

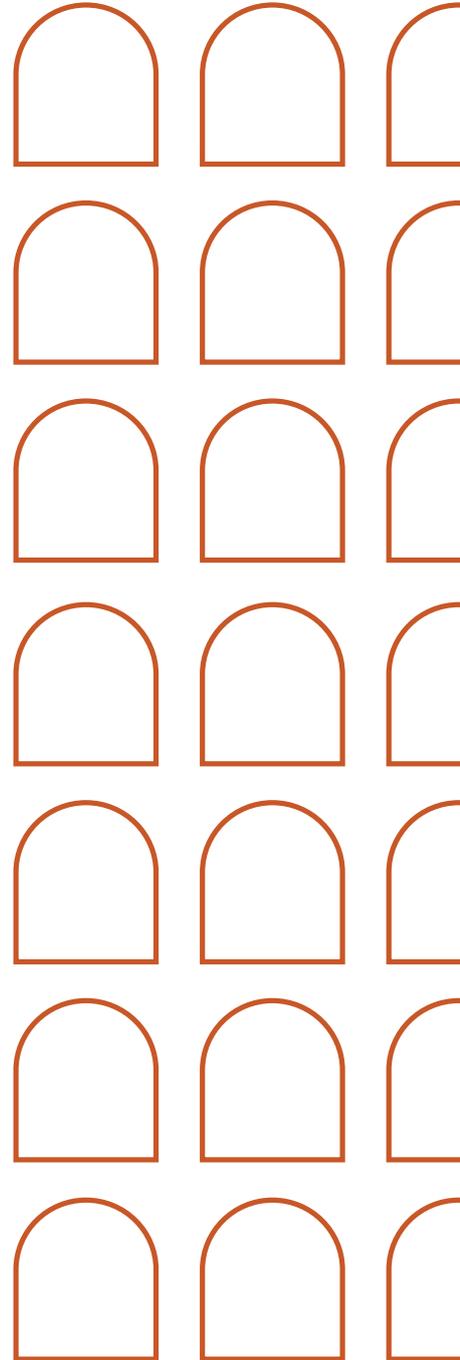
STG Policy Papers

POLICY ANALYSIS

HUMANITARIAN FUNDING CUTS: POWER, PRIORITISATION, AND SYSTEMIC INJUSTICE IN GLOBAL HUMANITARIAN AID

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EXECUTIVE SUMMARY

The international humanitarian system entered 2025 facing a crisis of legitimacy, morale, and funding. By mid-2025, global humanitarian aid had collapsed by 43%, from \$36.9 billion in the previous year to \$20.8 billion¹, driven by the dismantling of USAID² and compounded by cuts from Germany, France, the Netherlands, and the United Kingdom. This policy analysis examines the drivers, impacts, and implications of these unprecedented cuts, proposing structural reforms for a more equitable system.

The analysis documents cascading impacts across health, food security, gender programming, and displacement responses. Critical data infrastructure has collapsed or reduced capacity, undermining needs-based prioritisation. The system's 'hyper-prioritisation' response has compounded inequities.

Situating these patterns within a political economy framework, the analysis demonstrates that funding allocation reflects geopolitical interest, colonial legacies, and path dependency rather than only humanitarian need. The 'Humanitarian Reset' risks becoming managed contraction rather than strategic transformation.

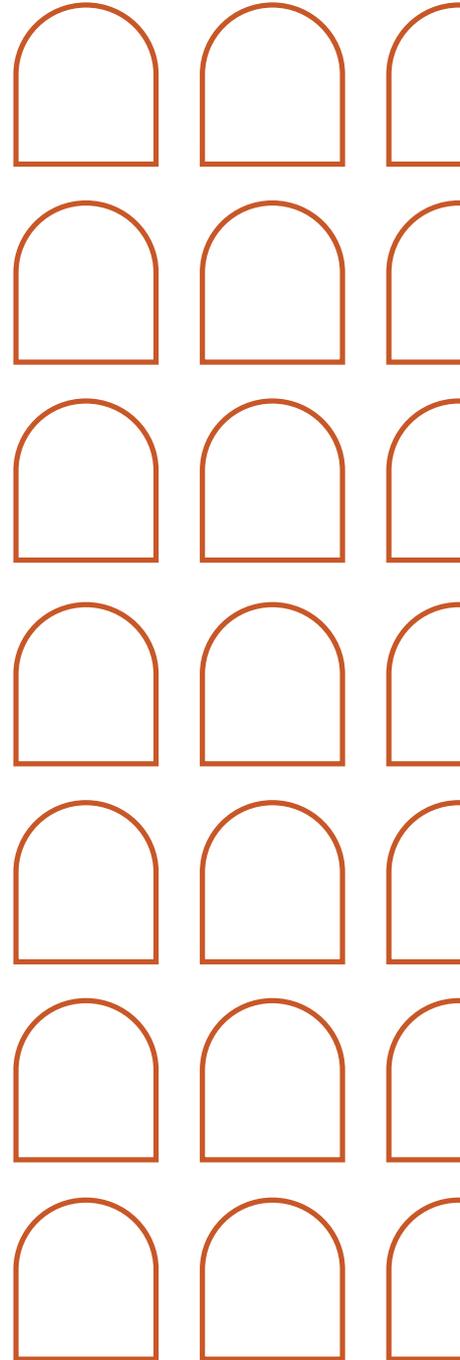
The analysis proposes four policy shifts: redesigning coordination architecture to centre local leadership; pluralising knowledge production so crisis-affected communities lead needs assessments; diversifying the donor base beyond Western governments; and investing in independent data systems tracking donor accountability alongside humanitarian need.

¹ The figures and empirical evidence presented in this policy analysis were derived from PRISM (Protection Risk Impact Severity Monitor), available at www.prismmonitor.eu.

² A complete list of acronyms used throughout this paper is provided in Annex 1.

