The fading of the Humanitarian Reset

How donor governments and fair financing models could save reforms

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Abbreviations

AfD	Alternative for Germany (far-right political party)
CBPFs	Country-based Pooled Funds
CDU	Christian Democratic Union of Germany
CSU	Christian Social Union in Bavaria
DAC	Development Assistance Committee of the OECD
ECHO	European Civil Protection and Humanitarian Aid Operations
ERC	Emergency Relief Coordinator
GHO	Global Humanitarian Overview
IASC	Interagency Standing Committee of the UN
INGO	International Nongovernmental Organisation
MFF	Multiannual Financial Framework
NGO	Nongovernmental Organisation
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SPD	Social Democratic Party of Germany
UN	United Nations
UNHAS	United Nations Humanitarian Air
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme

1. Introduction

The summer of 2025 could one day be seen as a milestone

The summer of 2025 could one day be seen as a milestone in shaping the future of humanitarian aid and the long-standing efforts to reform the humanitarian system. Since 1 July, it has been official that the era of the United States Agency for International Development (USAID), by far the largest humanitarian donor institution, has come to an end. Shortly before that, on 17 June, the Interagency Standing Committee (IASC), the most influential international humanitarian body, held its eagerly awaited meeting to set the course for the *Humanitarian Reset* that had been under discussion for nearly six months – a reform process facing nothing less than a crisis of "*legitimacy, morale, and funding*," according to UN Emergency Relief Coordinator Tom Fletcher (Fletcher 2025b).

Parallel to developments in Washington and Geneva, a group of 21 humanitarian donors, led by Germany, wrote a letter in June. Labelled in some fora as a "*flame letter*" (Table.media / Germany et al. 2025) to the United Nations (UN), it has been urging that long-overdue reforms of the humanitarian system be advanced far more rapidly and thoroughly in light of USAID's closure. At the same time, in Brussels and Berlin, the centres of the second-largest donors after the US, groundbreaking financial and political decisions were made regarding the future of humanitarian engagement by Germany and the European Union, which are now facing heightened international expectations.

It is therefore a crucial moment to reflect on where the humanitarian community stands nine months after the announcement of the cessation of all US aid funding: what progress has been made toward reform, what obstacles have emerged, and whether the *Reset Roadmap* announced in August 2025 will have any tangible effect.

Donor governments play a central role in the reform process

Donor governments play a central role in this process. As the primary financiers of the humanitarian system, they possess the decisive leverage needed to drive reforms. This also means that the future success of the Reset will depend on both substantial financial commitments from donors and transparency in their decision-making. Only in this way can the necessary financial hard power, as well as the soft power of credibility, be maintained—for a start among those donors who remain committed to humanitarian goals and willing to lead difficult reforms. "*Only if we can maintain a substantial, appropriate budget we will have a chance to influence the reform processes*," predicts one senior top donor representative. It is this interconnection of finance and reform which leads to a dedicated final chapter of this paper discussing what an appropriate financial donor engagement would look like in times of 'Contested Aid' and how it can be argued for in an evidence-based way. Accordingly, one focus of this paper is also to inspire a discussion about what constitutes an appropriate humanitarian budget for a given donor government and how this can be defined based on transparent criteria.

There is no single answer to the question: What is an appropriate humanitarian budget?

In this context, a key question regarding donor governments is what role they should play in sustaining their financial commitments after the end of USAID. On the one hand, they must respond to the resulting funding gap. On the other hand, they cannot realistically replace a donor that has traditionally provided more funding than all other top ten donors combined. At the same time, in an era of increasingly *Contested Aid*, even advocates within governments are struggling to justify adequate humanitarian budgets.

Beyond shifting political narratives, this difficulty is also partly self-inflicted: even within the bubble of humanitarian experts, there is no shared understanding, or even clear criteria in the fields of advocacy or research, regarding what constitutes an appropriate humanitarian budget for a donor government.

The new German federal government has also announced that it will provide an adequate humanitarian budget (CDU, CSU, and SPD, n.d.), though it has not specified how this should be defined. As with other governments that continue to acknowledge their humanitarian responsibilities explicitly, this commitment offers important political entry points. However, the range of conflicting demands regarding what constitutes an adequate budget is strikingly wide in the German discourse alone. This lack of clarity weakens the humanitarian community at a time when it is facing one of its most serious crises. This discussion paper therefore aims, in its concluding recommendations, to offer initial guidance on how an adequate humanitarian budget for a donor government such as Germany could be determined and justified, and it provides an illustrative calculation of what a "*fair-share*"-oriented humanitarian budget would concretely mean for the top 20 donors in 2025.

