

# CHA Policy Brief

## Humanitarian action in a state of shock

### The end of USAID and Germany's responsibility and interests in a tumbling system

The abrupt withdrawal of the United States, which has been by far the largest humanitarian donor to date, is putting the humanitarian aid system to a crucial test. The new German government, and Germany as the second-largest humanitarian donor to date, therefore has an extraordinary responsibility to respond to these developments.

The new German government must quickly establish its capacity to act and lead. In the long term, its response will shape Germany's role in international crisis engagement

#### **The humanitarian aid system faces a breaking point**

far beyond defence policy. It will also determine whether the humanitarian system comes to a standstill in core areas.

Vital humanitarian programs, essential local partnerships and system-relevant structures are at risk of being permanently destroyed, with dramatic consequences for millions of people in need. Germany has the ability to meet its responsibility and prevent this outcome through strategic and focused measures, even if it does not replace the United States financially.

## Introduction

Since 20 January 2025, the new US administration under President Trump has ordered the suspension of funding for humanitarian aid and development cooperation. The subsequent termination of 83% of US-supported programs, roughly 5.200 contracts, combined with the dismantling of the US development agency USAID and the expected withdrawal of the largest donor from international cooperation, has triggered a systemic shock. In 2023, the United States provided approximately 42% of global funds for humanitarian aid<sup>1</sup>. This contribution exceeded the combined total of the next ten largest donors. UN emergency aid chief Tom Fletcher calls it a „reset“<sup>2</sup>. For people in need and the **programs** that support them, the consequences are grave. According to calculations, US foreign aid was responsible for saving 3.3 million lives worldwide<sup>3</sup>. Particularly in Global Health (HIV therapies, malaria and tuberculosis), but also in the fight against malnutrition or undernourishment of children in crisis contexts, millions of people are now at risk due to the sudden loss of support from the United States.

As the largest donor, the cuts by the United States increasingly threaten **systemically relevant structures**

and the functionality of the humanitarian system. Central services that all actors rely on are at risk of being shut down. These include early warning systems that help prevent or contain crises or services relevant to all aid organisations, such as the UN Humanitarian Air Service (UNHAS), which transports goods and aid personnel to remote, inaccessible regions (e.g. Yemen). Within numerous aid organisations, fundamental structures are also under threat due to the sudden loss of

#### **The cuts are a threat to system-relevant structures and the functionality of the humanitarian system**

funding and resulting layoffs. While the short- and medium-term effects are only beginning to surface, humanitarian actors now face a dual challenge of maintaining their organisations' operational capacity and preserving the broader humanitarian system's ability to function.

Because these adjustments must be made under extreme pressure, strategic reform processes and structured transformation processes are suffering. The efficiency and effectiveness of humanitarian work are being compromised. Aid shipments are left to rot in ports

## These adjustments jeopardise strategic reforms

being halted without warning, rendering them practically useless.

The challenges particularly affect **local partner structures** and the organisations and actors that are estimated to provide over 90% of aid on the ground as part of the humanitarian division of labour. These actors are the least prepared for such shocks, as they typically lack the resources to build financial reserves, often operate under very short-term contracts and are forced to employ staff in insecure employment relationships. In many cases, local structures and partnerships that have been built up over the years are at risk of being irrevocably lost. Expertise and capacity in international organisations are also being affected. UNHCR<sup>4</sup> and WFP have

because the funds needed to unload or release them have been cut. Central aid programmes are

each announced plans to lay off around 6.000 employees, representing around one-third of their respective global workforces. International Rescue Committee<sup>5</sup> has similarly stated that “thousands of jobs” will be cut across its total workforce of 17.000 employees worldwide.

## Local partner structures are particularly affected

The primary impact is being felt by local partner structures. As the second and third largest donors, Germany and the European Union are expected to find rapid responses to this disruption. This involves mitigating the most severe consequences for affected populations at both sectoral and regional levels, while also working toward a fair distribution of the burden within the donor community. The goal is to support the **programs, partnerships and essential structures** that have so far relied heavily on funding from the United States.

