

## **Impacts of US funding freeze on Shelter and NFI Cluster operations in Sudan**

The recent freeze on US funding has had an immediate and catastrophic impact on the operations of the Shelter and NFI Cluster in Sudan, where at least 36% of cluster programs last year depended on US funding. Critical cluster staffing and operational capacities have been significantly compromised, notably with the cluster co-coordinating agency now unable to provide dedicated co-coordinator support. This disruption has led to a drastic reduction in the cluster's response, with only 2% of the 2.2 million people targeted this year having received assistance.

Due to the funding freeze, at least 15 cluster partners reliant on US funding have been forced to reduce or cease their shelter and NFI programming, leaving many displaced families without access to adequate shelter and essential household items. The sudden termination of projects has led to widespread staff layoffs, salary reductions, and organizational restructuring, further weakening the capacity to deliver critical assistance. This situation is particularly challenging in acute context where the cluster response is already severely underfunded, with an estimated 11.6 million people, including children (53%), adults (42%), the elderly (5%), and persons with disabilities (15%), in urgent need of shelter and NFI support.

The immediate consequences for these vulnerable communities are severe. The sudden funding gap has exposed many families to harsh weather conditions and heightened protection risks, particularly for those already struggling to access adequate shelter support. This has further strained host communities, which were already managing limited resources. Efforts to address the needs of families currently sheltering in schools, now facing eviction as classes resume, have also been adversely impacted. With the recent IDP returns to states such as Aj Jazirah, Khartoum, and Sennar, many partners are now grappling with the extensive needs, including for those still in the displacement situation, worsening the overall humanitarian situation in these states. Housing in the return areas is heavily damaged, leaving many structures uninhabitable and exposing IDP returnee families to ongoing risks. Without comprehensive shelter support, these communities will struggle to rebuild their homes and lives, making it nearly impossible to secure a stable future. Moreover, the shortage of NFI supplies, such as blankets, kitchen sets, solar lamps, and other essential household items, has further exacerbated the hardships faced by displaced and returnee families, leaving them without basic necessities to sustain daily life.

In the long term, the disruption in shelter and NFI operations is set to intensify existing challenges by forcing families into overcrowded, substandard living conditions, primarily affecting women and children, thereby increasing the risk of repeated displacement, health hazards, and socio-economic instability. As the rainy season approaches, this funding gap will not only diminish the capacity to deliver emergency lifesaving assistance to flood-affected communities but also hinder preparedness efforts and disaster risk reduction initiatives. Moreover, the halt in operations is driving up immediate logistical costs such as penalties for cancelled contracts, expenses related to rehiring staff and restarting stalled projects while simultaneously eroding organizational efficiency and community trust. The prolonged deprivation of NFIs and absence of sustainable shelter solutions further risks perpetuating a cycle of dependency on limited emergency aid, deepening vulnerabilities among affected populations, further straining host communities, overstressing humanitarian resources, and delaying recovery.