

The Dismantling of the Inter-American Foundation

Haiti Rapid Assessment - March 2025

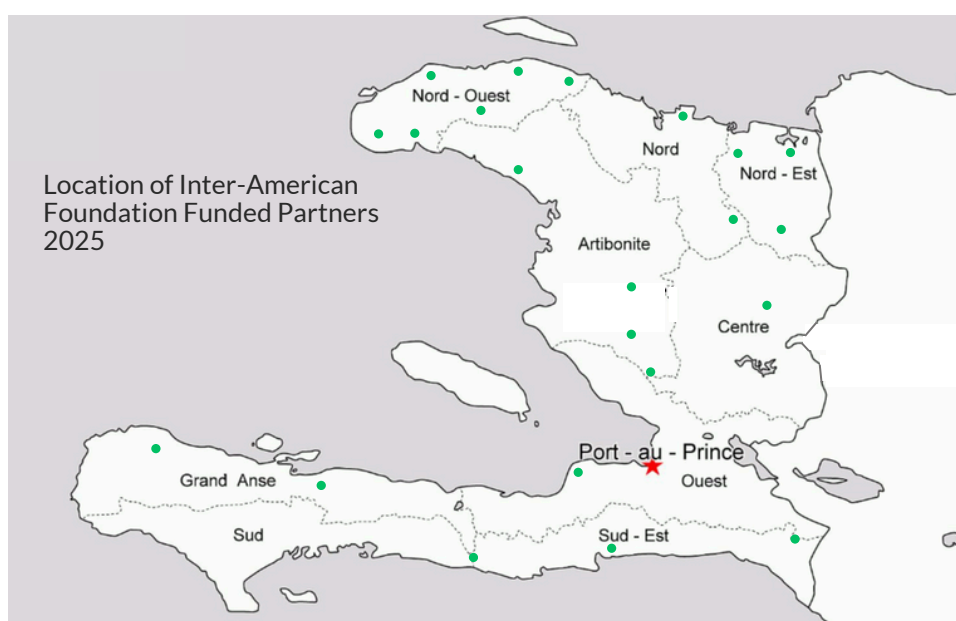


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Background

The Inter-American Foundation (IAF) was founded in 1969 by Congress to support social and economic development in Latin America and the Caribbean. The Foundation's operations in Haiti began with grants to grassroots community organizations in 1975. Since then, it has continued to fund locally led initiatives across the country addressing a wide range of challenges by providing grants, technical support, and advancing capacity sharing between partners.

At the start of 2025, IAF had 27 active grants with partners working in every department of the country and with agreements totaling more than \$10M. Program activities were to reach 81,943 beneficiaries providing support in the areas of agriculture, health, and access to credit. Recent program evaluations had led to discussions on additional program extensions and expansions. For many participants, IAF supported activities represented a crucial lifeline during a period of unprecedented challenges.



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On February 19th, 2025, President Trump signed the executive order “*Commencing the Reduction of the Federal Bureaucracy*” which directed the Inter-American Foundation to be “eliminated to the maximum extent consistent with applicable law.” Programs in Haiti were suspended in the immediate days following. On February 26th, the President and CEO of IAF, Sarah Aviel, was informed through a one-line email that she had been fired from her position. Two days later, Peter Marocco designated himself as the acting CEO and President and directed DOGE representatives to cancel virtually all of the Foundations contracts. By March 4th, “DOGE had unlawfully cancelled roughly 400 active grants in 27 countries”^[1] and all active grants in Haiti. These actions are now the subject of multiple pending suits.

Church World Service ^[2] has worked in Haiti since 1954 with continuous support of grassroots community organizations in the Nord-Ouest department for more than 20 years. As IAF supports many similar organizations in the same region, CWS was acutely aware of the immediate impact that IAF's dismantling would have on Haitian organizations and program participants. CWS commissioned this rapid assessment as an act of solidarity with the people of Haiti and the Haitian organizations that serve them, so that this cruelty and harm is documented and widely shared. At the end of this report are recommendations for the philanthropic community that continues working in Haiti.

^[1] Complaint from Cristosal Human Rights v Marocco.

^[2] CWS is not a current or former grantee of the Inter-American Foundation.