# Background

## Impact on people in need

Humanitarian US funds<sup>6</sup> have largely disappeared from one day to the next and are unlikely to return, given the treaty terminations. International humanitarian aid will

## Humanitarian aid must undergo an unprecedented shrinking process

need to undergo a shrinking process, as funding is expected to remain at significantly lower levels. Other major donor countries, including the United Kingdom, the Netherlands and

France, are also substantially reducing their humanitarian aid contributions<sup>7</sup>. At the same time, all actors must take responsibility for mitigating the most severe impacts on people whose survival depends on aid programs.

- **How many people are affected?** According to estimates, US foreign aid has saved approximately 3.3 million lives worldwide. The Center for Global Development (CGD) calculates that US foreign aid saves for example around 78.000 lives a year in Ethiopia, 42.000 in South Sudan, 40.000 in Somalia, and 18.000 in the Democratic Republic of Congo<sup>8</sup>. These estimates reflect only directly US-funded programmes and do not include indirect effects, such as those through co-financed programmes.

- **How many lives does the US freeze cost:** The CGD estimates that the suspension of aid in the health sector (HIV/AIDS, malaria, tuberculosis) costs 4.616 lives per day. An additional 1.504 lives are lost due to cuts in humanitarian aid (see Figure 1). The figures are based on the number of vaccinations or medicines financed by the US, and direct food aid. They reflect a narrow definition of “lifesaving” interventions. In the medium term, the forecasts are significantly worse, particularly as people lose their livelihoods. For instance, it remains difficult to calculate how many lives have been saved to date through improved access to clean drinking water.

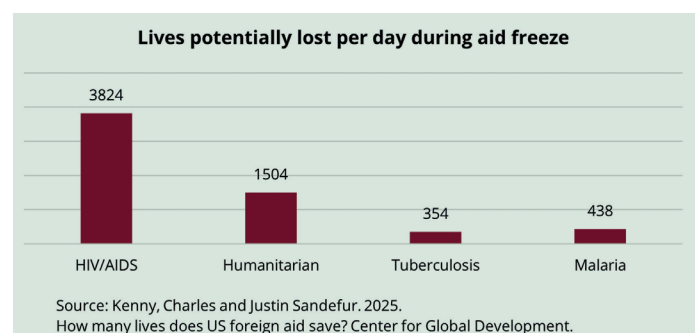
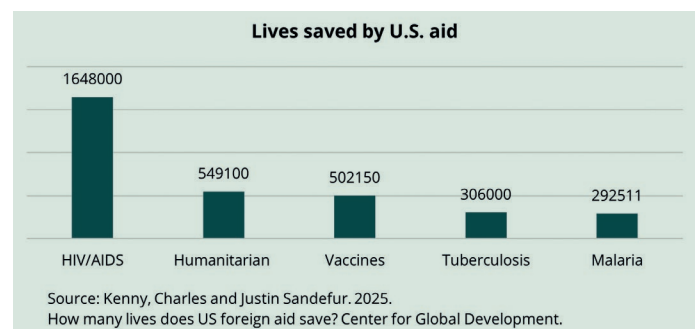


Figure 1: How many lives will the US freeze cost?  
Source: Center for Global Development

- **Which countries are particularly affected?** In absolute figures, many countries on the African continent are particularly affected by the cuts. Sudan, South Sudan, the Democratic Republic of Congo and Ethiopia have historically received substantial US support for aid programs. Countries such as Venezuela, Haiti, and Afghanistan are also disproportionately affected, with the US previously providing over 80% of funding in some cases, often with no other donors positioned to fill the gap<sup>9</sup> (see Figure 2).

- **Which programs and aid sectors are particularly affected?** Figure 3 highlights that US funding was particularly involved in the aid sectors of food aid, food security, and humanitarian protection (e.g. protection for survivors of gender based violence)<sup>10</sup>. In the medium term, the US administration has announced that it will not fund any programs focused on gender and inclusion, sexual and reproductive health or climate protection. These emerging gaps should be strategically addressed by other donors.