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1. OVERVIEW OF AID BUDGET CUTS

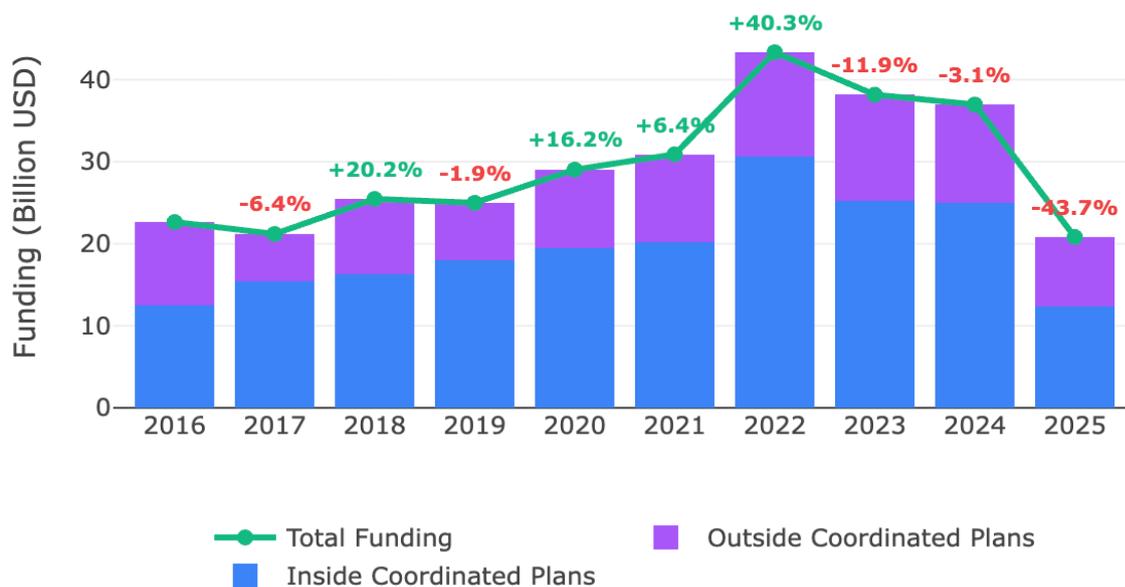
The humanitarian aid sector is at an inflection point, where the entire system is in a crisis of legitimacy, morale, and funding. The sector has long been under criticism for failing to respond effectively to crises, reinforcing the status quo, masking political disengagement, and disempowering affected populations. Local actors are often excluded from UN-led coordination structures or marginalised by conducting sessions in English with heavy jargon; meanwhile, the 'fly-in expert' phenomenon provides little space to local actors during decision-making forums. In Gaza, humanitarian needs go unmet not because resources are unavailable, but because the provision of assistance is weaponised as a tactic of war by Israel. In Sudan, where traditional humanitarian agencies cannot operate, Emergency Response Rooms (mutual aid mechanisms organised by affected communities themselves) provide protection in active conflict, delivering food assistance, medication, and evacuation to areas the

formal system cannot reach. The recent decline in funding for international humanitarian assistance has added a new dimension to this crisis, forcing a transformation of the humanitarian community. Since mid-2025, organisations have initiated restructuring and downsizing processes in response to funding cuts. Yet, rather than placing the affected populations, their needs, and the most effective ways to deliver principled aid at the centre, endless meetings have been convened to devise 'innovative exercises' to determine who stays and who leaves. The dynamic of institutional self-preservation overriding operational effectiveness and accountability to people in need encapsulates the current state of the humanitarian system.

After decades of unprecedented growth, humanitarian funding hit its peak in 2022, driven largely by the Ukraine crisis, before falling by around \$5 billion in 2023, as large-scale conflicts in Gaza and Sudan placed increasing pressure on the system. A further 3.5% decrease followed in 2024.³ The sharpest

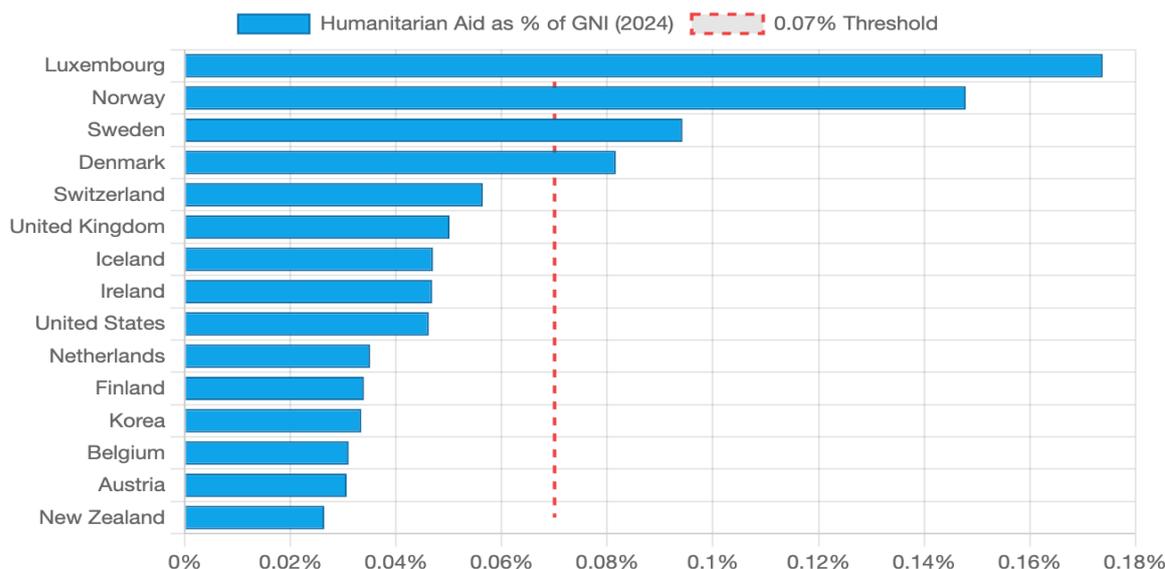
³ Total funding reported to and processed by Financial Tracking Service of UN OCHA per year, available at: <https://fts.unocha.org/>; Detailed statistical analysis is available at PRISM: <https://www.prisonitor.eu/dashboard>.

Figure 1: OCHA Financial Tracking Service Funding Trends (2016-2025)



Source: Visualised by the author based on OCHA Financial Tracking Service. Accessed on 29 November 2025.

Figure 2: Humanitarian Aid as % of Gross National Income (2024)



Source: Visualised by the author based on [Preliminary Official Development Assistance \(ODA\) Levels in 2024](#).

blow came in 2025, when global humanitarian funding dropped by 43%, primarily due to the United States Agency for International Development (USAID) budget cut from \$36.9 billion to \$20.8 billion.