Methodology

CWS contracted an expert Haitian consultant with previous working experience with many IAF partners to lead the rapid assessment. The information presented in this report is based on publicly available data accessed through archived versions of the now removed Inter-American Foundation website and responses compiled from a questionnaire completed by all 27 IAF grantees over March 14th - 21st. These findings were then verified through a series of semi-structured virtual interviews conducted with key project leaders and coordinators, as well as a cross-section of beneficiaries, to gather concrete testimonies on the consequences of the unlawful grant terminations. Findings from the rapid assessment are complemented with additional insights based on the consultant's previous field work.

Program activities
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beneficiaries

Financial Impacts

The Inter-American Foundation provides advance funding to partners on an ongoing basis resulting in varied financial impacts for IAF partners. Fourteen organizations had disbursements delayed for ongoing programs by the suspension of payments totaling \$2,197,680, three organizations had recently received grant approvals and were waiting for disbursements totaling \$1,058,000, and the remaining ten organizations were in discussions with the Foundation about potential program extensions, with some still implementing program activities. Five organizations were identified that were affected by the termination notice's requirement to return unspent funds, totaling \$50,000, to the US Treasury. This has been delayed with the temporary restraining order granted in the *Aviel v Gor* case on March 19th.

IAF partners share that the funding delays and delays in negotiating extensions are likely to have significant impacts on their operations over the next six months and into the future. With the unlawful grant terminations all IAF funded programmatic activities have ceased, this has required partners to lay off several staff due to the loss of direct funding from IAF. This impact on organizations will be further exacerbated as IAF funding was often leveraged in matching grant agreements with other donors, which is now at risk. Seventeen organizations reported that they have had to lay off 100% of their current paid staff positions and the remaining ten have stated that they have had to lay off an average 60% of paid staff. In total 230 professional staff have lost their employment, with the closure of some partners imminent.

IAF partners have also shared that they have no identified opportunities to date for mitigating the worst impacts of the grant terminations. Partners are working to collaborate and work through networks, but there are no identified additional sources of funding capable of filling the significant funding gap caused by the dismantling of the Foundation.

The Impact of the Foundation's Closure on Program Participants

As mentioned in the introduction, IAF grant supported program activities were to reach 81,943 beneficiaries providing support in the areas of agriculture, health, and access to credit. IAF grants support participatory program design that emphasizes the empowerment of local communities. This bottom-up approach leads to high-impact programs that address the wide range of challenges facing communities across Haiti but creates challenges for conducting a sector-by-sector analysis of the impacts likely to be experienced due to the termination of IAF grants. Nonetheless broadly defined sectors provide a useful framework for understanding the widespread impacts that will be felt immediately.



Agriculture: 36,390 beneficiaries participate in IAF funded programs that provide seeds, input, and training for agricultural activities. One key informant shared that the IAF grant terminations will lead to an estimated 40% of participant farmers losing access to seed loans, agricultural tools, and agronomist services. They believe that this will lead to an overall drop in agricultural activities, accentuating the precarious situation already facing many rural communities.

IAF had previously identified the Nord-Ouest department as a neglected geography that was highly susceptible to food insecurity and climate risks and prioritized grantmaking in this area in recent years. Those previously identified vulnerabilities were particularly evident this year with drought and flooding leading to more than 30% of farming families in the department reporting large gaps in food consumption and increased levels of acute malnutrition. IAF grant terminations have led to 13,618 farmers losing access to agricultural support programs in the Nord-Ouest. Given the level of IAF support focused on addressing agriculture, the terminations will now significantly reduce the humanitarian sector's capacity to respond.

Livestock activities, especially goat breeding and distribution, will also be affected. Many of the IAF funded partners, including those focused on agriculture and on access to credit, include livestock related activities as goats are an important asset for rural families. IAF funding is used in these activities to facilitate the distribution of livestock, training on animal husbandry practices, veterinary training or access to veterinary care, and distribution of livestock offspring (passing of the gift) to additional program participants. In periods of drought, or when a person begins new livestock activities, IAF grants provide for animal feed. Additionally, IAF accompaniment supports the capacity building for grantees to improve their administrative management of these activities. In the short term, these activities will have to deny new beneficiaries from participating in these livestock groups. Long-term consequences will likely include deteriorating capacity of these groups to manage livestock programs and diminishing livestock assets without funding for veterinary supplies or technical support.