#### Where USAID Works

Foreign assistance managed by USAID, fiscal years 2014 to 2023 (2023 dollars)

○ \$3B ○ \$10B ○ \$30B



Source: [foreignassistance.gov](https://www.foreignassistance.gov).

COUNCIL ON  
FOREIGN  
RELATIONS

Figure 2:  
Affected countries. Source: Council on  
Foreign Relations; Center for Global Development

## Impact on the functionality of the humanitarian system

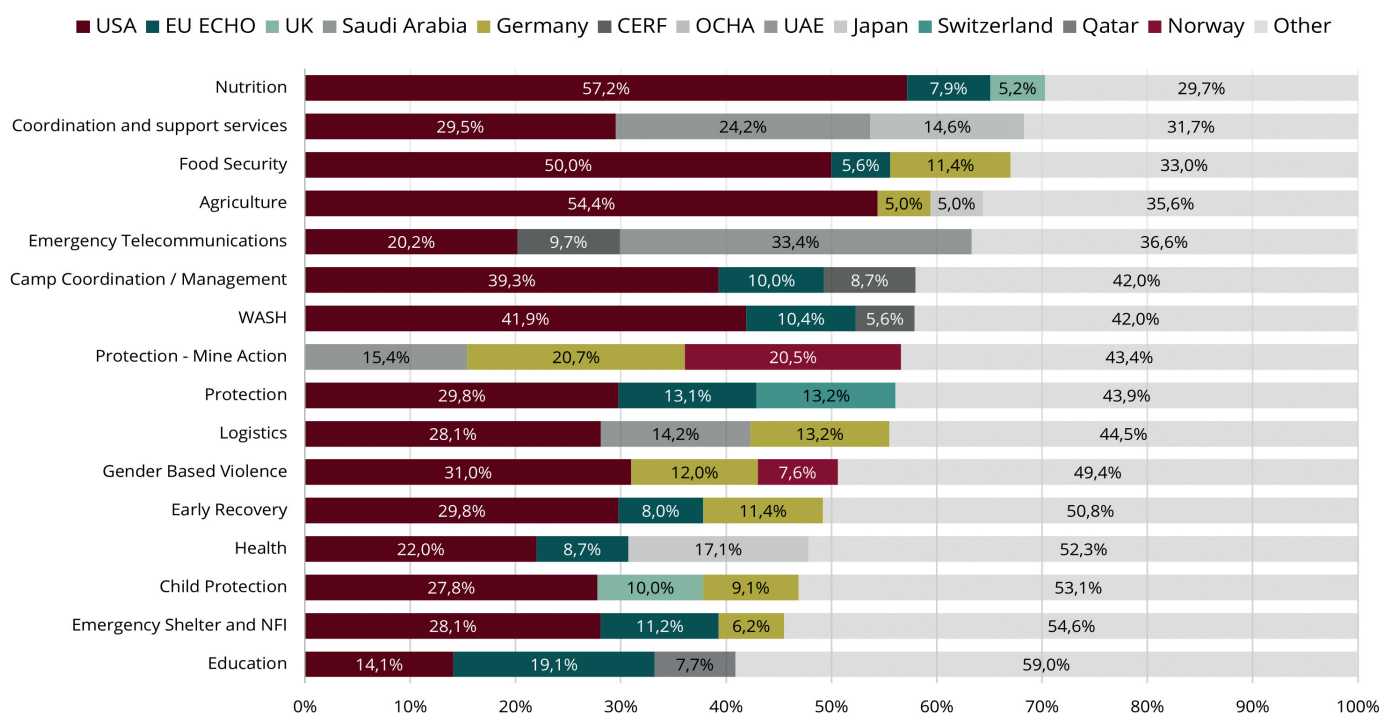
### Central services are affected

Central services are also affected by the far-reaching consequences. Germany has invested significantly in anticipatory humanitarian action, but reliable data is essential to make it work. Early warning systems, such as those that monitor the risk of famine, are now under acute threat. Here are a few examples:

