Instituto de Estudios sobre Conflictos y Acción Humanitaria

Médicos Sin Fronteras

TRENDS IN INTERNATIONAL HUMANITARIAN FUNDING[1]

PHOTO:
After receiving their food aid rations, two women from South Darfur make their way home in a donkey cart.

SUDAN © ABDOALSALAM ABDALLAH / MSF

Kirsty Lazer, consultant specialising in humanitarian action

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1 This chapter is based on the *Global Humanitarian Assistance (GHA) 2025 report* published by ALNAP. All information, data and analysis have been extracted and adapted from the electronic version.

1
INTRODUCTION

The analysis in this chapter reveals a humanitarian sector entering financial crisis. 2024 saw the largest drop in humanitarian funding ever recorded, following cuts by many of the major donors. With further reductions announced in 2025, the GHA Report estimates public funding for humanitarian assistance could contract by around 34-45% compared to its peak in 2023. Furthermore, humanitarian reforms, such as funding to local and national actors and anticipatory action, have seen stagnation and reversal.

Countries experiencing protracted crisis are more vulnerable than ever; humanitarian assistance has overtaken development assistance as their dominant source of external support, and protracted crisis countries face debt repayments that are on average double what they were a decade ago. This raises questions around how they can find sustainable paths out of crisis. The 'humanitarian reset' announced by the United Nation's Emergency Relief Coordinator reflects a sector facing up to this unprecedented challenge.

2024 saw the largest drop in humanitarian funding ever recorded, following cuts by many of the major donors

2
HUMANITARIAN FUNDING LANDSCAPE

Humanitarian funding fell by 10% (just under $5 billion) in 2024, even before the cuts for 2025 were announced. Funding from both public and private donors declined, but most of the drop came from public donors. This contrasts with the slight decline in 2023, which was driven solely by a reduction in private funding. This comes after decades of sustained growth, from $7.2 billion in 1998 to a peak of $46.1 billion in 2022; a drop of $5 billion is unprecedented.

See figure 1

Most of the top 20 public donors reduced their humanitarian funding in 2024. The US, EU institutions and Germany made the largest cuts, with only four of the top 20 donors increasing their budgets by more than 5%. Overall, public donor funding fell by 9% ($3.5 billion), the largest percentage drop since 2012. These figures bring aid back to 2021 levels, reflecting the diminishing impact of the 'Ukraine effect', which significantly boosted humanitarian funding in 2022. Given that the number of people in need of assistance has grown significantly since 2021, the gap between needs and funding is wider than it was then.

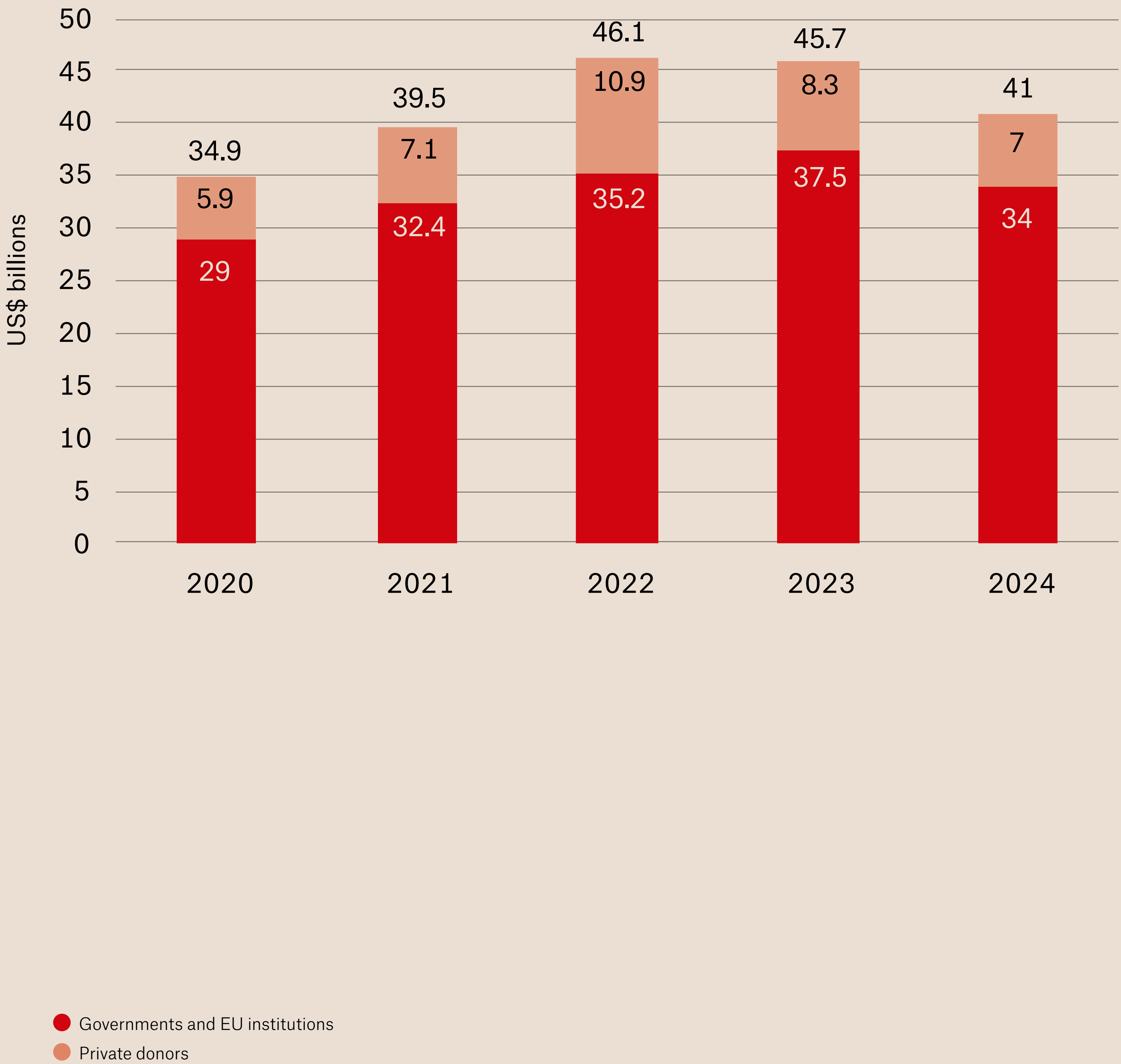
Private funding also fell, from $8.3 billion in 2023 to $7 billion in 2024, similarly reflecting the decline in the 'Ukraine effect'. However, it remains an important source of funding, accounting for 17% of total international humanitarian assistance in 2024, in line with the proportion in previous years.

f1

Total international humanitarian assistance 2020-2024

Source: based on data from the OECD DAC, UN OCHA FTS and UN CERF

Notes: 2024 data is preliminary. Data is in constant 2023 prices. 'Public donors' refers to governments and EU Institutions. Historical figures differ from the Global Humanitarian Assistance Report 2024 due to final reported international humanitarian assistance data and a deflation.



See figure 2

Fifteen of the top twenty donors reduced their funding in 2024. This reflects a similar trend to that observed in previous years: every year since 2022, fewer donors have increased their humanitarian funding and more have reduced it.

— The main cuts in 2024 came from the following donors:
- US: −$1.7 billion (−10%).
- Germany: −$800 million (−23%).
- EU institutions: −$426 million (−13%).
- Canada: −$374 million (− 40%).
- Norway: −$274 million (−22%).
- France: −$134 million (−16%).

Germany and Canada have seen significant proportional reductions over the last two years, after peaking in 2022. Germany has reduced its humanitarian funding by 46% since 2022 and Canada by 53%. However, an increase in funding from the latter is expected in 2025.

In 2024, fifteen of the twenty main donors reduced their funding

— On the other hand, only a few donors increased their funding in 2024, albeit with significant increases:
- Saudi Arabia: +$533 million (+60%).
- United Kingdom: +$578 million (+40%).
- South Korea: +$504 million (+257%).

Despite the changes, the funding landscape was largely similar to previous years, with the top three donors providing 59% of all public funding (61% in 2023) and the top ten providing 84% (83% in 2023).

Only nine DAC countries met the 0.07% of GNI threshold for humanitarian aid set in 2023: Luxembourg (0.22%), Sweden (0.19%), Norway (0.19%), Denmark (0.16%), Ireland (0.08%), the Netherlands (0.07%), Belgium (0.07%), Iceland (0.07%) and Germany (0.07%). Given that the trend towards cutting humanitarian budgets is accelerating in 2025, it is difficult for other countries to achieve this target. Germany, the United Kingdom and France have already announced cuts.