Aid cuts came at a time when over [305 million people](#) in crisis-affected countries face life-threatening humanitarian needs, driven by protracted conflicts, climate-induced disasters, and mass displacement affecting over 123 million refugees and internally displaced persons. Around one in every five children in the world is living in or fleeing from conflict zones. Consider Sudanese women and children trapped between two warring sides, facing famine; Syrian refugees who experienced earthquakes in Türkiye and are now opting for premature returns to homes destroyed by 14 years of conflict; [starvation of Palestinian children as a weapon of war](#); and people in Yemen facing recurrent epidemic outbreaks of preventable diseases because of the limited availability of water and low vaccination rates.

2. WHO IS CUTTING HUMANITARIAN FUNDING?

Official Development Assistance (ODA) has fallen for the first time in six years, according

to [preliminary ODA data released by the Organisation for Economic Co-operation and Development \(OECD\)](#) in April 2025. In 2024, members of the OECD’s Development Assistance Committee (DAC), predominantly Western donor countries, provided \$212.1 billion in development assistance, including \$23.6 billion in humanitarian aid. This represents a 7.1% drop in overall ODA from 2023 and a 9.6% decline in humanitarian aid.

Despite the political attention it attracts, foreign aid remains modest in scale. The \$212.1 billion in 2024 ODA constituted just 0.33% of DAC member countries’ combined gross national income. Only four DAC members (Luxembourg, Norway, Sweden, and Denmark) allocated more than 0.07%⁴ of Gross National Income (GNI) to humanitarian assistance.

The picture for 2025 is considerably worse. The [OECD](#) projected that ODA would drop to 0.30% (lower cut) or 0.27% (higher cut) as a share of GNI in 2025. The dismantling of USAID has created a funding vacuum that no other donor can fill, exposing the humanitarian system’s deep dependency on US contributions. Rather than compensating for this loss, other major donors have followed suit with cuts of their own. The UK announced a 40% reduction in ODA, from 0.5% to 0.3% of GNI by 2027, in

4 In 2024, the EU Council has established a voluntary target of 0.07% of Gross National Income to be allocated for humanitarian aid by Member States. Opening Statement of Commissioner Lenarčič at the Opening Ceremony of the 2024 European Humanitarian Forum, 18 March 2024. https://ec.europa.eu/commission/press-corner/detail/en/SPEECH_24_1553.

Figure 3: Humanitarian Aid Budget Changes by DAC Member (2024-2025)

COUNTRY	2024 → 2025	CHANGE
USA	\$15.30B → \$2.20B	-85%
Germany	\$2.43B → \$1.14B	-53%
France	\$0.97B → \$0.55B	-44%
Netherlands	\$0.65B → \$0.52B	-20%
Sweden	\$0.47B → \$0.43B	-8.3%
Norway	\$0.25B → \$0.19B	-3%
UK*	\$11.15B → \$11.72B	+5%
EU Commission	\$1.80B → \$1.90B	+5.5%
Switzerland	\$0.60B → \$0.66B	+10%
Canada	\$0.61B → \$0.76B	+25%

*UK figures represent total ODA, not humanitarian aid specifically

Source: Visualised by the author based on data from the [EU Commission](#), [Germany](#), [UK](#), [Sweden](#), [Netherlands](#), [Switzerland](#), [Canada](#), [France](#), the [USA](#), and [Norway](#). All values normalised to US dollars.

order to increase defence spending. Germany cut its humanitarian aid budget by more than half, from €2.23 billion in 2024 to approximately €1.04 billion in 2025. The Netherlands announced both funding reductions and a new policy framework prioritising national interest. France reduced its humanitarian budget by 44%. The figure below compares humanitarian aid contributions from selected DAC members between 2024 and 2025, illustrating the breadth of the retrenchment.

3. IMPACT OF FUNDING CUTS

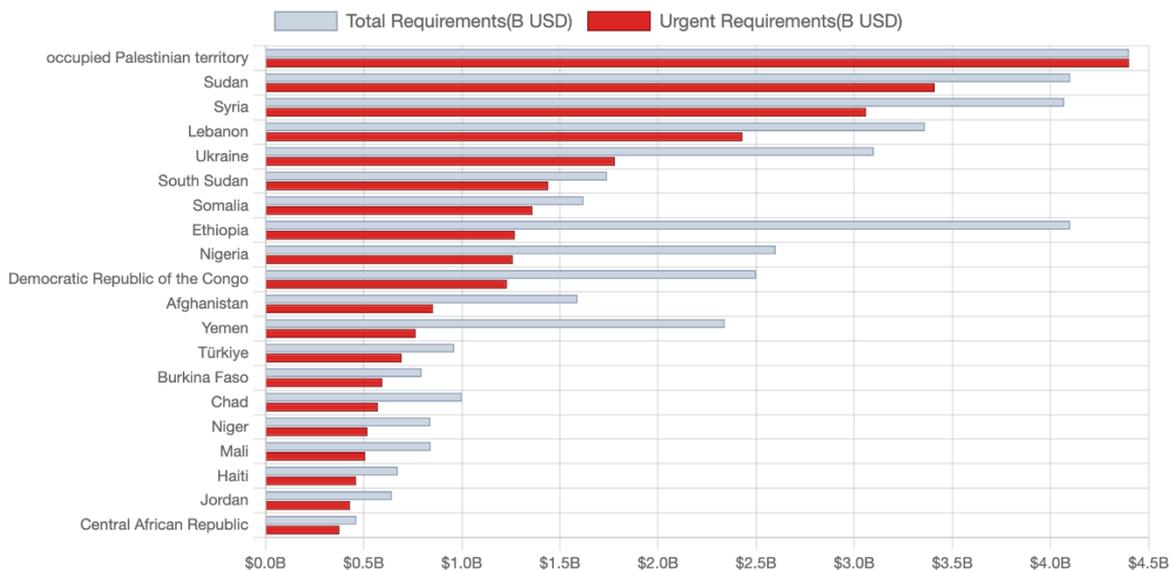
The [European Parliamentary Research Service \(EPRS\)](#) warns that “the suspension of US aid is jeopardising global food security, healthcare, and emergency response, and is stalling medical research, potentially adding 166,000 deaths annually from preventable diseases.” [A Lancet study evaluating two decades of USAID interventions](#) found that higher funding levels, directed primarily toward African countries, were associated with a 15% reduction in age-standardised all-cause mortality. The study’s forecasting model predicts that current funding cuts could result in more than 14 million additional deaths by 2030, including 4.5 million children under five.