- **Will the next famine go unrecognised?** The US-funded Famine Early Warning Systems Network (FEWS NET) was temporarily shut down, its future is still uncertain.<sup>11</sup>. The Integrated Food Security Phase Classification (IPC)<sup>12</sup>, an index used to assess acute hunger, is currently only funded until June 2025. Both data systems monitor hunger crises in over 30 countries and are vital planning tools for all humanitarian aid workers. They form the basis for decisions about where to deliver food or cash assistance and help

determine the number of people in need (PINs) identified in the UN Humanitarian Response Plans (HRPs). Other services, like the Cadre Harmonisé for West Africa and the Kade Nafham Information Service for Sudan, have also been partially discontinued. These services collect essential data on hunger, displacement and needs, helping tailor aid efforts to the scale of a crisis.

- **The data foundation for UN emergency aid plans is weakening:** The organisation REACH warns due to budget cuts, no multisectoral needs assessments will be carried out for Burkina Faso and Venezuela. This will directly impact the 2026 UN Humanitarian Response Plans. The same issue affects the Displacement Tracking Matrix, a critical data platform that monitors movements and internal displacement, especially in contexts like Sudan's ongoing crisis. Central



Source: Pearson, Mike. 2025. Humanitarian aid's extreme donor dependency problem in five charts. The New Humanitarian

Figure 3: Affected programs and aid sectors. Source: The New Humanitarian

platforms such as ReliefWeb and Humanitarian Data Exchange (HDX) are also under threat, as UN OCHA searches for stopgap solutions. If this information infrastructure collapses, lives will be lost that could otherwise have been saved. Humanitarian actors are now forced to navigate this fundamental phase of upheaval with a limited range of vision.

- **Local structures:** All aid organisations, whether non-governmental organisations or UN agencies, are dependent on local partners. These local organisations have even fewer resources to survive a longer-term liquidity crisis, due to unequal funding structures. In crisis-affected countries, between 30% and 50% of local and national NGOs have been impacted by the USAID Stop Work Orders, which is roughly twice as many as international NGOs, according to one survey<sup>13</sup>. In Sudan alone, 1.400 local organisations
- **Development successes are nullified:** The ripple effects of lost foreign aid in strategic areas are both substantial and hard to measure in the medium to long term. These include setbacks in research and development for monitoring infectious diseases such as Ebola or bird flu, or the development of a malaria vaccine; weakened regulation of arms production and exports; and diminished governance of climate-damaging emissions, among others.

operating soup kitchens for people affected by the conflict were forced to shut down their work due to the funding freeze<sup>14</sup>. In Syria, 50% of NGOs and INGOs report being in debt, according to the NGO Forum. In Ukraine, 44% of women-led organisations say they will not be able to continue their work beyond the next three months<sup>15</sup>.

## Germany's role and recommendations

Germany's leadership role is crucial. As the second largest donor to date, the Federal Republic of Germany holds a key position – and a clear responsibility – in shaping the transition to the new humanitarian landscape.

A strategic commitment to preserving essential programmes, partnerships and structures that are under threat is therefore vital:

### Critical partnerships

While many international intermediary organisations have so far been preoccupied with their own economic challenges, donors can play a stabilising role regarding local partnerships. By increasing or reallocating funds within existing projects, they can ensure that essential local structures and networks continue to be supported in their ongoing projects. Even within Germany's limited budgetary leeway and provisional budget planning, there is room to act. Donors can ask their implementation

partners to identify essential local partners and local networks and co-finance these through reallocations or top-ups. Other donors are already showing flexibility. For example, the NEAR network has set up bridging finance<sup>16</sup> to cushion the impact on local partners. Sweden and Norway have both announced plans to make their contributions more flexible to mitigate the consequences<sup>17</sup>. Sweden, notably, promised to allocate 85% of its total funds for 2025 by the end of March.

### Critical programmes

In the medium term, major funding gaps are expected in essential health programmes, particularly in reproductive health, as well as in climate protection, gender and inclusion projects (such as gender based violence). The Federal Foreign Office should prioritise these areas

going forward, in line with its strategy on gender in humanitarian aid. The German Development Ministry's transitional aid, with its strategic focus on peaceful and inclusive coexistence, also has a key role to play in filling these gaps.

