

# The impact of US funding cuts on members of The Commonwealth Equality Network

February 2025



**A REPORT BY**

The Commonwealth  
Equality Network



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Equality Network**

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# Background

On 24 January, the United States government announced a 90-day suspension on almost all foreign assistance. The impact on members of The Commonwealth Equality Network was immediate. Member organisations began reporting that they were being instructed to cease work on US-funded projects.

In order to properly understand the impact of the suspension of funding on our members, The Commonwealth Equality Network launched a rapid research survey. Administered with the support of our host organisation, Kaleidoscope Trust, the Network's members were surveyed on the extent to which they had been affected by the cuts.

The picture that emerges from the survey is alarming. The consequences of the cuts are both widespread, with members from every one of our regions affected, and severe, with members impacted by the cuts reporting losing, on average, half of their income. Around a third of members have reported being impacted by the suspension of US funding.

Information found through the rapid research is already being mobilised by members in their engagement with donor governments. We hope that beyond just illuminating the current crisis faced by our members, the data can be used by members as an important tool in staging their responses.

# Headline findings

- The Network received 29 responses, representing a response rate of 40%.
- Of these 29 respondents, 20 (27% of all members) reported being impacted by the funding cuts.
- Organisations affected face a significant loss of funding through direct and indirect sources. Slightly more than half of organisations impacted (11/20) face up to a 50% reduction in income level, while six organisations (30%) face losses of more than 76% of their income.
- Overall, the total losses reported by respondents is \$US 6.9 million.
- Of those organisations affected, 59% are facing a reduction in staffing, 59% are facing scaling down their programmes, 59% are facing closing programmes, and 14% are facing winding down their organisations.
- The impact of cuts is felt across the Network, with members in each of our five regions being affected.
- However, the greatest impacts are being felt in Africa, in terms of number of members affected (8 organisations), amounts lost (\$US 5.3 million) and the proportion income lost, with half of African members affected reporting that cuts represent a loss of more than 76% of their income.
- If emergency grants were made available, organisations would use the money to develop a plan for the future, pay salaries, and cover running costs.
- Funding would keep organisations from having to scale down projects and services and provide them the breathing space to pivot.

# Geographic scope of cuts

While the small sample pool and the geographically bounded nature of membership limits our ability to draw broader conclusions about the most affected regions beyond the Network, it is clear that members from across the Commonwealth have been impacted by the cuts. Members in every region have reported being impacted by the cuts.

Those impacts have not been evenly felt, however, with members in some regions significantly more exposed to loss of income. By far, Africa has been the most affected region, with eight respondents reporting total combined losses of \$5,349,000 (all figures are in US dollars). This is significantly higher than the losses experienced by members in all other regions combined.

The impact of the cuts to members in the Americas have also been broad, with five respondents reporting that their income has been affected by the cuts. However, the loss in this region has been at a lower level than elsewhere, with respondents reporting an average loss of \$35,000 each, amounting to a total loss of \$175,000 across the region. This may be due to the prevalence of smaller organisations in the region, however.

## Regions most impacted by cuts

Region	No. impacted orgs	Total reported loss	Average loss
Africa	8	\$5,349,000	\$668,625
Americas	5	\$175,000	\$35,000
Asia	3	\$460,000	\$153,333
Pacific	3	\$375,000	\$125,000

Europe has also been impacted by the cuts, though at a lower rate than other regions, with only one member in the region reporting a loss of income.

## Level of impact

Cuts are deep across the Network, with members affected by the cuts reporting, on average, a 50% loss of income. Loss of income is more pronounced in the Pacific, with two-thirds of those affected reporting losses of more than 76% of their total income, and in Africa, with half of affected organisations reporting losses of more than 76% of total income.

# Type of work impacted

Members reported that the cuts will impact their ability to deliver a range of activities vital to support LGBTI+ communities and to protect and advance their rights. Organisations reported that the most affected activities are direct services to communities (48%), community building (38%), and awareness raising (34%).