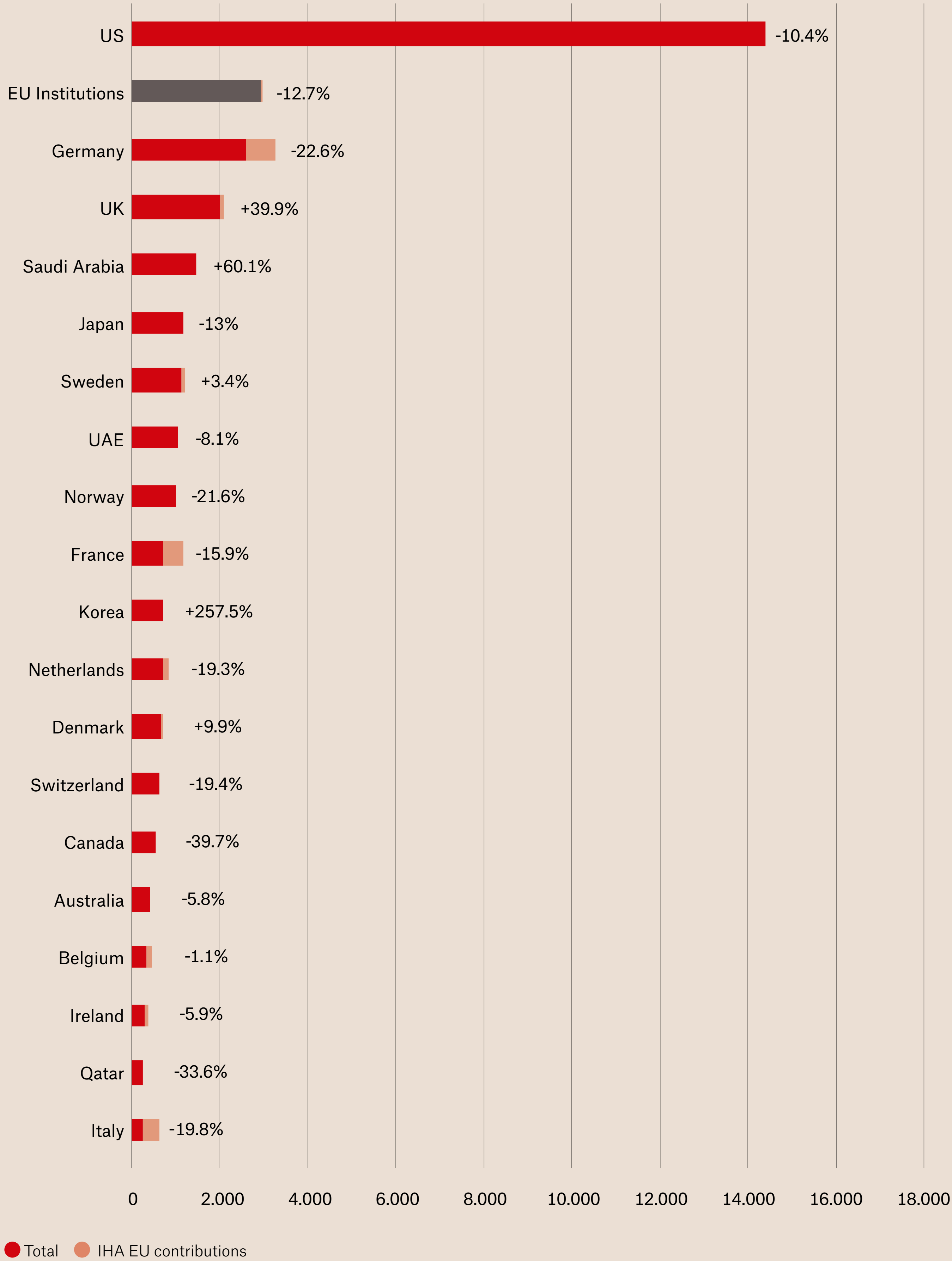
See figure 3

f2

20 largest public donors of humanitarian assistance in 2024, and change from 2023

Source: based on data from the OECD DAC, OCHA FTS and CERF.

Notes: 2024 data is preliminary. Data is in constant 2023 prices. 'Public donors' refers to governments and EU Institutions. Contributions of current and former EU member states to EU Institutions's international humanitarian assistance shown separately. 2023 figures differ from the Global Humanitarian Assistance Report 2024 due to final reported international humanitarian assistance data and a deflation.



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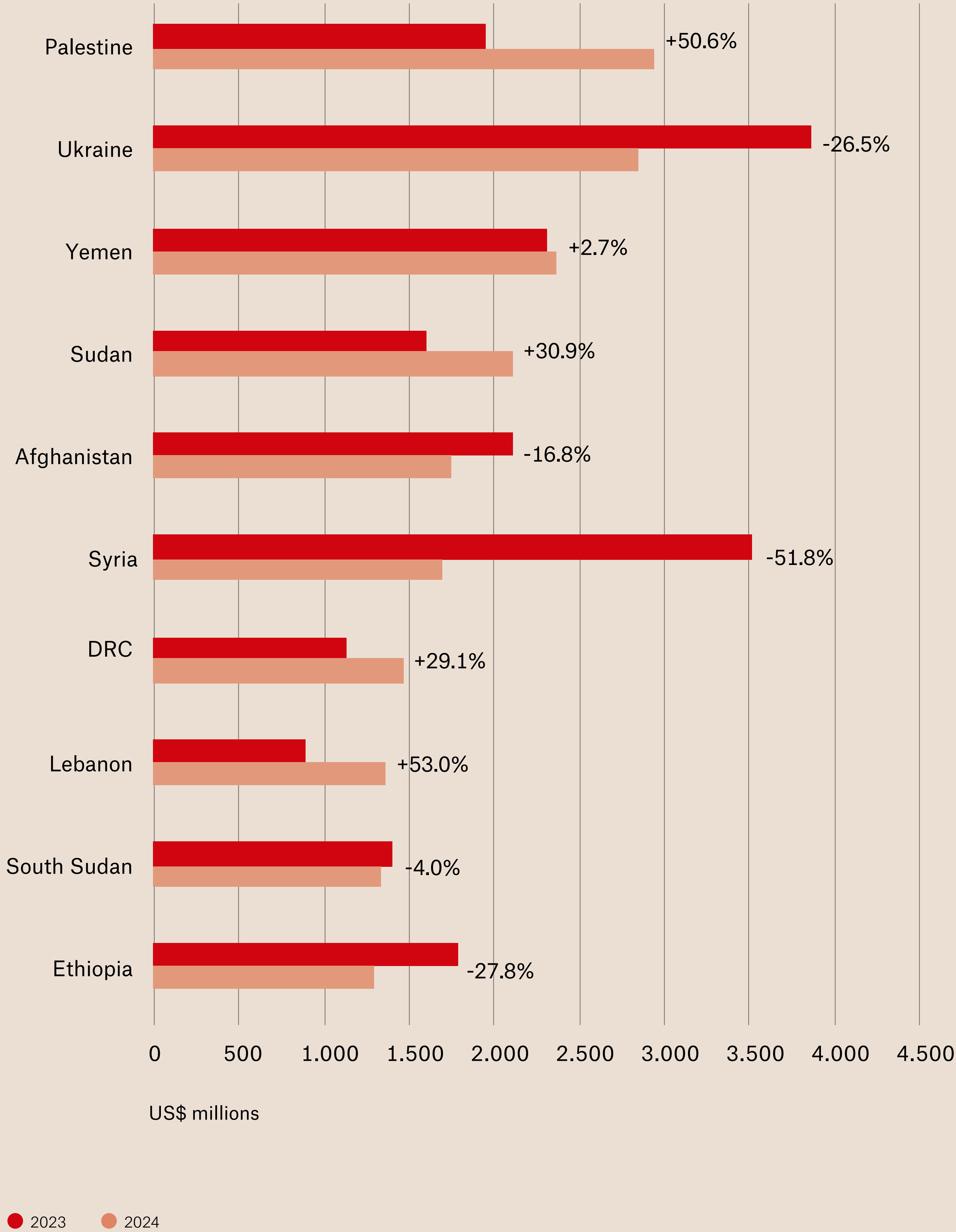
10 largest recipient countries of international humanitarian assistance in 2024 and variation from 2023

Source: Based on UNOCHA FTS.

Notes: Data at constant 2023 prices. Totals for previous years differ from those reported in previous GHA reports due to deflation and data updates.



Palestine was the largest recipient of humanitarian funding in 2024, as the ongoing crisis in Gaza caused funding to nearly triple compared to 2022. Donors provided an additional $1 billion, surpassing Ukraine and Syria.

— Palestine received $2.9 billion in 2024, representing a 51% increase over 2023.
— Funding to Ukraine declined from $3.9 billion to $2.8 billion, a drop of a quarter for the second consecutive year.
— Funding to Syria fell sharply to $1.7 billion in 2024, half the amount in 2023 ($3.5 billion).
— A resurgence of violence drove notable increases in funding to Lebanon (+53%), Sudan (+31%) and the Democratic Republic of the Congo (+29%).

Otherwise, the composition of the top ten recipients changed very little in 2024: eight of them were already in the top ten in 2023. Funding remains concentrated in a small number of countries: the top five recipients accounted for 41% of country-attributable funding in 2024, the same proportion as in 2023. Most funding goes to protracted crises: in 2024, 94% of all country-allocable funding went to protracted crises, up from 89% in 2023 and 84% in 2022. As cuts deepen in 2025, donors are likely to hyper-prioritise and funding is likely to be concentrated in an even smaller number of countries.

Meanwhile, the five main aid recipients accounted for 41% of funding

See figure 4

UN coordinated appeals have increased over the past decade, peaking in 2023 at $56.2 billion with a record funding gap of $29.7 billion. To address this gap, the inter-agency appeals process underwent a prioritisation exercise in 2023 that sought to focus humanitarian response plans on vital basic needs and reflect more realistic funding by better defining the humanitarian mandate.

This prioritisation led to a reduction in appeals in 2024. Both the number of people identified as being in humanitarian need and the proportion of the population included in response plans fell to their lowest levels on record.

Appeals decreased by 12%, from $56.1 billion in 2023 to $49.5 billion in 2024. Similarly, allocated funds decreased, from $26.3 billion in 2023 to $25.3 billion in 2024. This meant that in 2024, 51% of appeals were covered, with a funding gap of $24.2 billion, the second highest on record, behind only that of 2023 ($29.7 billion).