The scale of US health financing in Africa underscores these risks. [US aid to 21 African countries](#) equalled at least 20% of government health spending; in eight countries, it exceeded 50%; and in three (Somalia, South Sudan, and Malawi), it surpassed total government expenditure. The US was also the largest single donor to global bodies like the Global Fund to Fight AIDS, Tuberculosis and Malaria. The dismantling of USAID could put as many as one million lives at risk, mostly from untreated Human Immunodeficiency Virus (HIV), tuberculosis, and malaria.

The number of people requiring urgent assistance to avoid hunger has reached a record 295 million, according to the [Global Report on Food Crises 2025](#), just as major donors are drastically reducing allocations. The World Food Program (WFP) faces a 34% funding cut in 2025, forcing the agency to reduce emergency food assistance, affecting 16.7 million people. [Six critical WFP operations](#) — Afghanistan, Democratic Republic of Congo, Haiti, Somalia, South Sudan, and Sudan — are at risk, leaving millions without lifesaving support.

[UN Women’s global survey of 428 women’s rights organisations](#) found that 34% have suspended or shut down programmes to end

Figure 4: Top 20 Countries by Urgently Prioritized Funding



Source: Visualised by the author based on [A hyper-prioritised Global Humanitarian Overview 2025: The Cruel Math of Aid Cuts](#). Accessed on 29 November 2025.

violence against women and girls, resulting in the closure of safe spaces, health services, and social protection programmes.

The [Centre for European Policy Studies](#) warns that US withdrawal from sexual and reproductive health funding, combined with rising politicisation and declining ODA, threatens decades of progress. Consequences include disrupted contraceptive supplies, reduced maternal and Sexually Transmitted Infection (STI) services, and increases in unintended pregnancies and preventable deaths, potentially affecting 47.6 million people and contributing to 17 million unintended pregnancies and 34,000 maternal deaths. Programmes addressing child marriage have also been hit: the [Global Programme to End Child Marriage](#)⁵ will now reach 4 million fewer girls than the 16 million targeted in 2024.

The United Nations High Commissioner for Refugees (UNHCR) reports cuts of \$1.4 billion to essential programmes, putting 11.6 million refugees and displaced persons at risk of losing direct humanitarian assistance. Cuts have forced the agency to pause relocations from border areas to safer locations in Chad

and South Sudan, leaving thousands stranded. In Uganda, malnutrition rates are soaring in reception centres, with limited access to clean water and food. In Bangladesh, education for some 230,000 Rohingya refugee children is at risk of suspension.

Beyond direct programme cuts, the dismantling of USAID has triggered a collapse of critical data systems that underpin humanitarian decision-making. The Famine Early Warning Systems Network (FEWS NET), established in 1985 and credited with helping avert famines in Somalia in 2011 and 2017, went offline in January 2025 after receiving a stop-work order.⁶ The Demographic Health Surveys (DHS) programme, considered the gold standard for global health data across 90 countries, has been paused, leaving surveys incomplete in 23 countries including Nigeria, Indonesia, and the Democratic Republic of Congo. [IOM's Displacement Tracking Matrix](#) has been scaled back across major crises, with hundreds of staff laid off. As one expert warned, "We will not even know how many people are affected and will not be able to count them." The loss of trend data is particularly damaging: historical baselines cannot be retrospectively rebuilt,

5 United Nations Population Fund (UNFPA) - United Nations Children's Fund (UNICEF) Global Programme to End Child Marriage is a 15-year initiative (2016–2030) by the United Nations to end child marriage by addressing its root causes and supporting vulnerable girls. Available at: <https://www.unicef.org/protection/unfpa-unicef-global-programme-end-child-marriage>.

6 FEWS NET began resuming operations and publishing new reports in June 2025, though it experienced a significant pause in services for several months. Funding cuts threaten access to essential humanitarian records and archives, such as records of attacks on healthcare and education, food security and other essential health-related datasets. More details available at Humanitarian Archive Emergency Project: <https://www.manchester.ac.uk/about/news/leverhulme-trust-and-well-come-trust-combine-support/>

undermining the evidence base for needs-based prioritisation at the very moment it is most needed.

These cascading impacts raise a fundamental question: How should the international community prioritise its diminished resources, and who should bear the burden of these impossible choices?

4. PRIORITISATION OF NEEDS

Three principles should guide prioritisation when unprecedented aid cuts plunge the humanitarian system into financial crisis. First, resources should be directed where humanitarian access is feasible and agencies have the operational capacity to deliver. Second, intersectional data, disaggregated by sector, geography, and severity, should inform needs-based allocation. Third, prioritisation should align with the humanitarian development-peace nexus to maximise positive spillovers and build long-term resilience.

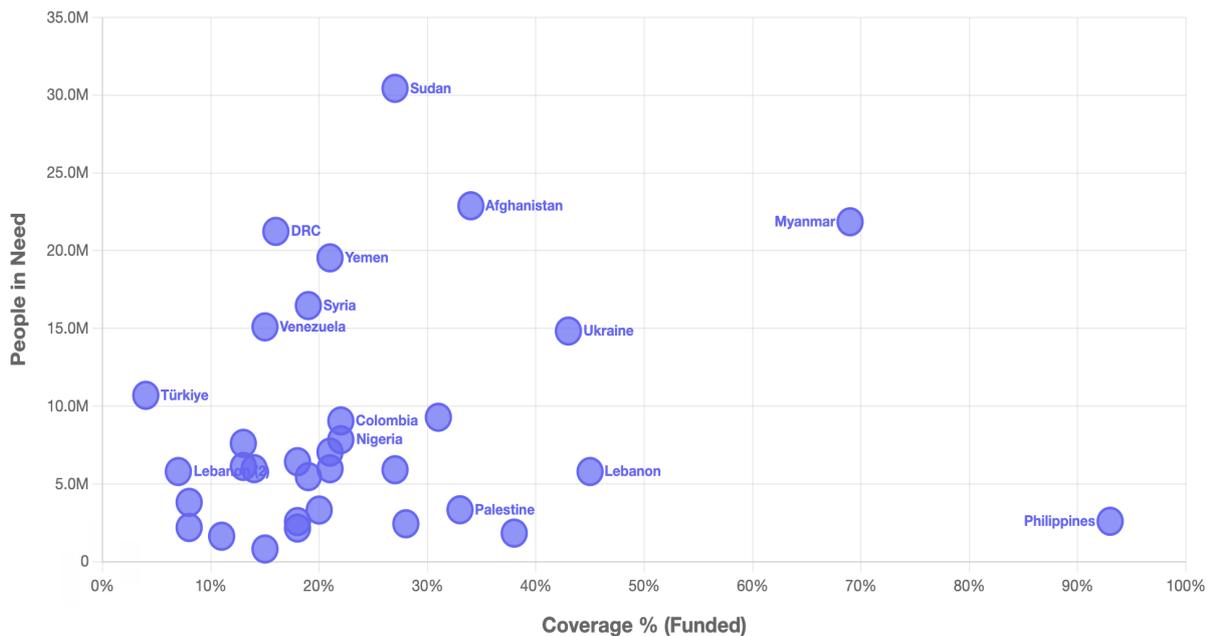
Frankly, the magnitude, gravity, and suddenness of funding cuts in the first half of 2025 have forced the humanitarian community