### Critical structures

In coordination with UN OCHA, rapid solutions must be found for safeguarding critical services and shared data streams that form the basis of humanitarian planning.

Germany, in its role as chair of the OCHA Donor Support Group, is well-positioned to drive the necessary reforms in the cluster and HRP process.



Overall, it is not a question of filling the financial gap created by the USA. Rather, as the Trump administration actively undermines fundamental humanitarian values and democratic pillars, Germany and Europe – who claim to uphold these very ideals - must respond with action. Against this backdrop the current focus on defence spending in German and European policy debates is too limited, also in light of the German National Security Strategy. The former development ministers Heidemarie Wieczorek-Zeul and Gerd Müller, along with former UN emergency aid coordinator Mark Lowcock, as well as prominent defence experts have all recently warned against such a narrow approach<sup>18</sup>.

**The new federal government has a unique opportunity to position itself as a reliable donor**

Instead, Germany and the new Federal Government must respond strategically to the fact that it will continue to have relatively limited influence in the realm of hard power, such as permanent seat or veto power

on the UN Security Council, or significant participation in UN peace-keeping missions. Germany is therefore well advised to prioritise its advantages in the field of soft power and, given the large number of geopolitical and humanitarian trouble spots, to continue to advance a broad understanding of security that includes civil crisis prevention, crisis engagement and post-crisis care, supported by a comprehensive toolbox.

With the retreat of other leading donors like the UK and the US, the new German government has a unique opportunity to position itself as a reliable donor and to forge a reform-oriented alliance with other committed European states such as Switzerland and Norway. Together, they could seize the current momentum of disruption and drive forward long-needed reform debates, such as increasingly discussed locally managed pooled

funds or the UN80 proposals. Germany’s past leadership in this area, which has earned it much international recognition as an ‘honest broker’,<sup>19</sup> would instead be undermined if the budget cuts<sup>20</sup> in humanitarian aid (-53 %) and development cooperation (-8 %) proposed by the previous government are implemented.

As a humanitarian donor, Germany has increasingly taken on a leadership role in shaping the humanitarian system, whether through its participation in boards of large aid actors such as the ICRC and UN agencies or as part of the facilitation group of the Grand Bargain. Berlin currently holds significant influence, including the chairmanship of the OCHA Donor Support Group, placing it in a prime position to shape systemic change and initiate reforms. However, this influence cannot be sustained without a substantial and predictable financial commitment from Germany, one that is guided by transparent criteria and shielded from annual parliamentary power struggles.

In this regard, Germany has made promising strides in the past ten years, though not through disproportionate spending as it has been framed by policy makers contesting this engagement. Figure 4 illustrates, Germany’s humanitarian aid, measured against its own economic output, was rather average among top donor countries before the most recent cuts which might make Berlin drop out of the Top10 donor countries. The narrative that Germany remains an appropriately large donor despite these cuts is therefore misleading<sup>21</sup>. Instead, in this moment of international course-setting, it is more important than ever for Germany to consolidate and expand its commitments. This includes building alliances with partners in the Global South and driving forward reform efforts that aim to strengthen a humanitarian system less dependent on the United States.