Health: IAF supports one program directly focused on the delivery of health services. Currently, they are the primary health provider for more than 15,000 beneficiaries served by the organization's two health centers. This organization provides routine healthcare, stabilizes and refers patients with serious illnesses and emergencies, and coordinates with other organizations to provide surgical services to the local population. To date they have had to lay off 37% of their staff (20 medical professionals) and reduce services by 60%, denying an

36,390 beneficiaries

estimated 500-600 individuals of medical care each month. Haiti already faces a critical shortage of health providers and the termination of IAF grants will worsen this situation. Long-term impacts are likely to be felt as well, as the partner has had to suspend their mobile vaccination services until other funding can be identified.

Another IAF grantee works to support the emotional, social, and financial wellbeing of people with disabilities in the Nord-Est department. Activities included psychological support, training on income generating opportunities, and financial literacy. The partner was also an important advocate for the rights of people with disabilities, as this population is routinely marginalized and denied access to other services or resources. To date they have had to lay off six out of their seven employees as they were funded solely with IAF funding with only one staff member paid by the Disability Rights Fund remaining.



Access to Credit: 26 of the 27 IAF grantees promote mutual solidarity groups. In total, IAF grantees provide varying levels of support and accompaniment to an estimated 324 mutual solidarity groups with 8,100 members. Numbers provided by grantees are estimates as participation in these groups is always variable. Mutual solidarity groups provide a space for resolving community challenges and conflict, training and coordination, and accessing credit. These groups are particularly important for women in rural areas as they are often unable to access lending from formal financial institutions or credit unions. Credit is then used for small business, agriculture, educational expenses, and medical emergencies.

Partners shared in interviews that they believe that the group structure will make access to credit more resilient to the impacts of the IAF grant terminations than other activities. Survey participants estimate that groups will continue to function, but at a reduced level with at least 40% fewer loans available to group members. Additionally, loan portfolios may be at heightened risk as technical support regularly provided by IAF partners for agricultural and small business activities is no longer available.

While the members of mutual solidarity groups will be the first impacted by the termination of IAF grants, it will also significantly limit the ability of communities receiving the hundreds of thousands of internally displaced people who are leaving Port-au-Prince due to gang violence. In rural areas, new arrivals have been quickly integrated into the mutual solidarity groups and received access to credit allowing them to integrate successfully into their host community. As credit access is reduced due to the termination of IAF grants this practice is unlikely to continue.



Access
to credit

40%

FEWER LOANS AVAILABLE TO
GROUP MEMBERS.



Agriculture

14,500

OF BENEFICIARIES LOSING ACCESS TO
SEED LOANS, TOOLS, AND SERVICES.



Health

500/600

WITH MEDICAL CARE DENIED
EACH MONTH.

The Impact of the Foundation's Closure on Civil Society

It is difficult to assess through a rapid analysis the depth of impact the termination of IAF support to grantees in Haiti will have in the short and medium term. IAF provided long-term funding support to emerging initiatives, capacity strengthening based on partner evaluations and audits, peer learning exchanges, and encouraged additional philanthropic support to local organizations typically unable to access these resources. Additionally, many of the IAF grantees in turn provided small sub-grants to other local organizations and mentored emerging groups and leaders. Combined with the closure of USAID and the Trump Administration's drastic reductions in foreign assistance it is likely that the capacity of Haitian civil society to respond to the incredible challenges facing the country will be significantly reduced.

Recommendations

- Mobilize emergency funds to support organizations responding to urgent needs or operating in vulnerable contexts. This should include support for agricultural inputs for the current planting season and in anticipation of the start of the June-November Hurricane season.
- Offer technical assistance to help affected organizations conduct a program-by-program review to prioritize the use of emergency funds for the most urgent actions.
- Provide coaching and support to affected organizations as they reassess strategic plans and actions to mitigate the worst impacts of the funding cuts. Leverage local resources and community-driven solutions as much as possible.
- Respond to additional requests for technical and in-kind assistance from local organization leadership including psychosocial support.
- Encourage funding organizations to expand or add grant programs accessible to grassroots organizations in Haiti.
- Foster regional collaboration in the Nord-Ouest department to develop new approaches and partnerships to respond to increasing levels of food insecurity.
- Engage US audiences and Haitian diaspora in advocacy efforts, raising awareness about the impact of funding cuts and mobilizing support for policies that sustain grassroots development in Haiti.



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