to ‘hyper-prioritise’ its response efforts. This reprioritisation aimed “to ensure that humanitarians save as many lives as possible with the resources they have.” Starting in March 2025, every country operation and regional response team rapidly reviewed their already robustly-defined plans and appeals to identify those people in the most urgent need of assistance and the most vital response to be mobilised.

This hyper-prioritisation has identified 114 million people facing the greatest threat to life and whose needs are the most urgent to target with assistance and protection. This represents just 38% of people in need of humanitarian assistance globally and only 64% of the total number of people targeted for humanitarian assistance in 2025. \$29.1 billion, out of the total \$44 billion required under the Global Humanitarian Overview (GHO), urgently needs to be mobilised.

The reprioritisation was guided by the [Joint Intersectoral Analysis Framework \(JIAF\)](#), which classifies humanitarian needs across sectors and geographic locations on a five-point severity scale. Under normal circumstances, the JIAF identifies people in need at severity levels

Figure 5: People in Need vs. Percentage of Funding (2025)



Source: Visualised by the author based on [OCHA FTS](#). Accessed on 29 November 2025.

Figure 6: Chronically/Severely Underfunded Contexts

RANK	LAST YEAR	CONTEXT	UNDER-FUNDING STATUS	CUMULATIVE FUNDING REQUIREMENT MET	↑ CUMULATIVE FUNDING RECEIVED (USD \$)
1	↑ 2	Regional: South Sudan	● Chronic	30.2%	1,918m
2	↑ 3	El Salvador	● Chronic	33.5%	114m
3	↓ 1	Regional: DR Congo	● Chronic	33.9%	1,050m
4	↑ 6	Honduras	● Chronic	35.9%	286m
5	↑ 7	Venezuela	● Chronic	36.9%	1,330m
6	↑ 11	Regional: Venezuela	● Chronic	37.3%	2,958m
7	↓ 4	Haiti	● Chronic	37.5%	1,052m
8	↑ 9	Regional: Syria	● Chronic	37.9%	10,859m
9	↑ 12	Regional: Afghanistan	● Chronic	39.4%	850m
10	— 10	Mali	● Severe	40.6%	1,291m
11	↓ 5	Colombia	● Severe	43.1%	553m
12	↓ 8	Guatemala	● Severe	43.9%	203m
13	— 13	DR Congo	● Severe	47.0%	5,064m
14	↑ 15	Burkina Faso	● Severe	47.0%	1,716m
15	↑ 16	Cameroon	● Severe	47.5%	905m
16	↑ 20	Myanmar	● Severe	48.2%	1,624m
17	— 17	Chad	● Severe	49.7%	1,906m
18	↑ 21	Syria	● Severe	49.9%	11,223m
19	● NEW	Malawi	● Severe	49.9%	112m

Source: Visualised by the author based on [2025 Underfunded Crisis Index](#). Accessed on 29 November 2025.

3, 4, and 5. The hyper-prioritisation exercise narrowed the focus to levels 4 (extreme) and 5 (catastrophic), areas where living standards have collapsed, coping mechanisms are exhausted, and populations face acute life-threatening conditions or widespread mortality.

Despite this methodologically rigorous framework, evidence suggests these principles are not being systematically applied in practice. If needs-based allocation were truly guiding decisions, one would expect the largest and most severe crises to receive proportionally greater funding. On the contrary, 2025 Global Humanitarian Overview data reveal no clear relationship between the scale of a crisis and the extent to which its response plan is funded.

The [Humanitarian Funding Forecast's 2025 Underfunded Crisis Index](#)⁷ also confirms this pattern: 19 out of 34 contexts remain

chronically or severely underfunded. More troubling still, OCHA's hyper-prioritisation exercise has compounded existing inequities rather than correcting them. Crises that were historically underfunded, receiving less than 50% of requirements over the long term, saw only 49% of their funding needs prioritised in 2025, compared with 64% for moderately underfunded contexts. In other words, those already left behind are falling further behind.

If the humanitarian system were truly needs-based, funding would flow to where suffering is most acute. It does not (see [the Irish government's report on Practical Approaches to Needs-Based Allocation of Humanitarian Aid: A Review for Irish Aid on Donor Approaches](#)). The persistence of chronically underfunded crises alongside well-resourced emergencies suggests that [donor decisions are shaped by a different calculus altogether](#): one in which

7 "Underfunded Crisis Index is a way to measure and compare the underfunding of humanitarian crises." The 2025 Index includes any years between 2020 and 2024 with an active appeal. Available at: <https://humanitarianfundingforecast.org/index-underfunded-crisis/>.

visibility, proximity, strategic interest, and political alignment often outweigh assessments of need. To understand why some crises receive attention while others are abandoned, we must look beyond the humanitarian sector itself and examine the political economy of donor decision-making.

5. THE POLITICAL ECONOMY OF HUMANITARIAN FUNDING

The OECD's DAC defines humanitarian aid as assistance provided to “save lives, alleviate suffering and maintain human dignity during and in the aftermath of emergencies.” The humanitarian principles of humanity, impartiality, neutrality, and independence, enshrined in UN General Assembly Resolution 46/182 and reaffirmed in the 24 Principles and Good Practice of Humanitarian Donorship, provide a clear normative framework for aid allocation. Principle 3 of Good Humanitarian Donorship indicates that donors should “allocate humanitarian funding in proportion to needs and on the basis of needs assessments.” Yet, as the previous section demonstrated, the empirical relationship between need and funding is weak at best. Understanding why requires looking beyond humanitarian principles to the political and economic calculus that shapes donor behaviour.