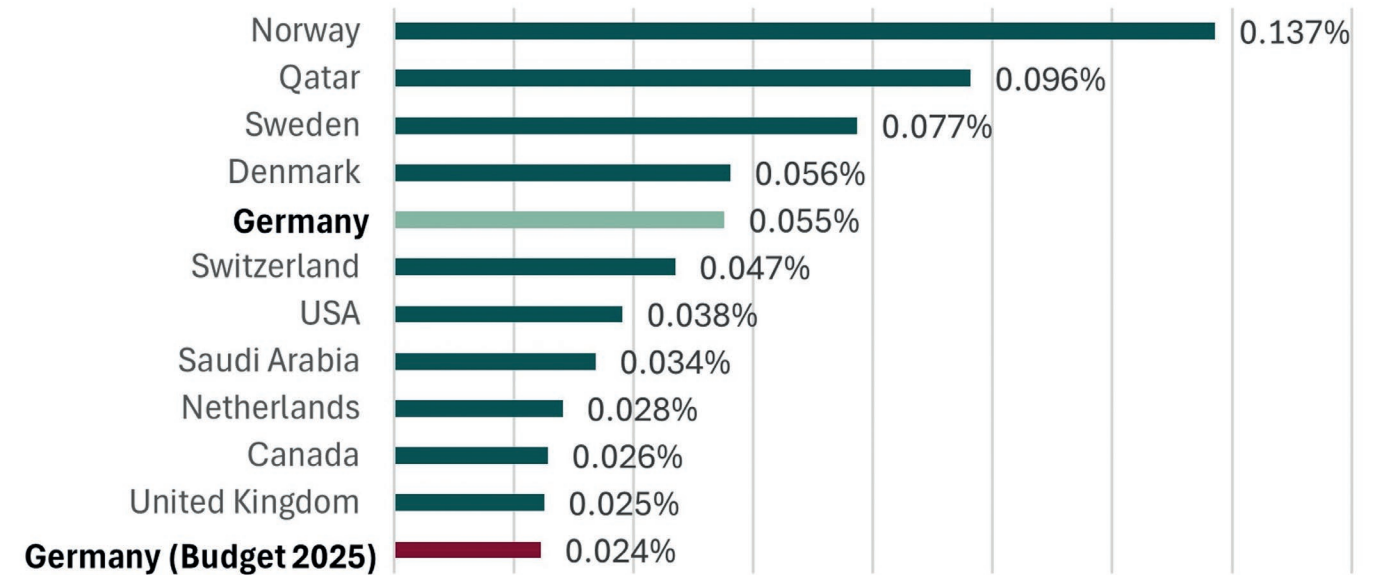


Figure 4: Humanitarian budgets compared (in %) to economic output (GDP). Source: CHA calculations

