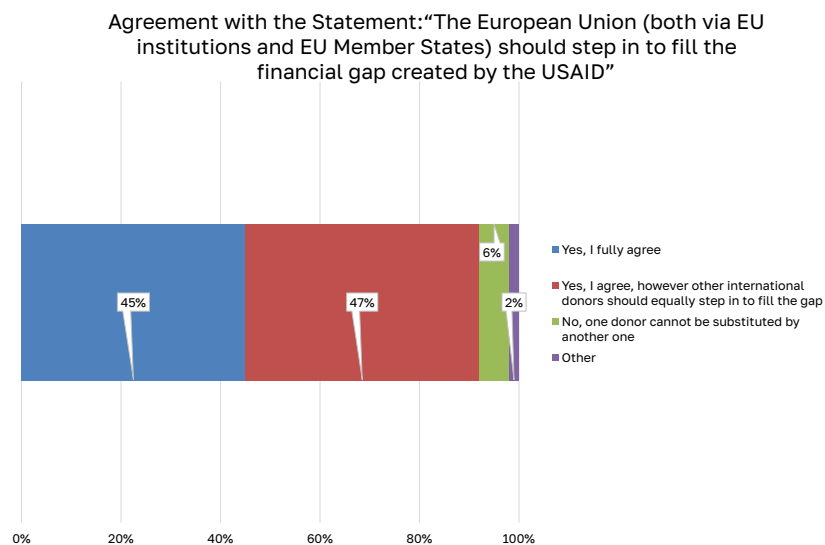


16. In your view, what alternative funding models or partnerships could help bridge the current financial gap?

Most respondents indicated that the above-mentioned potential donors are a first step into finding alternative sources of funding. Many organisations highlighted the importance of diversification, including through fundraising and building partnerships. Several other examples of alternative funding models include donations, crowdfunding, advertising as well as the introduction of membership fees when applicable.

17. Do you agree with the following statement: “The European Union (both via EU institutions and EU Member States) should step in to fill the financial gap created by the USAID”?

Out of 121 respondents, 54 (45%) answered that they fully agree with the statement that “The European Union (both via EU institutions and EU Member States) should step in to fill the financial gap created by the USAID”, while 57 (47%) indicated that they agree with the condition that other international donors should equally step in to fill the gap. 7 (6%) respondents indicated that they do not agree, and 3 (2%) did not provide an answer.

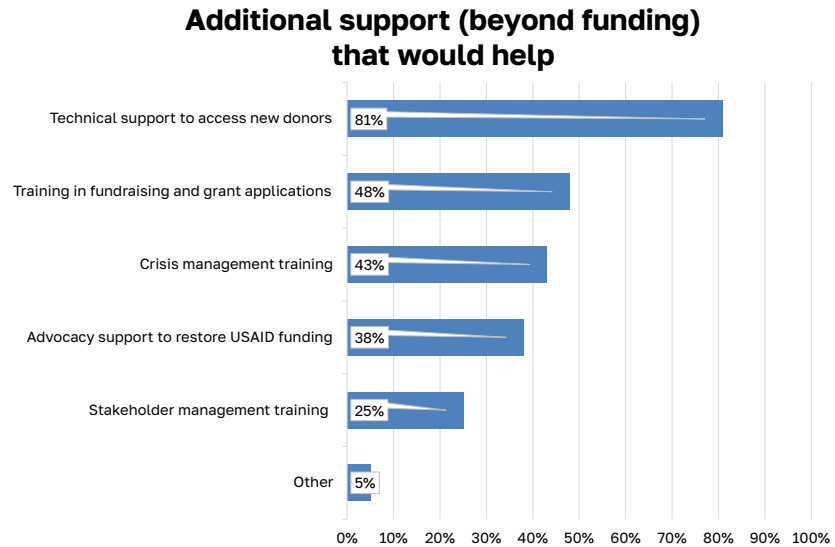


18. What additional support (beyond funding) would help your organisation to overcome the ongoing financial challenges of this period?

The 121 respondents indicated the following as additional support (beyond funding) that would help their organisation to overcome the ongoing financial challenges of this period:

- Technical support to access new donors – 98 (81%)

- Training in fundraising and grant applications – 58 (48%)
- Crisis management training – 52 (43%)
- Advocacy support to restore USAID funding – 46 (38%)
- Stakeholder management training – 30 (25%)
- Other – 6 (5%)



19. Is there anything else you would like to share with us in terms of current funding challenges and recommendations for the donor community and EU stakeholders?

The most recurring comment received from respondents is that the European Union should increase its support to NGOs, especially in view of the USAID funding freeze. Some of the respondents stressed that they wish for the format of EU support to be revised, including easing the conditions for applying to funds. Simultaneously, several respondents reiterated the importance of increased diversification of funding sources.

Conclusion

With the majority of organisations in EaP countries relying on grants from international donors, the USAID funding freeze has had a detrimental impact on civil society in the EaP region, in particular human rights, youth and media organisations.

This measure primarily disrupted project activities, including implementation, capacity-building programmes and community engagement initiatives. Many respondents highlighted difficulties in retaining key staff, leading to significant layoffs, as well as reduction in office expenditures and direct services to beneficiaries. Respondents widely reported a climate of severe financial uncertainty, hindering their ability to plan or implement critical programmes. Most respondents indicated having very little to no financial reserve. The medium and long-term effects of the funding freeze will vary, ranging from manageable to severe or even existential, depending on each organisation's capacity to implement emergency plans, utilise financial reserves and secure increased support from other donors, such as the European Union and its member states.

This situation calls for a strong, coordinated response from both international and regional partners to help stabilise and strengthen civil society in the region. It is essential that donor organisations and governments, including the European Union, recognise the urgent need for flexible, sustainable funding mechanisms to support the resilience of CSOs. Additionally, it is vital that the international community works together to address the financial challenges that civil society faces, ensuring the survival and growth of these organisations that are pivotal for democracy, human rights, and social progress in the EaP countries.



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