In practice, when resources are insufficient to address the full scale of needs, humanitarian organisations face difficult decisions about who to prioritise and where to operate. This process typically involves vulnerability targeting based on predefined criteria, or intake and triage procedures designed to match assistance with assessed needs and programme objectives. However, prioritisation is shaped by factors beyond need alone. Humanitarian access, the safety and security of personnel, the availability of reliable information, and the outcomes of humanitarian negotiations and coordination among UN agencies, non-governmental organisations (NGOs), states, and non-state armed groups all influence where and how assistance is delivered. Prioritisation is therefore best understood not as a technical exercise to optimise the match between needs and resources, but as a continuous and inherently

political process, one in which operational constraints (such as humanitarian access and insecurity), institutional interests, and power dynamics shape outcomes as much as do assessments of vulnerability.

Humanitarian aid allocation is indeed shaped by strategic interests as much as by need. Fink and Redaelli's analysis of 270 natural disasters found that while humanitarian need is a significant determinant of relief payments, political and strategic factors play a crucial role. Accordingly, “donor governments favour smaller, geographically closer and oil exporting countries, and display significant biases in favour of politically less aligned countries as well as toward their former colonies” (Fink and Redaelli). The study also found strong ‘bandwagon effects’: the likelihood of providing aid increases by 15 to 33 percentage points when other major donors participate, indicating that donor decisions are not independent but mutually reinforcing. The same dynamic appears to operate in reverse: the cascade of budget cuts in 2025 suggests that bandwagon effects also apply to retrenchment. When a dominant donor withdraws, others follow rather than compensate. This collective retreat reflects not merely fiscal pressure but a broader shift in the international order, in which humanitarian obligations are increasingly subordinated to nationalist agendas and the post-Cold War consensus on multilateral humanitarianism erodes.

Humanitarian funding also exhibits significant inertia. Research by Mena and Hilhorst in South Sudan finds that funding decisions are largely informed by the history of intervention, and not simply by the analysis of current needs. Crises that have historically attracted funding continue to do so, while chronically underfunded emergencies struggle to break into donor portfolios, even when their severity escalates (Humanitarian Funding Forecast, Underfunded Crisis Index). This helps explain the pattern identified in Section 4: historically underfunded crises saw only 49% of their needs prioritised in 2025, compared with 64% for moderately underfunded contexts. This path dependency arises from multiple sources: the political costs of changing established programmes, the infrastructure investments

required for effective aid delivery in new contexts, and bureaucratic routines that favour continuity over responsiveness.

South Sudan is not the only example of path dependency shaped by donors' strategic interests. In Syria, Western and regional donors maintained a strict policy of "no normalisation, no lifting of sanctions, and no reconstruction until political transition" for nearly 14 years prior to the Assad regime's collapse in 2025. This approach effectively confined all external support to short-term humanitarian assistance, precluding investment in the resilience or long-term recovery of affected communities. The political logic of isolation thus overrode humanitarian considerations, locking Syria into a cycle of emergency response with no pathway to sustainable recovery.

The 24 Principles of Good Humanitarian Donorship commit signatories to needs-based allocation and burden-sharing. In practice, these commitments are routinely subordinated to geopolitical interest, colonial legacies, media visibility, and bureaucratic inertia. The result is a humanitarian funding landscape that reflects donor priorities more than recipient needs and a system in which some crises are chosen for international attention while others are systematically neglected. This is not a failure of information or methodology; it is a structural feature of a system in which sovereign donors face no binding obligation to fund according to need.

5.1 Localising Aid?

To further analyse the relationship between donor priorities and recipient needs, we need to understand the role and influence of local responders, community-based structures, and mutual aid mechanisms. Normative critiques of power imbalances in the aid sector indicate that the system's inability to decolonise or localise causes less cost-efficient and slow bureaucratic architecture. According to the International Federation of Red Cross and Red Crescent Societies, "Local responders are

generally the first to respond to crises and often have access that international actors cannot achieve. They have a strong understanding of local circumstances, politics, and culture, and are generally best placed to link response efforts to resilience building, preparedness, and recovery, because they are present before, during, and after a crisis" (IFRC). According to a study by Share Trust and Warande Advisory Centre, "local intermediaries could deliver programming 32% more cost-efficiently than international intermediaries." Yet, the humanitarian financing architecture, with its emphasis on intermediaries, risk-averse compliance requirements, and established partnerships, systematically disadvantages the actors best positioned to respond.

The Grand Bargain, launched in 2016, committed signatories to channelling 25% of humanitarian funding "as directly as possible" to local and national responders by 2020. Nearly a decade later, this target remains unmet. In 2024, only 20% of trackable humanitarian funding reached local and national responders "as directly as possible."

When analysing power dynamics not only from the point of view of financial leverage, but also from the view of participation and engagement with affected people, the Global North-Global South division becomes more apparent. Consider a humanitarian system functioning based on the knowledge generated within the group of 'legitimate' actors in the system and inherently excluding local and national actors from the decision-making process. This is evident in the Grand Bargain 2025 Self-Reporting cycle, which reveals that in 2023, only 11% of Humanitarian Country Team (HCT)⁸ seats were held by local and national actors, and just 7% of Inter-Cluster Coordination Group (ICCG)⁹ members were local and national actors.

The same trend can be observed with regard to which information influences the decision-making mechanism. Most donors rely on the same information sources to determine

8 A Humanitarian Country Team (HCT) is the senior inter-agency leadership body for a humanitarian response in a country, composed of UN agencies, NGOs, and Red Cross/Red Crescent Movement representatives. More information available at: <https://response.reliefweb.int/cameroon/humanitarian-country-team>.