## Endnotes

- 1 OCHA/FTS. o. J. USA Government donor snapshot for 2023. <https://fts.unocha.org/donors/2933/summary/2023>
- 2 OCHA. 2025. „ERC Letter to IASC Principals The Humanitarian Reset“. Geneva: OCHA. <https://interagencystandingcommittee.org/sites/default/files/2025-03/ERC%20Letter%20to%20IASC%20Principals%20The%20Humanitarian%20Reset%20-%2010%20March%202025.pdf>
- 3 Kenny, Charles, und Justin Sandefur. 2025. „How Many Lives Does US Foreign Aid Save?“ Center For Global Development (blog). 15. März 2025. <https://www.cgdev.org/blog/how-many-lives-does-us-foreign-aid-save>
- 4 Lynch, Column. 2025. „Exclusive: UN Refugee Agency braces for thousands of job cuts“. Devex. 20. März 2025. <https://www.devex.com/news/exclusive-un-refugee-agency-braces-for-thousands-of-job-cuts-109693>
- 5 Loy, Irwin. 2025. „IRC cutting thousands of staff after US aid freeze“. The New Humanitarian. 19. Februar 2025. <https://www.thenewhumanitarian.org/news/2025/02/19-irc-cutting-thousands-staff-after-us-aid-freeze>
- 6 OCHA/FTS. o. J. USA Government donor snapshot for 2023. <https://fts.unocha.org/donors/2933/summary/2023>
- 7 Gulrajani, Nilima. 2025. „Donors In A Post-Aid World January 2025 Update“. ODI: Think Change (blog). 24. Januar 2025. <https://odi.org/en/insights/donors-in-a-post-aid-world-january-2025-update/>.
- 8 Kenny, Charles, und Justin Sandefur. 2025. „How Many Lives Does US Foreign Aid Save?“ Center For Global Development (blog). 15. März 2025. <https://www.cgdev.org/blog/how-many-lives-does-us-foreign-aid-save>
- 9 Roy, Diana. 2025. „What Is USAID and Why Is It at Risk?“ Council on Foreign Relations (blog). 7. Februar 2025. <https://www.cfr.org/article/what-usaid-and-why-it-risk>; Mitchel, Ian und Sam Hughes. 2025. „Which Countries Are Most Exposed to US Aid Cuts; And What Other Providers Can Do“ Centre for Global Development (blog). 11. Februar 2025. <https://www.cgdev.org/blog/which-countries-are-most-exposed-us-aid-cuts-and-what-other-providers-can-do>
- 10 Pearson, Mike. 2025. „Humanitarian aid’s extreme donor dependency problem in five charts“. The New Humanitarian. 4. März 2025. <https://www.thenewhumanitarian.org/analysis/2025/03/04/humanitarian-aid-extreme-donor-dependency-global-charts>
- 11 Mersie, Ayenat. 2025. „Will the World’s next Famine Go Unseen?“ Devex. 19. März 2025. <https://www.devex.com/news/sponsored/devex-dish-will-the-world-s-next-famine-go-unseen-109650>
- Karas, Tania. 2025 „Devex Dish: What WHA accomplished for nutrition – and the questions that remain“ Devex. 28. Mai 2025. <https://www.devex.com/news/devex-dish-what-wha-accomplished-for-nutrition-and-the-questions-that-remain-110178>
- 12 IPC. 2023. „The IPC Renews its Strategy to Meet Global Demand for Actionable Information on Acute Food Insecurity and Malnutrition, Calls for Increased Funding“ <https://www.ipcinfo.org/ipcinfo-website/ipc-global-partnership-and-programme/en/>
- 13 ICVA Network. 2025. „The Impacts of the US Funding Suspension. ICVA Survey Findings“ 18. Februar 2025. <https://www.icvanetwork.org/uploads/2025/02/Impact-of-US-Funding-Suspension-Survey-Results-ICVA.pdf>
- 14 Quelle: <https://odi.org/en/events/the-future-of-global-humanitarian-action/>
- 15 Quelle: Impact of United States Funding Suspension on Ukrainian Women’s Organisations. March 2025. <https://reliefweb.int/report/ukraine/impact-united-states-funding-suspension-ukrainian-womens-organizations>
- 16 NEAR. 2025. „The Change Fund. Bridge Funding Window“. <https://www.near.ngo/the-change-fund-bridge-funding-window>
- 17 Amland, Bjørn H. „Sweden and Norway allow relief agencies to direct funding to mitigate US aid stop“. Development Today. 6. März 2025. <https://www.development-today.com/archive/2025/dt-2--2025/norway-and-sweden-allow-relief-agencies-to-direct-funding-to-mitigate-us-aid-stop>
- 18 Müller, Gerd, Heidemarie Wiczorek-Zeul, und Mark Lowcock. 2025. „Globale Stärke statt Unterordnung: Schleifen Union und SPD das Entwicklungsministerium?“ Der Tagesspiegel Online, 19. März 2025. <https://www.tagesspiegel.de/globale-starke-statt-unterordnung-schleifen-union-und-spd-das-entwicklungsministerium-13397473.html>
- 19 Hövelmann, Sonja und Ralf Südhoff. 2023. „Principled Payer, but Purposeful Player?“ Centre for Humanitarian Action. [https://www.chaberlin.org/wp-content/uploads/dlm\\_uploads/2024/01/payer-player-de-web.pdf](https://www.chaberlin.org/wp-content/uploads/dlm_uploads/2024/01/payer-player-de-web.pdf)
- 20 Goltermann, Lukas. 2024. „Bundeshaushalt 2025. Handlungsfähigkeit erhalten, Kürzungen stoppen“. Stellungnahme. Berlin: VENRO.
- 21 Südhoff, Ralf. 2025. „Die Mär vom Topgeber Deutschland“. Centre for Humanitarian Action (blog). 1. Januar 2025. <https://www.chaberlin.org/blog/die-maer-vom-topgeber-deutschland/>.

## Imprint

© Centre for Humanitarian Action, May 2025.

About the authors:

Sonja Hövelmann is Research Lead, Ralf Südhoff is director at Centre for Humanitarian Action (CHA).



**Centre for Humanitarian Action e.V.**

Märkisches Ufer 34

10179 Berlin

info@chaberlin.org