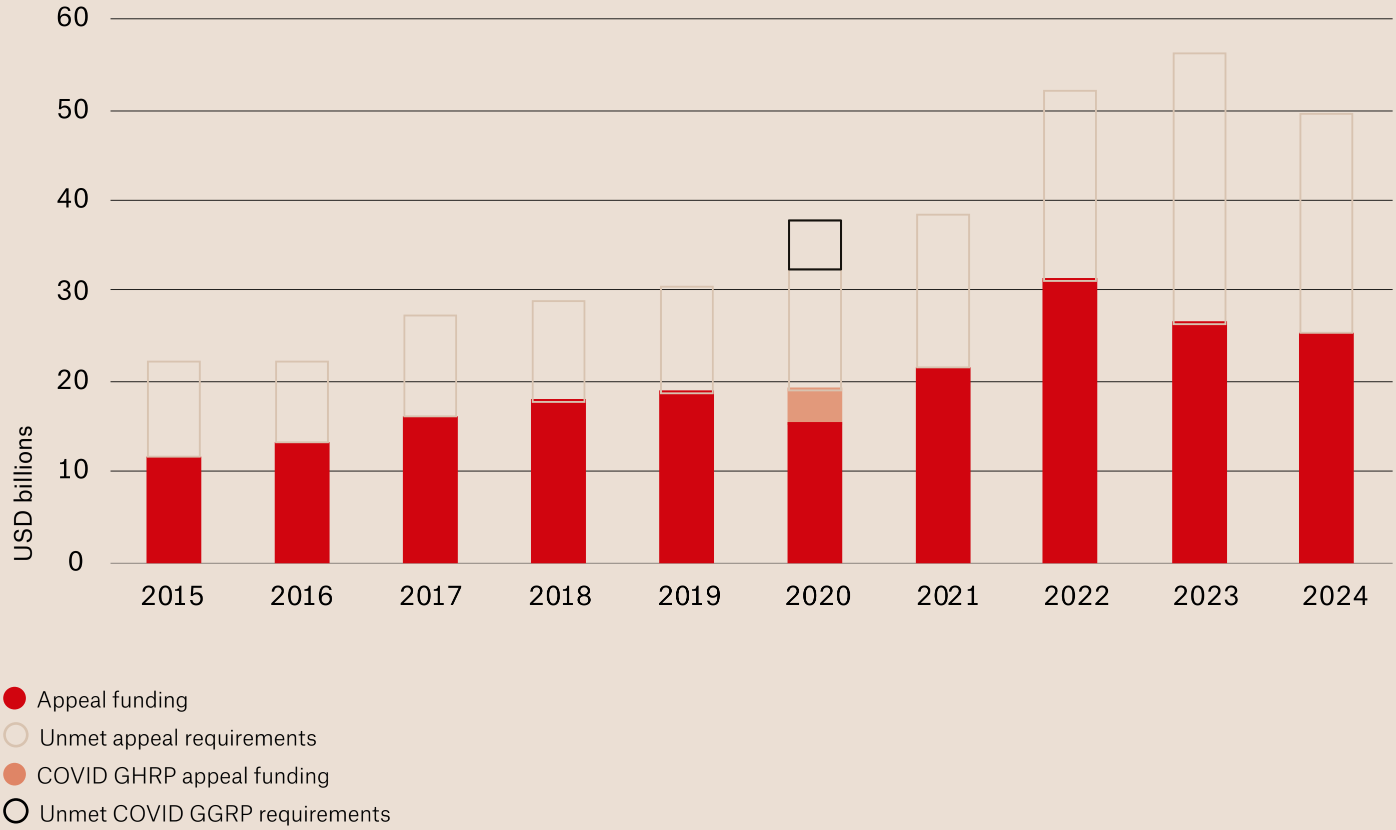
In the spring of 2025, appeals faced a new prioritisation process due to pressure on the system caused by sectoral cuts made by major donors. The appeals made to date in 2025, totalling $46.2 billion, show that humanitarian response plans continue to undergo adjustments, despite the increase in the number of people in need of humanitarian assistance. In early June 2025, country coordination teams were asked to further reduce their funding requirements: the average response plan was cut by 41%, albeit with significant variations. The implications of a humanitarian reset for future appeal planning remain unclear.

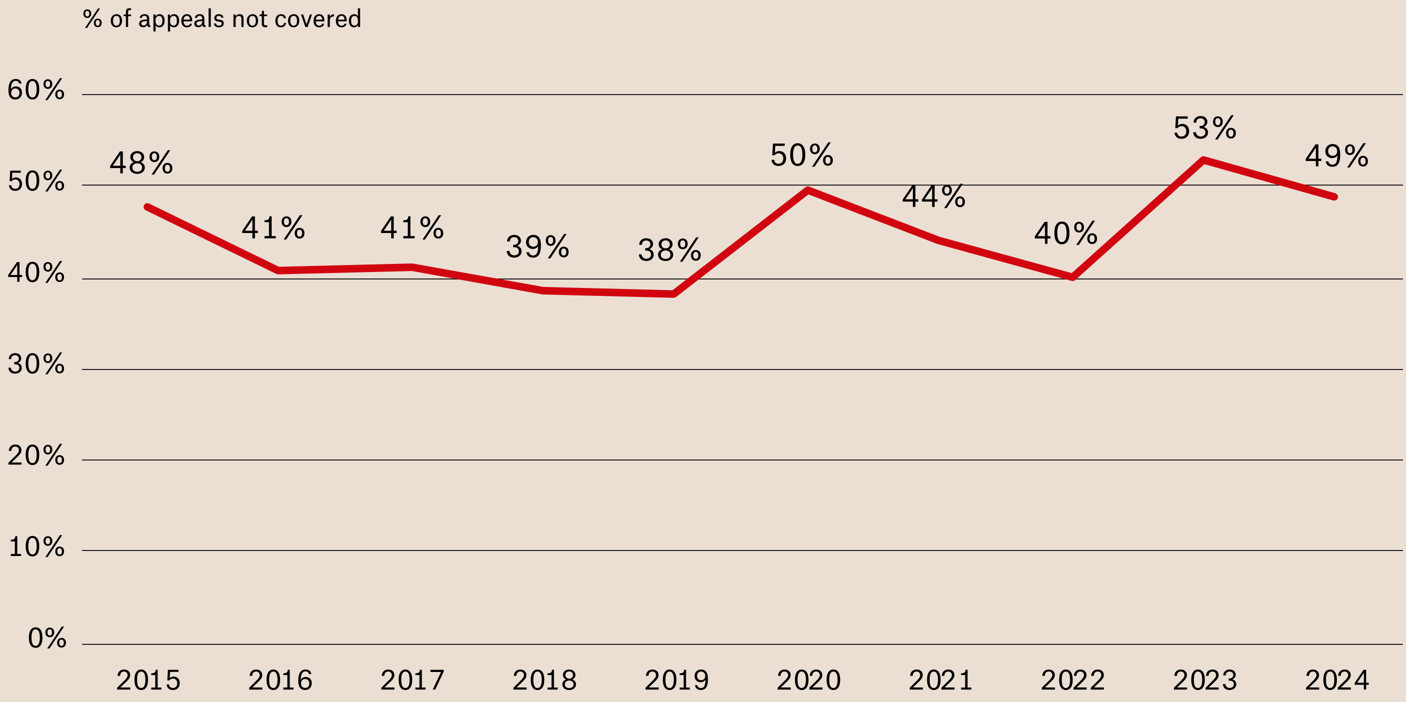
f4

Funding and unmet needs in UN coordinated appeals 2015-2024

Source: based on data from OCHA's FTS, the Syria Regional Refugee and Resilience Plan (3RP) dashboards, and the UN Refugee Agency (UNHCR) data.

Notes: Data are at current prices. The percentage of needs met in 2020 includes all funding, both for COVID-19 and other responses, in relation to all appeals for that year





3
REFORMS IN THE MIDST OF CRISIS

Direct funding to local and national organizations accounts for just 3.6% of international humanitarian funding

Despite many years of advocacy, direct funding to local and national actors—known as localisation—fell by 31% in 2024 to $1.2 billion, representing 3.6% of international humanitarian funding.

— This was partly due to reduced funding and inconsistent reporting by some Gulf donors in specific crises, following improvements in their reporting systems in 2023.[2]
— Overall, direct funding volumes remain insufficient: the system has failed to transfer a significant portion of funds to the local level.
— The lack of progress by the signatories to the Grand Compact is striking: the proportion of funding that this group of donors allocated directly to local and national actors fell to 0.5% ($140 million) in 2024, from 0.6% ($174 million) in 2023.

See figure 5

There remains a large gap in the reporting of funding directed indirectly to local and national actors, despite improvements made by UNHCR in 2023. This makes it impossible to have a complete picture and complicates the assessment of progress towards the 25% commitment made in the Grand Compact. In 2024, total funding (direct and indirect) to local and national actors fell by 22%, compared to a 10% decrease across the sector as a whole.[3]

— Total direct and indirect funding to local and national actors amounted to $2.5 billion in 2024 (compared to $3.2 billion in 2023), equivalent to 7.5% of total humanitarian funding.
— Indirect funding amounted to $1.3 billion, with approximately half reported by UNHCR.
— The distribution of aid by type of actor remained similar to previous years: 58% to national and local NGOs and 39% to government actors.
— National governments received most of the funds directly from donors, while national and local NGOs continued to receive most of the funds through at least one intermediary (79%).

The outlook for 2025 is that cuts made by major donors will disproportionately affect the commitment to localisation. The USAID memorandum published in March 2025 announced the cancellation of 66% of the awards to local and national actors planned at the beginning of that year, compared to 39% of those directed to international partners, which shows a significantly greater impact on national and local actors. The impacts of these cuts on indirect funding to local and national actors are likely to be greater and less visible: a survey by the NEAR network indicated that in February 2025, 83% of its members had paused programmes due to US cuts.[4]