Only donor governments that implement the reform expectations they request externally from aid agencies, also internally themselves, and provide credible, substantial support based on transparent financial criteria, will be able to overcome entrenched obstacles to reform and the organisational self-interests of humanitarian actors. This is all the more relevant in light of growing criticism of the reform efforts to date, which raises an important question: Could the official end of USAID in the summer of 2025 also mark the end of the so-called *Humanitarian Reset*?

The end of the humanitarian reset is a real danger

The *Reset Roadmap* drawn up by OCHA in August, along with the status of the parallel UN80 initiative, makes it clear that this is a real risk, as outlined below. This underscores the critical moment at which reform efforts find themselves, as illustrated by the assessment of a senior donor representative: "*We will either now achieve substantial reform or the momentum is gone, as end of the year all have made their cuts*."

2. Background

On 1 July, with the final closure of USAID and the integration of its remaining activities into the US State Department, a process that had begun in a highly disruptive fashion with the freezing of all US funding for humanitarian aid and development cooperation on 20 January 2025, reached its lowest point. In 2024, the US still provided nearly 40 % of global humanitarian aid (Financial Tracking Service 2025a). Since then, the funding freeze, the dismissal of 94 % of USAID staff and the termination of 83 % of previously funded programmes (Stand Up for Aid 2025) have resulted, on one hand, in "*humanitarian aid in a state of shock*" (Hövelmann and Südhoff 2025). The impact has included insolvencies and financial crises, particularly among small local aid organisations, which are often the crucial final link in the international aid delivery chain.

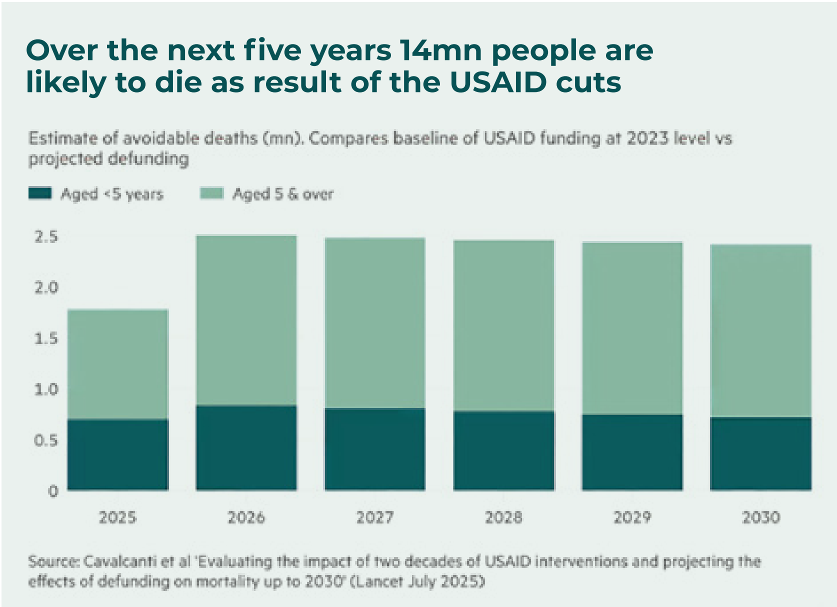

Figure 1: 14 million people are expected to lose their lives as a result of USAID cuts. Source: Financial Times 2025, adapted by CHA.

Six months after the US funding freeze, emerging data highlight the devastating consequences of the cuts

On the other hand, the abrupt end of US involvement has primarily affected millions of people in need. Six months after the *US funding freeze*, emerging data highlight the devastating consequences of the cuts, which, according to recent estimates, could result in an additional 14 million deaths by 2030 (Cavalcanti et al. 2025, Pilling 2025).

Despite these impressive figures, it is becoming increasingly clear that the response of European donor governments to the end of USAID remains insufficient. Announcements made in early 2025 that Europe would not be able to step in for the US now seem like a tremendous understatement, as a wave of cuts to humanitarian budgets is sweeping across the continent.

Cuts to aid budgets in Europe also run into the billions

From Sweden and Finland to France, the Netherlands, the United Kingdom, Belgium and Germany, cuts to aid budgets in Europe run into the billions. These cuts reinforce a longer-term trend that had already begun before USAID's closure. By 2024, international humanitarian aid had already declined by more than €5 billion (Pearson, Girling-Morris, and Walton 2025) – an unprecedented decline that is likely to worsen in 2025. The new German federal government is expected to contribute substantially to this decline with its first draft budget for 2025, which includes an unprecedented 52 % reduction in humanitarian aid funding.

