News



A boy is seen with relief goods at a U.S. Agency for International Development (USAID) distribution center in Gaza City. (OSV News/Shareef Sarhan, for Catholic Relief Services)



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Eight decades ago, in the wake of a devastating world war, Catholic bishops in the United States created an international relief organization that has eased suffering and saved lives of millions of people on five continents.

Now, Catholic Relief Services is facing the <u>most serious existential threat</u> in its history in light of proposed federal funding cuts.

The response from the bishops about the fate of their global relief organization has been muted and limited largely so far to an online advocacy push.

Neither CRS or the U.S. Conference of Catholic Bishops have issued statements since President Donald Trump issued a freeze on nearly all foreign assistance in one of his first acts in office. They have not responded to National Catholic Reporter's requests for comment. Several CRS employees told NCR that they have been instructed not to speak to the media.

The only public-facing response came a few days before the Trump administration's attempts to dismantle USAID, the nation's main humanitarian agency, came to light. On Jan. 30, CRS and the bishops' conference sent an email "action alert" that urged fellow Catholics to call on Congress to lift the freeze on foreign aid.

Contact NCR if you were affected

NCR is looking to speak to anyone affected by the layoffs and program shutdown from Catholic Relief Services. Please email us at <u>ncr_editor@ncronline.org</u>. We can protect your confidentiality if you request it.

"This freeze will be detrimental to millions of our sisters and brothers who need access to lifesaving humanitarian, health and development assistance," read an action alert sent Jan. 30 by the bishops' conference and also <u>posted on the CRS</u> <u>website</u>.

The alert said that the Trump administration's move to cease nearly all foreign assistance programs funded through the U.S. State Department and the U.S. Agency for International Development (USAID) "will have real impacts for human life and dignity and on U.S. national interests."

The impacts are expected to be felt too at CRS, the U.S. bishops overseas development agency. It receives a significant portion of its budget from USAID, the central international humanitarian agency of the United States.

Catholic officials reacted to the administration's attack on USAID, which in the past had enjoyed bipartisan support on Capitol Hill.

"When I was in Washington, I worked with both Democrats and Republicans who supported the mission of USAID and understood that it contributed not only to human welfare but to peace in our world," said <u>Stephen Colecchi</u>, director of the Office of International Justice and Peace for the U.S. Conference of Catholic Bishops until 2018.

CRS anticipates reducing its budget by half this year because of expected steep reductions in U.S. foreign assistance, the group's president and chief executive officer, Sean Callahan, said in a Feb. 3 internal email. Callahan said that the charitable organization was unable to access U.S. government funds, "which is severely limiting our options to maintain ongoing operations."



Félicité Raminosoa shows Sean Callahan, president and CEO of Catholic Relief Services, in gray hat, how to hand pollinate vanilla at her vanilla farm in Ifanadiana, Madagascar, Nov. 2, 2022. (OSV New/CRS/Laura Elizabeth Pohl)

A <u>2024 audit</u> showed that Catholic Relief Services received more than half its \$1.2 billion budget in fiscal year 2023 from U.S. government grants and agreements.

CRS hosted emergency briefings Feb. 6 with diocesan CRS directors to discuss the state of foreign assistance. One director who spoke with NCR after the afternoon briefing said CRS officials urged supporters to participate in the Jan. 30 action alert and contact members of Congress, but did not address layoffs or budget cuts at CRS.

Retired Tucson, Arizona, Bishop Gerald Kicanas, a former board chairman of Catholic Relief Services, said he hopes Congress "will speak up and remind the administration" that funding foreign aid is "putting America's best foot forward." Kicanas said he hopes CRS can restore funding and "can get back on track and not dismantle the structures that will be very difficult to restore."

In his email, Callahan said that CRS overseas operations leadership was assessing all its USAID-funded projects against funding criteria laid out last week by Secretary of State Marco Rubio, the Florida Catholic who has said he is serving as the agency's acting administrator. "While we believe that many [projects] do meet the criteria, we know that some will not, and we are beginning procedures to terminate those that fall under that category," he said.