See figure 6

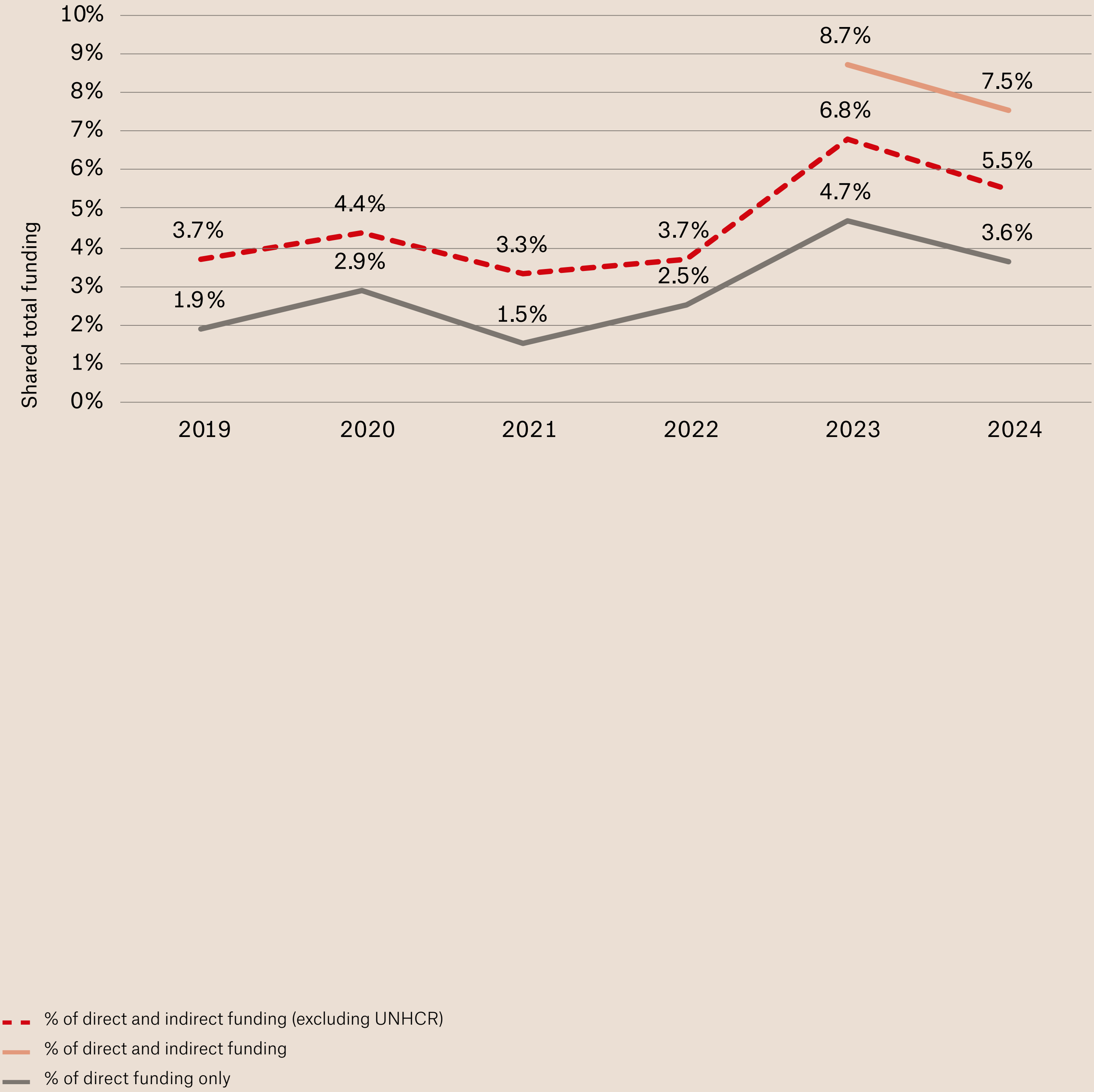
2 In 2023, the Government of Saudi Arabia and the national Red Cross and Red Crescent society of the United Arab Emirates—which previously reported very little to the FTS—reported funding flows of around $1 billion, which declined again in 2024 by $89 million and $227 million, respectively
3 Calculation based on the assumption that reporting practices were consistent between 2023 and 2024.
4 Network of local and national NGOs.

f5

Proportion and total volume of direct and indirect funding to local and national actors in 2019-2024

Source: based on data from OCHA's FTS

Notes: 2024 is the second year that UNHCR has published detailed data on its partnerships, which can be independently verified according to the Grand Bargain definitions of local and national actors. This allows for a direct comparison with 2023 data only. Comparisons over a longer period are made excluding UNHCR.



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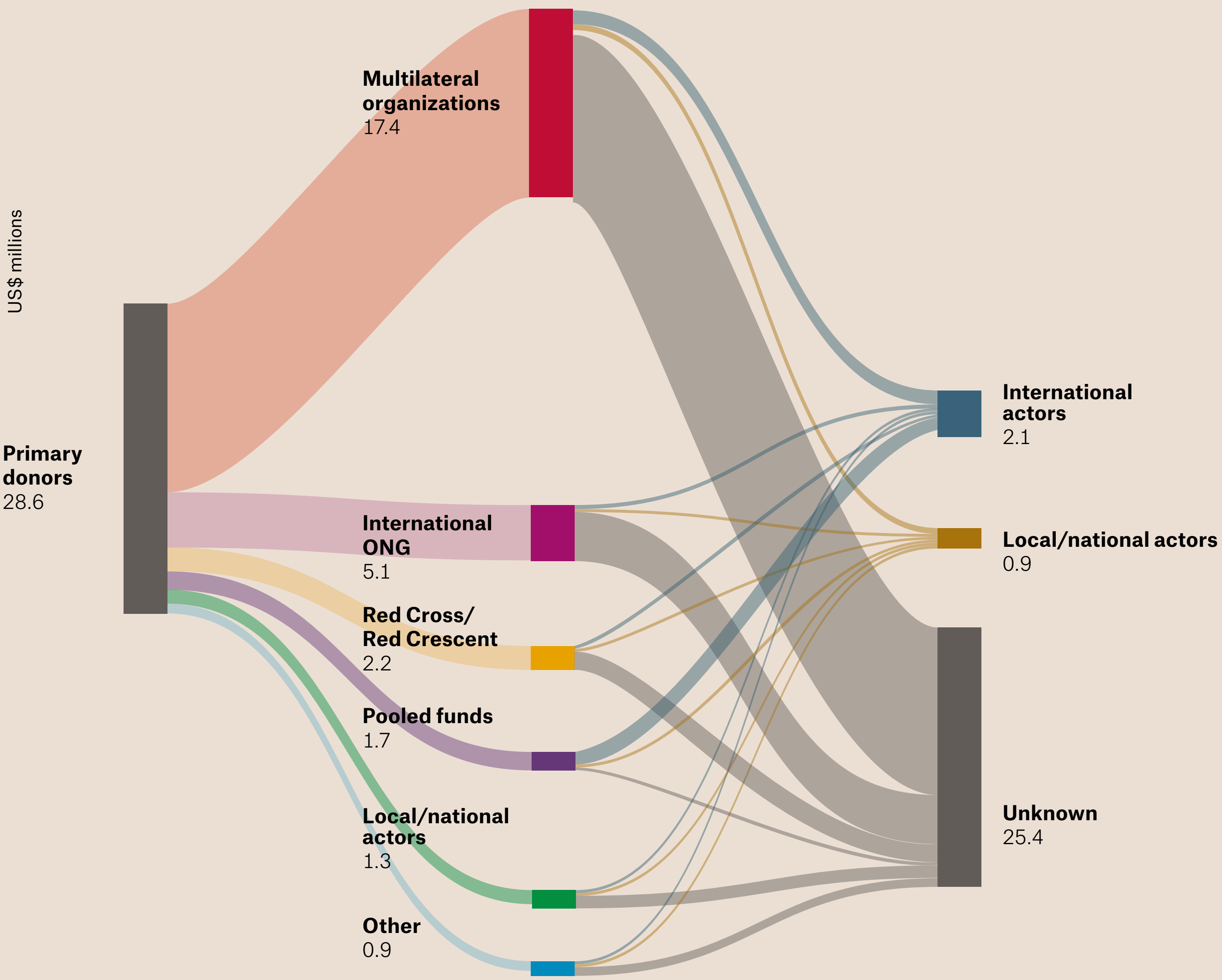
Channels of delivery of international humanitarian assistance from public donors, 2024 by first- and second-level recipients

Source: based on data from OCHA's FTS, country-specific pooled funds (CBPF), CERF data and UNHCR partners in 2023.



Despite changes in funding volumes, channelling routes have remained very similar over the last decade. Donors continue to allocate most of their funds to multilateral organisations and international NGOs.

— In 2024, 61% ($17.4 billion) of public funding went to multilateral organisations. The largest recipients were the WFP ($7.9 billion) and UNHCR ($3.3 billion).
— International NGOs received 18% of donor funding ($5.1 billion).

These funds are either implemented by the recipient organisation or transferred, often through long chains of intermediaries. Despite multiple attempts at improvement, the sector has significant difficulties in explaining how funding moves through the system before reaching the target population. It is currently unknown how 89% of the funding received by first-level recipients is distributed. This lack of transparency hinders coordination, targeting and accountability. It also greatly complicates the monitoring of compliance with commitments related to aid localisation.

From the information available on the funding of second-level recipients, it can be seen that in 2024:

— The majority (2.1 billion) went to other international actors.
— Only $900 million went to local and national actors, mainly through UNHCR ($614 million) or UN pooled funds ($334 million).

Although the impacts of climate change are becoming more predictable and frequent, the potential for anticipatory action is not being realized

3.1. Anticipatory action

Growing political support for anticipatory action has not yet translated into increased funding. It is estimated that around 20% of humanitarian needs are in response to highly predictable crises.[5] Anticipatory action—a pre-funding mechanism—has received growing support from the humanitarian community as a way to move towards a more proactive model, given the growing evidence of its cost-effectiveness and efficiency.

— However, funds available for anticipatory action stagnated in 2024 at $305 million, and disbursements fell to $111 million, despite an increase in the number of activations.
— The overall decline in humanitarian funding led to a marginal increase in the proportion allocated to anticipatory action, which nevertheless accounted for only 0.7% of international humanitarian funding in 2024, compared to 0.4% in 2022.
— The number of activations rose from 47 in 2022 to 124 in 2024, mostly related to weather events. However, the average disbursement per activation decreased from 2 million in 2023 to 892,000 in 2024.
— Most of the total funding activated in 2024 (72%) was concentrated in seven countries[6], and most (83%) was channelled through UN-managed mechanisms.