9 Inter-Cluster Coordination Group (ICCG) is a mechanism for coordinating humanitarian action across different sectors or clusters. More information available at: <https://humanitarianaction.info/article/national-level-inter-cluster-coordination-groups-iccgs>.

priorities, including [UN Humanitarian Response Plans \(HRPs\)](#)¹⁰, [Humanitarian Needs Overviews \(HNOs\)](#)¹¹, and the [INFORM index](#).¹² However, there are critical issues related to the existing data streams that reflect epistemic injustice within the system ([Piquard 2021](#); [Chung & Hunt 2019](#)). First, the risk of underreporting and data unavailability because of constraints in humanitarian access is an important parameter to include in the equation. At the start of 2025, [74% of crisis data was available](#) and up to date across 22 humanitarian crises. However, risks to humanitarian information systems are deteriorating as data streams are affected by budget cuts (see Section 3). Second, the available information and data on crises are limited to their thematic coverage, causing limited intersectoral analysis and incoherence. Third, grassroots, mutual aid, and local civil society organisations are excluded from knowledge production and decision-making structures, which reinforces the injustice that humanitarian intervention aims to address.

The result is a system that claims to serve affected populations while systematically excluding them from shaping how that service is defined, prioritised, and delivered ([Lough & O’Callaghan 2021](#)).

6. HUMANITARIAN REFORM

To overhaul the international humanitarian system, a so-called [Inter-Agency Standing Committee \(IASC\) Humanitarian Reset](#) was announced in March 2025 by UN Emergency Relief Coordinator Tom Fletcher. Framed as a response to a “profound crisis of legitimacy, morale, and funding,” the reset aims to make the system more efficient, effective, and legitimate by centring it on local actors and simplifying its structures. Its stated goals include increasing efficiency in aid delivery, empowering local and national actors, addressing systemic overstretch and funding shortfalls, and

streamlining bureaucratic processes. Yet, the reset has prompted [significant concerns among civil society actors](#) from both the Global North and South. While many welcome renewed focus on reform, questions persist about whether the reset is the vehicle that will deliver meaningful transformation or merely a managed contraction of a fundamentally unchanged system.

The reset is unlikely to deliver meaningful transformation because of its reactive nature. It is a response to the budget cuts rather than a commonly agreed-upon vision for strategic transformation. It mirrors the process of hyper-prioritisation, with agencies focusing on what to cut and where, rather than a genuine transformation of the system. The budget cuts have forced agencies to operate in continuous crisis mode. This will cause the reset to become another materialisation strategy of an already malfunctioning system.

As [Gumisiriza](#) observes, the terms ‘localisation,’ ‘participation,’ and ‘decolonisation’ have become buzzwords in an environment where aid has become “a well-dressed, carefully packaged, transactional and self-serving performance.” The Humanitarian Arena¹³ is indeed a complex system involving a variety of actors, policies, and practices, governing over \$40 billion at its best-resourced times. International organisations seek [business continuity and survival over quality and effectiveness](#) in this ecosystem. Despite efforts to localise aid, the system continues to resist involving non-conventional local and national actors in a meaningful way, instead reinforcing a knowledge and technocracy that shapes the framing of aid in the Global South.

The humanitarian reset is not operating in a vacuum. The environment is becoming hostile towards principled humanitarian action, where [the contribution of major government donors is politicised, manipulated or obstructed; multilateral consensus in the international](#)

10 UN Humanitarian Response Plans (HRPs) are strategic documents developed for crises requiring multi-agency assistance, outlining how to address the needs of affected populations. More information available at: <https://knowledge.base.unocha.org/wiki/spaces/hpc/pages/3992879112/Response+Planning>.

11 Humanitarian needs overviews are reports like the Global Humanitarian Overview and country- or crisis-specific Humanitarian Needs Overviews (HNOs) that assess the scope of humanitarian crises and the needs of affected populations. More information available at: <https://globalprotectioncluster.org/node/1026>.

12 INFORM stands for the Index for Risk Management, a global, open-source tool that assesses the risk of humanitarian crises in 191 countries. More information available at: <https://drmkc.jrc.ec.europa.eu/inform-index>.

13 “The Humanitarian Arena is a theory of governance that presents a picture of humanitarian contexts as places where multiple actors all affect aid outcomes. This approach places international actors on the same footing as local, national, citizens groups, the private sector, etc. Each actor uses their own social agency to negotiate their way through the context: and so, each actor, whether a local civil society organization, regional government, national agency, or international humanitarian organization, can impact upon aid outcomes” ([Hilhorst & Jansen 2010](#)).

community is eroding; and donor interests are pressuring agencies to align with the geopolitical conditionality of aid. The success of the 'humanitarian reset' and the transformation of a transactional and fragmented system is dependent on addressing structural injustice and political pressures and transferring power and knowledge to local leadership. Without these considerations, the humanitarian reset will not be more than managed contraction, ultimately denying assistance to those most in need.

7. CONCLUSION

The 2025 funding crisis has exposed the structural fragility of the international humanitarian system. A 43% budgetary collapse in global humanitarian aid, driven by the dismantling of USAID and compounded by parallel cuts from major Western donors, has not only reduced the resources available to respond to crises but has also revealed the extent to which the system depends on a narrow donor base, operates according to political rather than humanitarian logic, and systematically marginalises the local actors and affected populations it claims to serve.

This policy analysis has shown that humanitarian funding is shaped by geopolitical interest, colonial legacies, media visibility, and bureaucratic inertia, rather than assessed need. The hyper-prioritisation exercise of 2025, rather than correcting these distortions, has compounded them: historically underfunded crises saw only 49% of their needs prioritised, compared with 64% for moderately underfunded contexts. Meanwhile, the Inter-Agency Standing Committee (IASC) Humanitarian Reset, framed as a transformative response to crisis, risks becoming a managed contraction of a fundamentally unchanged system, driven by fiscal pressure rather than strategic vision.

The Global Humanitarian Overview 2026 was published on 8 December 2025, targeting 135 million people out of a total of 239 million people in need with a funding requirement of \$33 billion. It further reduced these numbers by 'prioritising' 85 million people only out of the 239 million, thus representing only 35%: "The

overall number of people in need included in the GHO 2026 is lower than in 2025, reflecting more focused analysis, rather than a reduction in suffering." The logic of GHO 2026 having a "more focused" number of "people in need" remains unclear, considering the presence of numbers for both the 'targeted' and, separately, the 'prioritised.' What remains clear is that the budgetary decisions of donors were made long before the publication of GHO 2026, meaning that no decision is being taken based on the figures presented in the document. This represents nothing more than contradictory statements and managed abandonment.

The collapse of critical data systems such as FEWS NET, the DHS, and the IOM's Displacement Tracking Matrix has added a new dimension to this crisis. Without a reliable and independent data infrastructure, the humanitarian community cannot conduct needs-based prioritisation, track funding flows, or hold donors and agencies accountable. We will not only fail to respond adequately; we will not even know the scale of what we are failing to address.