Type of work	No. orgs	%
Direct services to the LGBTI+ community	14	48%
Community building within the LGBTI+ community	11	38%
Research and advocacy that supports the LGBTI+ community	9	31%
Awareness raising and sensitisation work	10	34%
Legal aid, supporting the LGBTI+ community	6	21%
Unrestricted or core funding	4	14%
Other	4	14%

# Impacts of cuts on organisations and programmes

Of those organisations affected, 59% are facing a reduction in staffing, 59% are facing scaling down their programmes, 59% are facing closing programmes, and 14% are facing winding down their organisations.

Once again, these impacts were not evenly spread across regions. For example, organisations in Africa and the Pacific face a higher threat of organisational closure, while organisations in Europe and the Pacific universally reported that the cuts would lead to a reduction in their staffing, and the scaling down and closure of programmes.

Region	Reduction in staffing	Scaling down programmes	Closing programmes	Winding down your organisation
Africa	54%	46%	54%	23%
Americas	67%	83%	50%	0%
Asia	33%	33%	50%	0%
Europe	100%	100%	100%	0%
Pacific	100%	100%	100%	33%



# Impact on individuals, activists and communities

Members have reported that the cuts have led to significant impacts on their wellbeing, the wellbeing of their staff, and the wellbeing, safety and security of their communities. The vast majority of respondents reported that the cuts had negative impacts on the wellbeing of staff, volunteers, and members of the community.

Members have also identified that the cuts to LGBTI+ organisations and programmes are being seized upon by opponents of LGBTI+ equality, leading directly to an increasingly hostile security environment.

*“The surge in security threats following the funding cuts has created an atmosphere of fear for the SOGIESC community. Extremist groups have seized the opportunity to amplify their hate campaigns, exacerbating the already hostile environment for gender-diverse individuals. Misinformation, often spread by influential religious voices, has fuelled public animosity, further isolating and endangering the community.”*

Additionally, respondents voiced concerns that the cuts, allied to a more hostile US approach to LGBTI+ rights globally, “will embolden anti-LGBTQ+ sentiments or policies” in their country.

In response to the suspension of funding, respondents report that community members are taking action in anticipation of worse to come. One member reports:

*“In this unpredictable situation, some clients are stocking up HIV medication by all means possible in anticipation of a shortage. This is not healthy due to the potentially unhealthy outcomes. On the whole, years of effort put into the Key Populations/HIV project is threatened with this instability and probable extinction.”*

Members voiced their concerns that the cuts, coupled to already increasingly hostile national environments for LGBTI+ communities, will lead to a rapid deterioration in the rights of LGBTI+ people. One member reports that the cuts have exacerbated their concerns about ongoing attempts to deregister them. If their ability to operate, both legally and financially, is fatally impeded, they fear the next step will be the criminalisation of LGBTI+ people in their country.

# Methodology and limitations

The survey was co-designed by the Network's Secretariat and its host organisation, Kaleidoscope Trust. Members of the Network were invited to complete the survey between 3 and 7 February, via a private invitation. In addition, grant partners of Kaleidoscope Trust were invited to complete the survey. In total 43 responses were received, of whom 29 were member organisations of the Network. The analysis in this paper relates to data from members of the Network only.

The small sample pool and the geographically bounded nature of membership limits our ability to draw broader conclusions about the most affected regions. The geographical location of responses largely mirror the demography of the Network. However, the Americas and Europe may be under-represented, and Asia slightly over-represented in the data.

- Africa - 12 responses (representing 48% of members in Africa)
- Americas - 5 responses (representing 33% of members in the Americas)
- Asia - 6 responses (representing 55% of members in Asia)
- Europe - 1 response (representing 11% of members in Europe)
- Pacific - 5 responses (representing 41% of members in the Pacific)

The survey took place during a period of significant uncertainty amongst members about the status of their funding, with the final determination of whether funds had been suspended or completely halted unclear. The ramifications of cuts reported by members also may be unclear, given the recency of the announcement, the fact that organisations were only beginning to assess the impacts on their work and the general uncertainty experienced during the period of the survey. The impacts of the cuts may well be worse than this data suggests.



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