See figure 7

Despite the increasing frequency and predictability of climate-related impacts, the potential for anticipatory action remains unrealised. In 2024, a Grand Bargain Caucus on anticipatory

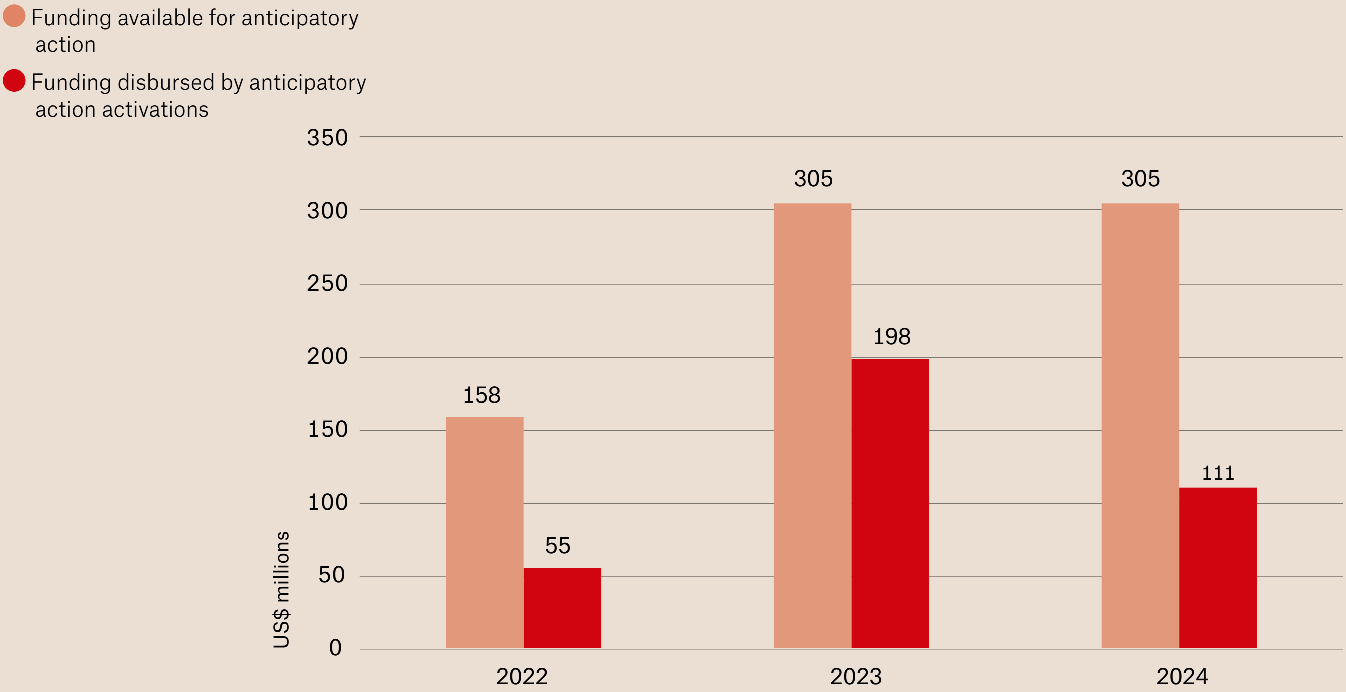
5 Weingärtner L. and Spencer A. (2019) Analysing gaps in the humanitarian aid and disaster risk financing landscape. Available at: www.anticipation-hub.org/download/file-153
6 Ethiopia, Somalia, Bangladesh, Mozambique, Madagascar, Niger and Chad.

f7

Total budget available for anticipatory action frameworks and disbursed through activations in 2022-2024

Source: ALNAP, based on data from the Anticipation Hub.

Notes: ALNAP adapted data from the Anticipation Hub, including activations that were not incorporated into each year's data. Limits on the total amount available in OCHA-coordinated frameworks in specific contexts have been taken into account to avoid double counting. Additional funding for frameworks under development (but still available) has been included in the total for 2024.

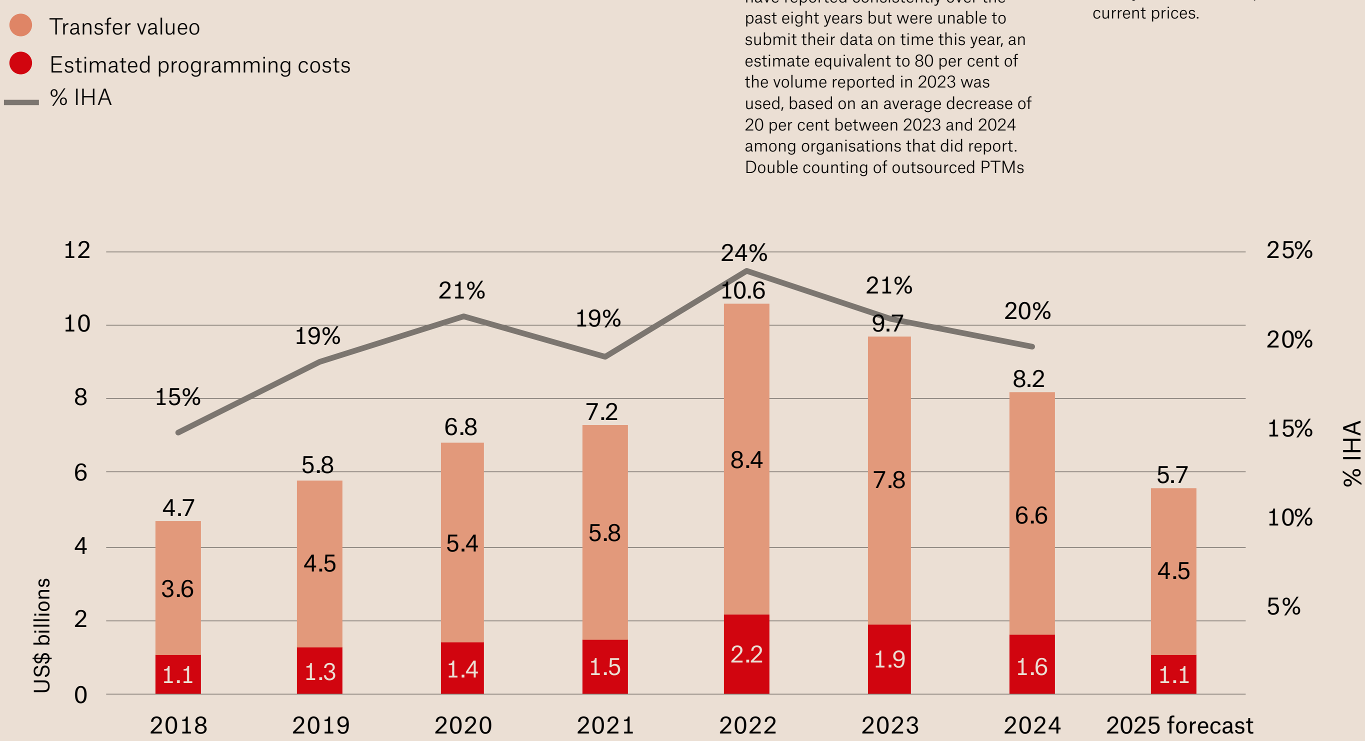


f8

Total humanitarian CVA transfer values and proportion of international humanitarian assistance, 2018–2024 and 2025 forecast

Source: based on data from CALP, implementing partners, supplemented with data from OCHA's FTS, the HPC Project Module, and IFRC cash maps.

Notes: CTP volume data for 2024 is preliminary, as some organisations have not yet provided data or have only submitted partial information. For a limited number of organisations that have reported consistently over the past eight years but were unable to submit their data on time this year, an estimate equivalent to 80 per cent of the volume reported in 2023 was used, based on an average decrease of 20 per cent between 2023 and 2024 among organisations that did report. Double counting of outsourced PTMs from one implementing partner to another is avoided, where data on this is available. The values transferred for funding recorded in FTS and HPC Projects are estimates based on the average proportion of values transferred relative to total programme costs for organisations with available data. Data is not available for all organisations included in all years. Data is expressed in current prices.



action was created with the aim of promoting it. Although the donors to this Caucus committed to substantially increasing their funding, it is unclear whether this support will be maintained or displaced given the reconfiguration of political priorities that the current funding crisis is entailing. While the humanitarian community redoubles its efforts on efficiency, the potential for anticipatory action remains untapped.

3.2. Cash transfer programmes

Cash transfer and voucher programmes (CTVs) fell in both volume and proportion of total humanitarian funding in 2024. Forecasts indicate that volumes will decline further in 2025.

— CTVs declined for the second consecutive year, from $7.8 billion in 2023 to $6.6 billion in 2024 (−16%).[7]
— CTV reached its highest share in 2022 (23.9% of international humanitarian funding).[8] In 2024, it fell to 19.6%.
— Cash accounted for 82% of CTVs in 2024, compared to 81% in 2022 and 2023. Between 2019 and 2021, it stood at around 71-72%.

CTVs fell in both volume and proportion of total humanitarian funding in 2024. Forecasts indicate that volumes will decline further in 2025

See figure 8

The decline in funding is undoubtedly a factor contributing to the decrease in CTVs, while the reduction in the proportion delivered in cash indicates a change in the way aid is channelled, which may be conditioned by **the scale of the actions, as well as by the relative feasibility of implementing CTVs in each context.**

— Several organisations reported declines in CTVs in 2024 after completing large-scale responses in 2023, such as the earthquake in Turkey and Syria and the interventions in Afghanistan. Both situations reflect the usual fluctuations that occur in humanitarian response.
— In Ukraine, where cash remains adequate, CTVs accounted for only 24.5% of the response in 2024, compared to 49.6% in 2022.
— Some organizations reported operational constraints. For example, the implementation of 'cash bans', particularly in the Sahel, forced a policy shift towards in-kind delivery.

7 Compared to a 9% drop in international HA at current prices.
8 The previous *GHA report* stated that the highest proportion of CTVs was in 2023. However, revised data on total humanitarian funding volumes show that the proportion in 2023 was 23.3%, meaning that the peak percentage was recorded in 2022.

CTV tend to increase in expansion phases and decrease in contraction phases due to their flexibility to scale up or down ('CCT scale effect').

Despite the decline in aggregate data, surveys do not show a policy shift against CTVs: several organisations even reported an increase in the number of projects or volume in 2024.