As governments abandon Good Humanitarian Donorship principles, independent data systems become essential to implementing evidence-based responses and holding donors accountable. Yet, these systems cannot remain solely within the control of Global North actors who design surveys, collect data, and dictate how findings are used. Knowledge production must shift to local leadership. Local and national actors should not be consulted; they should lead. Needs assessments should not be written to impress donors; they should amplify the voices, agency, and demands of affected populations, documenting not only what people need but how they believe those needs should be met.

Scrutinising funding data alongside the number of people in need and the severity of crises is necessary but insufficient. More intersectional analysis is needed to understand the complex interplay between humanitarian access, protection funding, food security, mortality rates, vulnerabilities, gender norms, and rule of law. Migration governance, security frameworks, and the trade objectives of Western donors must be understood in

relation to crisis management and humanitarian intervention, not treated as separate policy domains. Despite the proliferation of big data in the humanitarian field, few tools address this need for intersectional analysis.

8. POLICY RECOMMENDATIONS

The current humanitarian coordination architecture should be redesigned to be adaptive to local contexts, instead of requiring local actors to fit into existing UN-designed structures through Area-Based Coordination and Context Specific Models. OCHA and other UN agencies should shift from the role of controller to that of facilitator, providing technical support, training, and tools for local actors who occupy coordination and leadership roles. NGO-led mechanisms, area-based approaches, and mutual aid networks should be formally integrated into the humanitarian architecture.

A genuine humanitarian reset is possible only through ending the monopoly of UN experts over needs assessments and strategic planning, where grassroots knowledge is integrated into Humanitarian Needs Overviews and Humanitarian Response Plans. To achieve knowledge pluralisation, information systems should be designed and led by those closest to crisis-affected communities, and extractive data collection processes should shift towards participatory approaches where communities own and interpret their own data.

The cycle of dependency, where funds determine operational priorities, should be overwritten by needs-driven operational priorities. The humanitarian system's dependence on a single-donor structure means diversifying the donor base from Western governments to non-DAC countries, the private sector, philanthropy, and diaspora funding. The humanitarian system should not only include diverse civil society and grassroots actors to achieve downward accountability but also remove interdependency on the priorities of a few government donors to meaningfully achieve neutrality in humanitarian intervention.

Current data systems, though fragmented, aim to address accountability. However, these data systems should be reformed to track not

only needs and funding flows, but also donor compliance with commitments and delivery against promises. Without affected populations' access and use of data, humanitarian actors cannot be held accountable. This will be possible only by moving beyond technocratic needs assessments to approaches that incorporate local knowledge. Data systems must capture the factors of rule of law, migration governance, security frameworks, trade objectives, and their intersection with humanitarian systems.

These shifts are not aspirational; they are structural preconditions for a humanitarian system that serves affected populations rather than donor priorities.

ANNEX 1: ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
DAC	Development Assistance Committee
DHS	Demographic and Health Surveys
DRC	Democratic Republic of Congo
DTM	Displacement Tracking Matrix
EPRS	European Parliamentary Research Service
FEWS NET	Famine Early Warning Systems Network
GHO	Global Humanitarian Overview
GNI	Gross National Income
HCT	Humanitarian Country Team
HIV	Human Immunodeficiency Virus
HNO	Humanitarian Needs Overview
HRP	Humanitarian Response Plan
IASC	Inter-Agency Standing Committee
ICCG	Inter-Cluster Coordination Group
IFRC	International Federation of Red Cross and Red Crescent Societies
INFORM	Index for Risk Management
IOM	International Organization for Migration
JIAF	Joint Intersectoral Analysis Framework

ANNEX 1: ABBREVIATIONS (CONTINUED)

NGO	Non-Governmental Organisation
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PRISM	Protection Risk Impact Severity Monitor
STI	Sexually Transmitted Infection
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme

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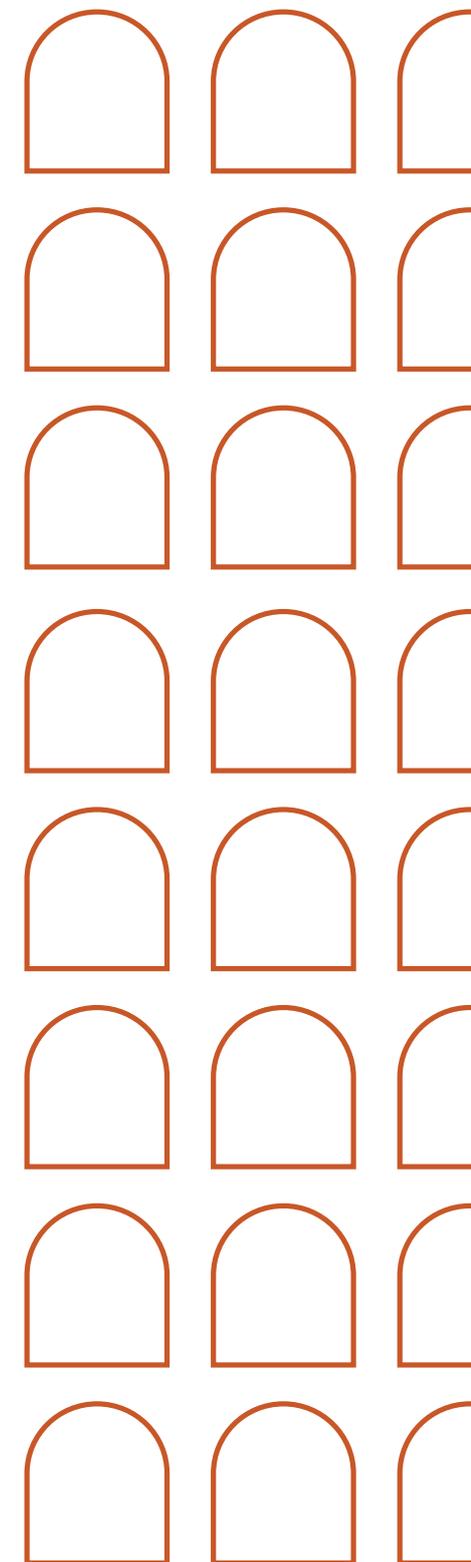
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