Related: Exclusive: Catholic Relief Services lays off staff, cuts programs after USAID shakeup

Along with grants, CRS received \$493 million in fiscal year 2023 from the U.S. government and other partners in donated nonfinancial assets at no cost: things like agricultural commodities, bed nets, pharmaceuticals and nonfood items.

Together, U.S. government support made up about three-fifths of the total CRS revenue and support in fiscal year 2023, according to the audit.

Private support through donations, foundations and other means amounted to \$284 million. That included donations from the annual CRS Rice Bowl and Mass collection — a campaign that runs during Lent — which was just under \$15 million.

Along with reviewing options to minimize the impact on staff, partners and program participants, CRS has dramatically scaled up private fundraising efforts, Callahan said, "which may help, but will not be enough to address funding gaps."

"We are planning for the worst-case scenario, even while we continue to hope for the best," Callahan said.

The attempted dismantling of USAID by the Trump administration has been swift.

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The president issued an executive order Jan. 20 that paused all foreign development assistance for 90 days while programs were reviewed for efficiency and alignment with the new administration's goals.

Over the weekend, billionaire Elon Musk, who has been named a "special government employee," called USAID on his social media platform X "a criminal organization," without providing additional information or evidence, and said, "It is time for it to die."

In a speech a day earlier at the International Religious Freedom Summit, Vice President JD Vance, who is Catholic, <u>questioned why the U.S.</u> is ending "sending hundreds of thousands of taxpayer dollars abroad to NGOs that are dedicated to spreading atheism all over the globe."

John Carr, the former executive director of the bishops' Department of Justice, Peace and Human Development, acknowledged that "any agency and program can be improved." But he accused the Trump administration of "seeking to silence and intimidate" those who question or oppose its policies.

"Vice President Vance attacked the Catholic Church for our work with migrants and others attack CRS's help for hungry and sick people around the world claiming we serve poor children and vulnerable families at home and abroad for the money," said Carr.

Created in 1961 by President John F. Kennedy and funded by Congress, USAID received more than \$44 billion in the 2024 fiscal year, which accounted for a fraction — two-fifths of 1% — of the entire federal budget, <u>according to USAspending.gov</u>.



A woman carries home her rations of wheat, yellow split peas and cooking oil following a distribution of U.S. Agency for International Development (USAID) food in a rural area of Ethiopia's Oromia region Feb. 9, 2019. (OSV News/Courtesy of CRS/Will Baxter)

USAID was created by Congress as an independent establishment in the executive branch. That structure prevents a president from abolishing, moving or consolidating USAID without congressional authorization, according to a <u>Feb. 3 analysis by the</u> <u>Congressional Research Service</u>. Any proposed structural changes, including moving USAID to the State Department, requires prior notification to Congress.

Rep. Ted Lieu, a Catholic from California and member of the House Committee on Foreign Affairs, said that USAID's work reflects church teaching to uphold the dignity of all people and to stand with the most vulnerable. The dismantling of foreign aid, he said, not only abandons those in need but weakens U.S. security and global leadership. "Pulling back from this commitment is not just bad policy — it is a moral failure," Lieu said.

Kicanas said it will be difficult to restore foreign aid infrastructure systems if they are disbanded due to the freeze on foreign aid.

"I'm sure there are situations that need to be addressed, but to eliminate the agency of USAID, which has served countless people around the world for many, many years, would be a huge mistake," Kicanas said.

In his email, Callahan expressed gratitude to CRS employees.

"We will not give up," Callahan said. "We will be a smaller organization, and we may operate differently, but we remain committed to ensuring that Catholic Relief Services will continue to be a light in the world. A world that may need us now more than ever."

This story appears in the **Trump's Second Term** feature series. <u>View the full series</u>.