4
HUMANITARIAN FUNDING IN THE AGE OF CUTBACKSS

See figure 9

Of the four main donors, only the EU will maintain stable humanitarian and development budgets until 2027

Almost half of the largest donors, 9 out of 20, announced cuts to their ODA budgets for 2025 and beyond. This is in addition to the reductions in 2024, when 15 of the 20 largest donors decreased their humanitarian funding.

The reductions announced by three of the four major donors for 2024 are particularly worrying given the system's growing dependence on them. In 2024, the United States ( ), European Union institutions, Germany and the United Kingdom provided 65% of public humanitarian funding. Of these four donors, only the EU will keep its humanitarian and development budgets stable until 2027. The effects of the drastic changes in US foreign aid and USAID are significant, although the exact magnitude is still unknown.

The announced cuts have created uncertainty, as it is difficult to know what they mean in terms of specific budget reductions for ODA and HA, and in many cases, specific budget decisions have not yet been made. In the case of the US, for example, the information is not in the public domain, which has serious consequences for programming and financial planning. This situation calls for greater transparency so that other actors can adapt.

At the time of writing, the information available on the main donors is as follows:

- Germany: The draft budget for 2025 proposes a 53% reduction in humanitarian funding and an 8% reduction in the budget of the Federal Ministry for Economic Cooperation and Development. There could be further reductions, as the new coalition agreement provides for a likely decrease in the ratio of ODA to gross national income (GNI).
- United Kingdom: will reduce its foreign aid budget from 0.5% to 0.3% of GNI by 2027, with the aim of financing an increase in defence spending. Current plans envisage cuts of around $639 million in 2025-2026, followed by much larger reductions of $6.1 billion in 2026-2027 and $8.3 billion in 2027-2028.[9]
- France: reduced its ODA budget for 2025 by 19%, including a 37%

9 Rabinowitz G. (2025) The Chancellor's Spring Statement adds to the expected pain of the UK aid cuts. Bond News & Views, 27 March 2025.
Available at: https://www.bond.org.uk/news/2025/03/the-chancellors-spring-statement-adds-to-the-expected-pain-of-the-uk-aid-cuts/

f9

Changes in ODA and HA budgets of the 20 largest HA donors.

Source: based on data from Donor Tracker, press reports, and government budget documents.

Notes: Sweden's ODA in 2025 remains stable compared to 2024 levels, although the table shows a decrease due to the Swedish Government's decision to cut ODA by 5 per cent for the period 2026-2028.

Donor (*ranking* 2024)	**% humanitarian funding in 2024**	**Future budget trend indication**	
		ODA	HA
United States (1)	43 %	↘	↘
EU Institutions (2)	9 %	→	→
Germany (3)	8 %	↘	↘
UK (4)	6 %	↘	?
Saudi Arabia (5)	4 %	?	?
Japan (6)	3 %	↗	?
Sweden (7)	3 %	↘	?
United Arab Emirates (8)	3 %	?	?
Norway (9)	3 %	↗	↗
France (10)	2 %	↘	?
South Korea (11)	2 %	↗	↗
Netherlands (12)	2 %	↘	↘
Denmark (13)	2 %	↘	↘
Switzerland (14)	2 %	↘	→
Canada (15)	2 %	?	?
Australia (16)	1 %	→	→
Belgium (17)	1 %	↘	?
Ireland (18)	1 %	↗	?
Qatar (19)	1 %	?	?
Italy (20)	1 %	→	?

decrease in the "ODA mission" item. In addition, it postponed the target of allocating 0.7% of GNI to ODA until 2030.

— Sweden: reduced its ODA budget for 2026-2028 to $5.1 billion, down from $5.4 billion in 2023-2025, and abandoned its target of allocating 1% of GNI to ODA.
— Switzerland: announced cuts of $282 million in its ODA budget for 2025.

Only four of the top 20 donors have announced increases in their ODA or HA budgets: Japan, South Korea, Ireland and Norway. In the first three, the changes will be less than 5%, while Norway announced an 8.6% increase in its ODA budget, including 10% in HA. The role of Gulf donors remains uncertain. Historically, their funding has been concentrated in their region, responding to specific crises rather than following global humanitarian policies.

The rest of this chapter analyses the degree of exposure of the humanitarian system to donors that have announced cuts in their HA or ODA budgets,[10] referred to as 'donors in retreat'.

See figure 10

The heavy dependence of some contexts on a small number of donors reflects structural problems in the system

Aid recipient countries suffer varying degrees of exposure to budget cuts. The heavy dependence of some contexts on a small number of donors reflects structural problems in the system. In 2024, 10 of the 30 main recipient countries received 70% or more of their funding from donors in retreat in their ODA and/or AH for 2025 and beyond.

— The Democratic Republic of Congo (DRC) was the most exposed context, receiving 85%.
— Colombia, Nigeria, Uganda and Kenya received 75 per cent or more.

The United States was the largest donor among the 10 most exposed countries. The USAID memorandum published in March 2025 paints a pessimistic picture, although the accuracy of this data is uncertain:[11] its analysis, together with other available data, estimates that, on average, USAID cuts in these countries will be around 63%.

Dependence on other donors that have announced cuts, although less concentrated, remains significant:

— Germany: accounted for 14% of funding in Jordan and 9% in Somalia.
— United Kingdom: had a high share in Nigeria (14%), Ethiopia (14%) and Kenya (11%).

In 2024, some countries were already showing signs of what is known as donor fatigue, reflected in low coverage rates for aid appeals. This situation is likely to worsen in 2025, although this will depend on how donors decide to allocate their funds and on the review of appeals.

— Focusing on the most exposed countries, Ethiopia had the lowest funding coverage (30%), followed by three countries that were part

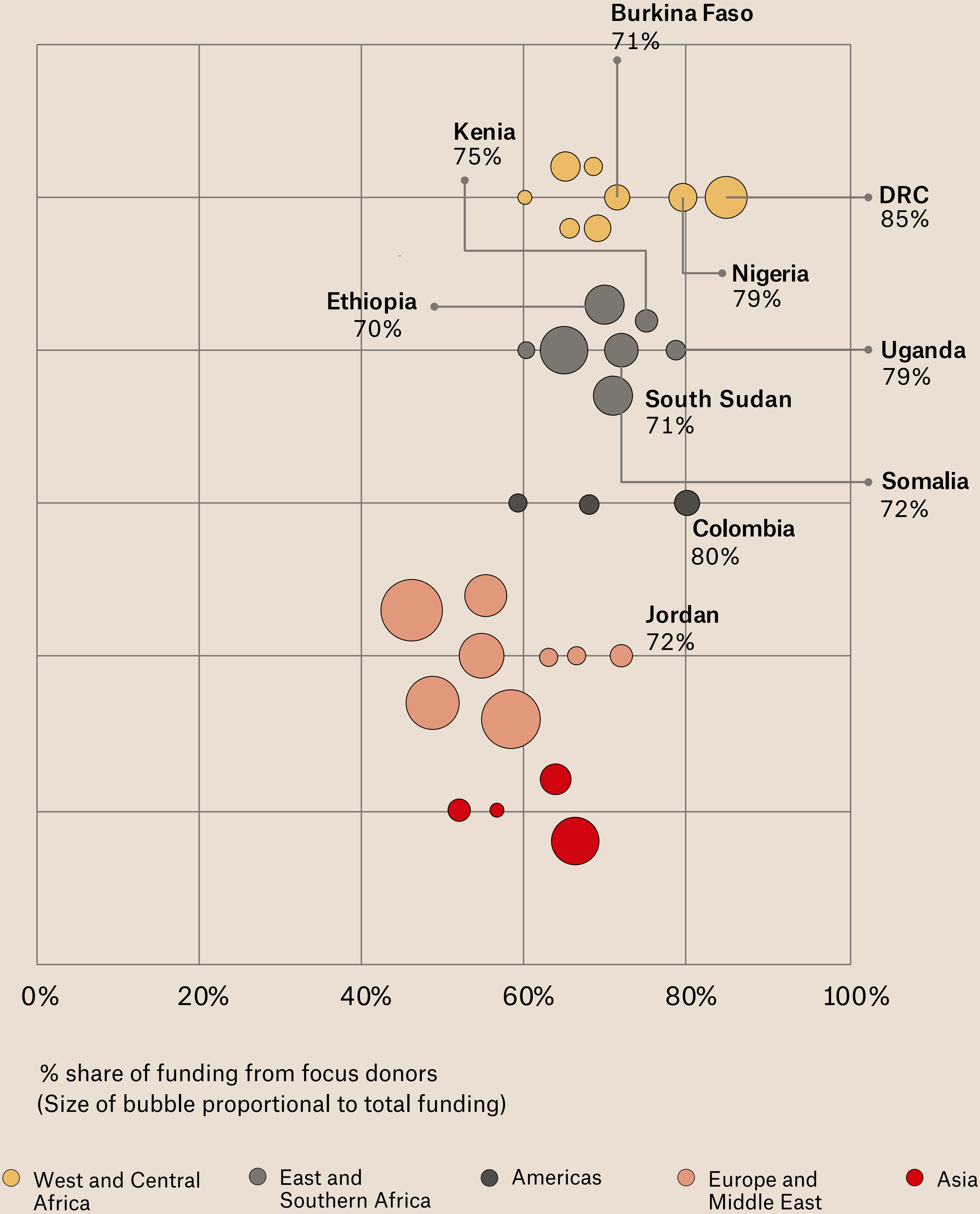
10 Of the top 10 donors, this includes the United States, Germany, the United Kingdom, Sweden, and France.
11 This memorandum contained a summary of planned, completed, and retained projects. However, the accuracy and reliability of this document is unclear.

f 10

International HA from donors that have announced cuts to recipient countries, by region, in 2024

Source: based on OCHA FTS data. See also sources for Figure 9.

Notes: The 10 countries shown are presented in descending order, according to their greatest dependence on funding from donors that announced cuts to their foreign aid, among the 30 main recipient countries of international humanitarian aid in 2024. Funding data includes international humanitarian assistance to each country from all donors, including governments, private funding and global pooled funds, as reported to the FTS.



of regional responses to refugees: Uganda (34%), Colombia (41%) and Jordan (46%).
— The remaining contexts received more than half of the required funds, with South Sudan reaching 71%.

Some of the main recipients of funds were less exposed as they were less dependent on donors in retreat:

— Palestine, the top recipient in 2024, received 46% from eight donors that have announced possible cuts. It also received significant regional contributions from the United Arab Emirates (383 million), Qatar (102 million) and Saudi Arabia (92 million), in addition to 187 million from EU institutions.
— Ukraine, the second largest recipient, received significant contributions from Norway ($263 million), EU institutions ($253 million) and Japan ($123 million), as well as direct budget support from the US.
— Yemen, the third largest recipient, could also be less exposed due to very high contributions from Saudi Arabia in 2024 (817 million).

The data does not allow us to know the exposure of recipient countries to cuts by donors who channel much of their funding through multilateral actors.

Cuts to humanitarian budgets will affect different aid sectors unevenly

See figure 11

Cuts in humanitarian budgets will affect different aid sectors unevenly, as exposure to donors in retreat varies widely across sectors. Due to the historical weight of the United States in these sectors, the most exposed sectors are: nutrition; multipurpose and basic needs cash transfer programmes; food security and agriculture; and logistics.

— The United States was the largest donor in 9 of the 11 sectors analysed, and the main donor in retreat in all of them.
- In the nutrition sector, 6 out of every 10 dollars (59%) came from the United States in 2024.
- In the food security and agriculture sector, just over half of the funds—52%—came from the United States.
- In multipurpose cash transfer and basic needs programmes, the United States contributed 51 per cent of the funds.
- The logistics sector received 47 per cent of its funding from the United States in 2024.
- The WFP was the main actor in these sectors, receiving three-quarters of the funding for food security and agriculture.

Many sectors are also exposed to cuts from Germany, which is the second largest donor in three of the 11 sectors. In particular, early recovery (14 per cent of its total funding coming from Germany), protection (13 per cent) and logistics (11 per cent) are especially vulnerable.

The United Kingdom is among the top three donors in four sectors: multipurpose and basic needs cash transfer programmes (12 per cent), nutrition (9 per cent), education (6 per cent) and water, sanitation and hygiene (4 per cent).

The best-funded sectors in the 2024 United Nations appeals are also the most exposed to cuts, which could narrow the funding gaps between sectors. However, the effect cannot be fully predicted, as donors may decide to redirect funds.

f11

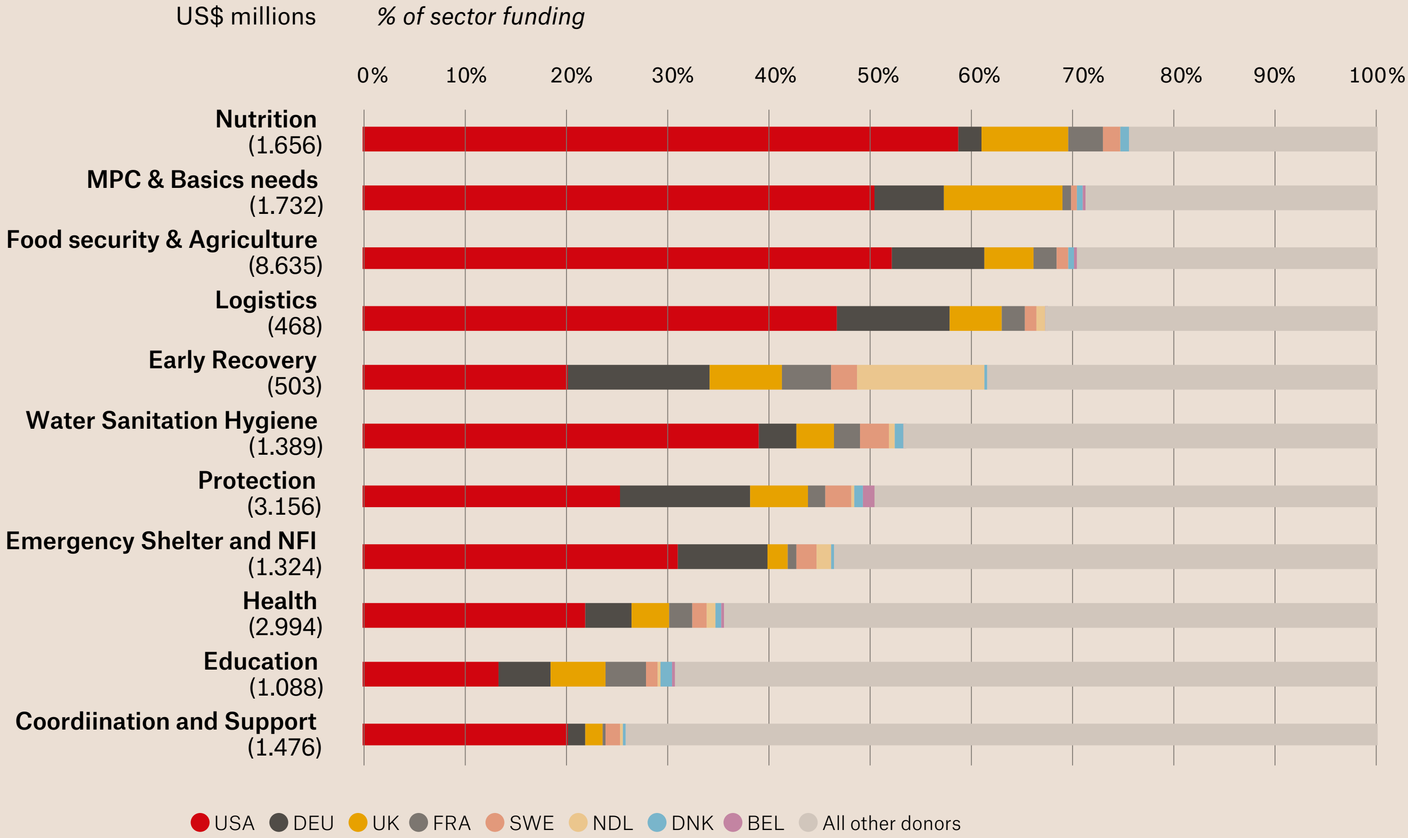
Donor funding by sector in 2024

Source: based on OCHA FTS data. See also sources for Figure 9.

Notes: Funding both within and outside response plans is included in the chart. Emergency telecommunications are included under 'logistics'. Camp coordination or management is included under 'coordination and support services'.

Funding to multiple groups, multisectoral or other groups in the field is excluded.

Funding data is expressed in constant 2023 prices.

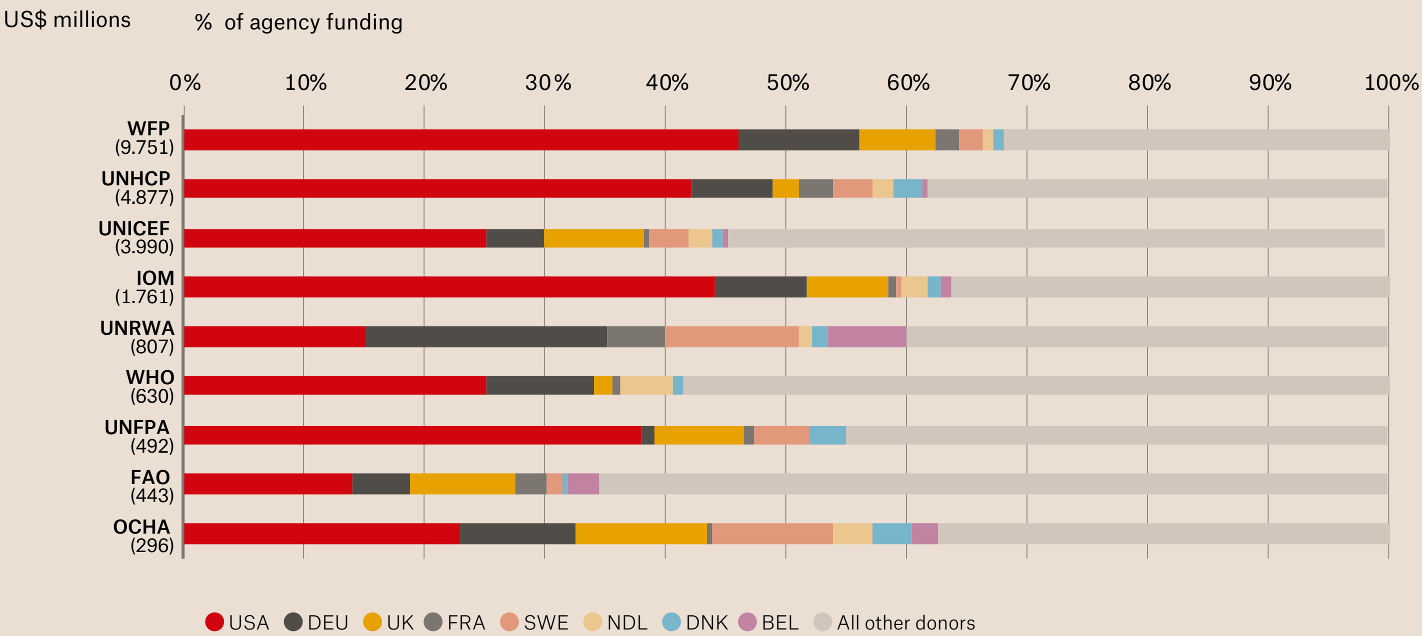


f12

Funding by humanitarian donor to UN agencies and pooled funds in 2024

Source: based on data from OCHA FTS, UNHCR, UNICEF, WFP and IOM, CBPF data centre, CERF data and GHA private funding database.

Notes: Funding for UNICEF reflects only core funding ('regular resources') and humanitarian funding ('other resources emergency'). All funding for WFP and UNHCR is included. Only funding recorded in the IOM Crisis Response Dashboard is included. Funding for UNRWA, WHO, UNFPA, FAO and OCHA is based on FTS data.



- Logistics (58% of requirements covered), nutrition (54%) and food security and agriculture (49%) were the sectors that received the largest share of the funds requested in 2024. They are also among the most exposed to potential cuts, particularly due to their high dependence on US funding.
- The remaining sectors, although less exposed to cuts, were already more underfunded in 2024: early recovery reached only 20% of funding appeals, education 30%, shelter and non-food items 30% and health 43%.

Although appeals were still being revised at the time of writing, it seems clear that budget cuts will deepen the level of underfunding in all sectors.

See figure 12

UN agencies' exposure to budget cuts varies considerably. The WFP and UNHCR, the two largest humanitarian agencies, are among the most exposed and have already announced programme reductions. Of the five donors in retreat:

The WFP and UNHCR are among the UN agencies most exposed to cuts

- WFP received 68% of its funding in 2024 (46% came directly from the US).
- UNHCR received 62% of its funding in 2024.
- UNICEF, the other major agency providing humanitarian assistance, is somewhat more protected and received 45%.
- WHO and FAO are the least exposed to cuts, receiving 41% and 35%, respectively.

In light of this situation, several agencies have announced recent cuts:

- WFP: reduction of up to 30% of its staff.[12]
- UNHCR: 30% cost reduction and half of its senior positions cut.[13]
- UNICEF: plans to operate with 20% less funding in 2026.[14]
- OCHA: 20% staff cuts. [15]
- IOM: 30% reduction in donor funding and 20% cuts to its headquarters staff.[16]

Structural changes are also being considered. For example, UNHCR could close some country offices and adopt a multi-country office model. Under the UN80 Initiative, the possibility of merging UN agencies is even being explored.

UN-managed pooled funds are also exposed to cuts, albeit in a different way. The US is a minor donor to CERF and country-specific pooled funds (CBPF), which have a more diversified funding base.

12 Mersie A. (2025) WFP to cut up to 30% of staff amid aid shortfall. Devex, 25 April 2025. Available at: https://www.devex.com/news/exclusive-wfp-to-cut-up-to-30-of-staff-amid-aid-shortfall-109932
13 Farge E. (2025) UN food, refugee agencies plan deep cuts as funding slashed, memos show. Reuters, 25 April 2025. Available at: https://www.reuters.com/business/finance/un-agencies-food-refugees-plan-deep-cuts-funding-plummets-documents-show-2025-04-25/
14 Nichols M. (2025) UNICEF projects 20% drop in 2026 funding after US cuts. Reuters, 16 April 2025. Available at: https://www.reuters.com/world/unicef-projects-20-drop-2026-funding-after-us-cuts-2025-04-15/
15 Lederer E. M. (2025) UN humanitarian agency to cut staff by 20% due to 'brutal cuts' in funding. AP News, 12 April 2025. Available at: https://apnews.com/article/un-humanitarian-agency-staff-aid-cuts-trump-0896ba30d57a990fe441d5e74eefb81b
16 IOM (2025) Update on IOM Operations Amid Budget Cuts. Available at: https://www.iom.int/news/update-iom-operations-amid-budget-cuts

- CBPF: The donors that have announced the most significant cuts are Germany (21%), the United Kingdom (17%) and the Netherlands (10%).
- CERF: Germany accounts for 19% of funding, while the Netherlands, Sweden and the United Kingdom each account for 12% of CERF funding.

Despite the cuts, CERF and CBPFs are well positioned to capture a larger share of shrinking budgets, given their ability to channel funds to local and national actors. In fact, it has been proposed that one-third of all HA be channelled through CBPFs, with additional reinforcement to CERF.[17] Reduced donor budgets could lead to the creation of smaller grant management teams, prompting them to channel more funding through pooled funds where they no longer have a country presence.

5
CHANGES IN THE FINANCING OF PROLONGED CRISES

Excluding Ukraine, contexts experiencing protracted crises have seen a stagnation in ODA received

See figure 13

More than a decade ago, multilateral development banks began to reorient their support towards contexts of fragility, conflict and violence. The aim was to strengthen stability and promote sustainable development. This led to a significant increase in broader crisis funding volumes in protracted crisis contexts.

Although total ODA to humanitarian contexts appears to have grown over the last five years, this increase was largely due to a significant increase in aid to Ukraine following the 2022 invasion.

Excluding Ukraine, protracted crisis contexts have experienced stagnation in ODA received:

- Protracted crisis contexts collectively received 24% of all ODA from DAC donors between 2019 and 2023.

  ODA from DAC members to these contexts rose from $28.8 billion in 2019 to $67.5 billion in 2023. However, 97% of this increase was funding for Ukraine.

- Excluding Ukraine, other protracted crisis contexts received around $28 billion annually, with a slight exception in 2021 when the figure was $31 billion.

This reflects a worrying pattern: while Ukraine has attracted unprecedented resources, other protracted contexts have remained at virtually the same level of funding, despite an increase in needs.

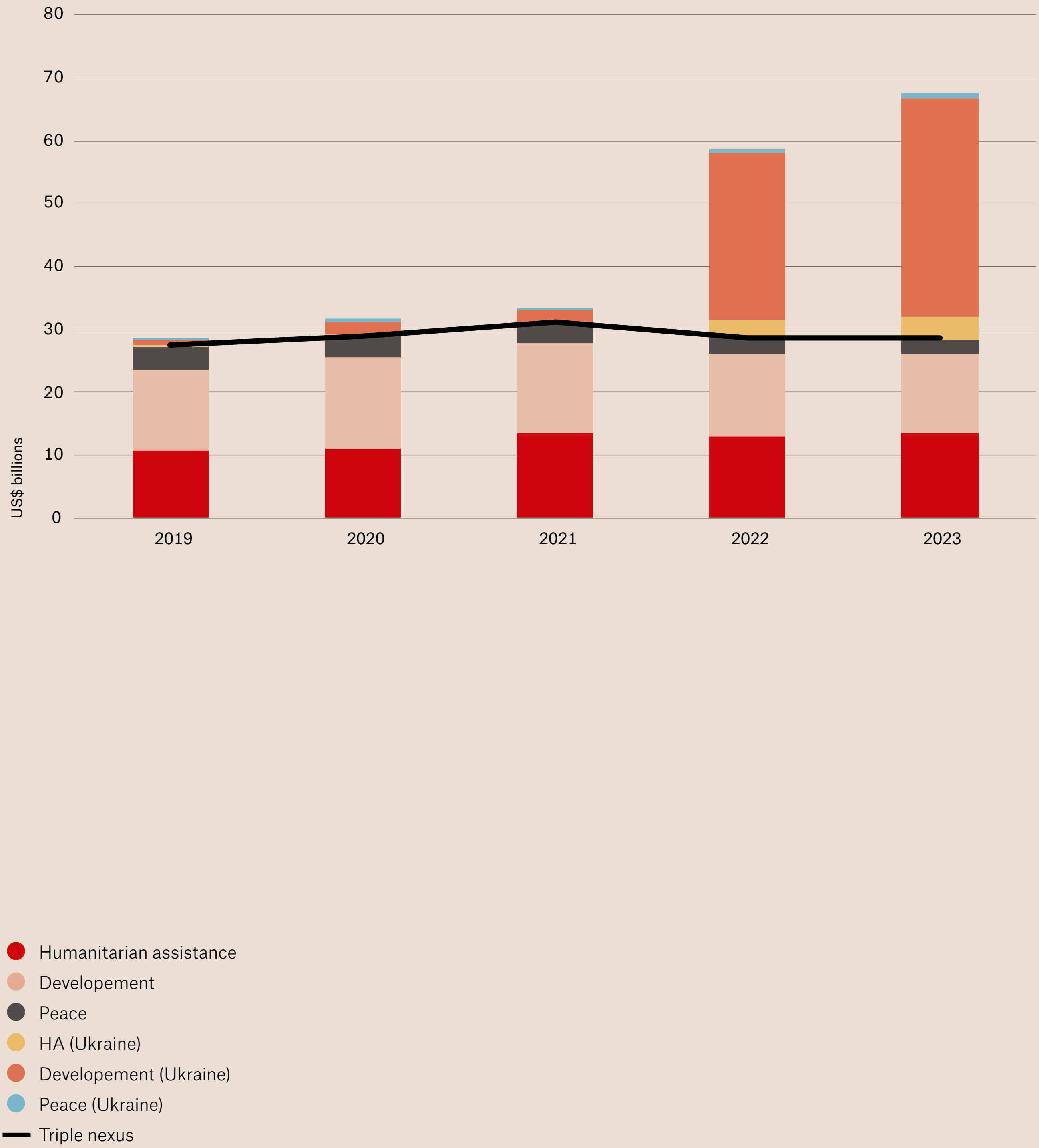
17 This proposal is being explored as part of the "humanitarian reset".

f13

Volumes of ODA from DAC members for development, humanitarian and peace to protracted HRP contexts

Source: based on the OECD DAC CRS.

Notes: recipient countries vary by year. Data are expressed in constant 2023 prices.



6
CONCLUSION

In 2024, the humanitarian sector faced the largest drop in funding ever recorded, due to major cuts by major donors. This situation will be further exacerbated in 2025 as cuts deepen: three of the four largest donors have announced additional reductions in global funding. The impacts of cuts in US foreign spending and the dismantling of USAID will be particularly significant, as even after the 2024 cuts, the United States remained the largest humanitarian donor.

In this era of financial instability, it is crucial that the humanitarian sector rise to this challenge and ensure that limited funding is used as efficiently and effectively as possible to respond to unprecedented humanitarian needs. Humanitarian reform must be taken seriously, and progress in allocating more funds to local and national actors, through cash transfer programmes and anticipatory frameworks, is more important than ever.

Only with these measures will it be possible to respond to growing global humanitarian needs in a world marked by protracted crises and increasingly frequent conflicts.

It is crucial that the humanitarian sector ensures funding is used as efficiently and effectively as possible