The consequences for people in need

For example, the US accounted for the majority of international humanitarian funding to the health sector, particularly in nutrition, ranging from 50 to 57 % of global support, depending on the intervention area. Based on the proven impact of past US measures, Cavalcanti et al. (2025) conclude in their highly acclaimed Lancet publication:

"*According to the forecasting models, the current steep funding cuts […] could lead to more than 14 million additional deaths by 2030, averaging more than 2.4 million deaths per year. These deaths include 4.5 million among children younger than 5 years, or more than 700,000 deaths annually*" (p. 290).

By 2030, an average of over 6,500 additional deaths per day are expected

Based on Lancet calculations, this corresponds to an average of over 6,500 additional deaths per day by 2030, caused solely by the loss of urgently needed aid due to the USAID funding freeze. Preliminary estimates already highlight the consequences of the USAID funding freeze: the PEPFAR programme alone, which according to its own figures supported 20 million HIV-infected people worldwide, estimates that more than 90,000 additional deaths have occurred since the end of US funding in late January (as of early August). According to Impact Counter estimates, the cumulative effect of all US cuts by the end of June 2025 will result in more than 400,000 additional deaths (Nichols and Moakley 2025).

The consequences for aid organisations

The cuts also have a severe impact on the employees of local aid organisations and their employers. Many organisations were directly or indirectly dependent on US funding for between 15 and 50 percent of their financing (VENRO 2025). In the Caritas International network alone, around 5,000 local employees have been laid off, including 1,200 in Ethiopia alone (Müller 2025). In South Africa, following the loss of $430 million in funding for HIV/AIDS treatment, several clinics have closed, and 8,000 employees have lost their jobs (Fraser 2025). In Ethiopia, the Ministry of Health was forced to terminate 5,000 contracts for employees working in HIV and malaria prevention (Mednick, McMakin, and Pronczuk 2025; Fraser 2025). In Bangladesh, more than 50,000 local aid workers have already been laid off (VENRO 2025).

Layoffs primarily affect lower-level employees

The impact on international aid organisations has also been considerable, though in most cases not existential. Many UN organisations have already laid off thousands of employees and implemented budget cuts of 20 % or more. At the same time, they are facing growing criticism because the vast majority of layoffs have affected lower-level or precarious employees, while staff in the costly management levels have remained largely untouched (Richards 2025). In addition, leading donor representatives have criticised several large UN agencies for their limited willingness to prioritise strategically, including the abandonment of programmes, structures and expanded mandates, instead of making across-the-board cuts.

While German nongovernmental organisations (NGOs) were only marginally affected by the US cuts, several large international nongovernmental organisations (INGOs) were forced to lay off thousands of employees, as they had previously relied on the US for up to 40% of their funding. Nevertheless, data from the first half of 2025 confirm that local aid organisations were by far the hardest hit (VENRO 2025)—and these are precisely the actors who have been least heard and involved in the ongoing reform discussions. Numerous partnership structures between INGOs and local organisations, which had begun to turn a Western-dominated aid system on its head, are now at risk of disappearing entirely.

Because local aid organisations are very often the critical operational link in the humanitarian aid chain, their decline also threatens the overall effectiveness of the humanitarian system and its ability to function in crises. The same applies to numerous essential services, such as data collection and logistics, which underpin, for example, the timely detection and prediction of crises (Hövelmann and Südhoff 2025) and enable aid workers to travel to crisis areas via a UNHAS flight service. The latter, however, lost more than 50% of its funding in 2025 (World Food Programme 2025).

The financial implications for the humanitarian system

Six months after the onset of the humanitarian system crisis, the consequences for global funding are becoming increasingly clear. After initial uncertainty about the future of US contributions, it is now clear that only a fraction of previous funding levels will remain. By the beginning of August, the US had allocated just around two billion dollars to global humanitarian aid, less than one-seventh of the amount provided in the previous year (Financial Tracking Service 2025c).

By August, the US had allocated less than one-seventh of the previous year's budget for humanitarian aid

This is building on previous trends with global humanitarian funding decreasing by an unprecedented 5 billion € in 2024 alone. Depending on the scenario, total humanitarian funding for 2025 is projected to only range from $20.8 billion to $24.6 billion, representing a drop of more than one-third from 2023. Germany is contributing significantly to this contraction, as the new federal government has cut the humanitarian budget for 2025 by 52 % compared to the previous year, and by as much as 62 % compared to 2023.

The new federal government has cut the humanitarian budget for 2025 by 52% compared to the previous year

Three scenarios for humanitarian financial assistance from public donors in 2025

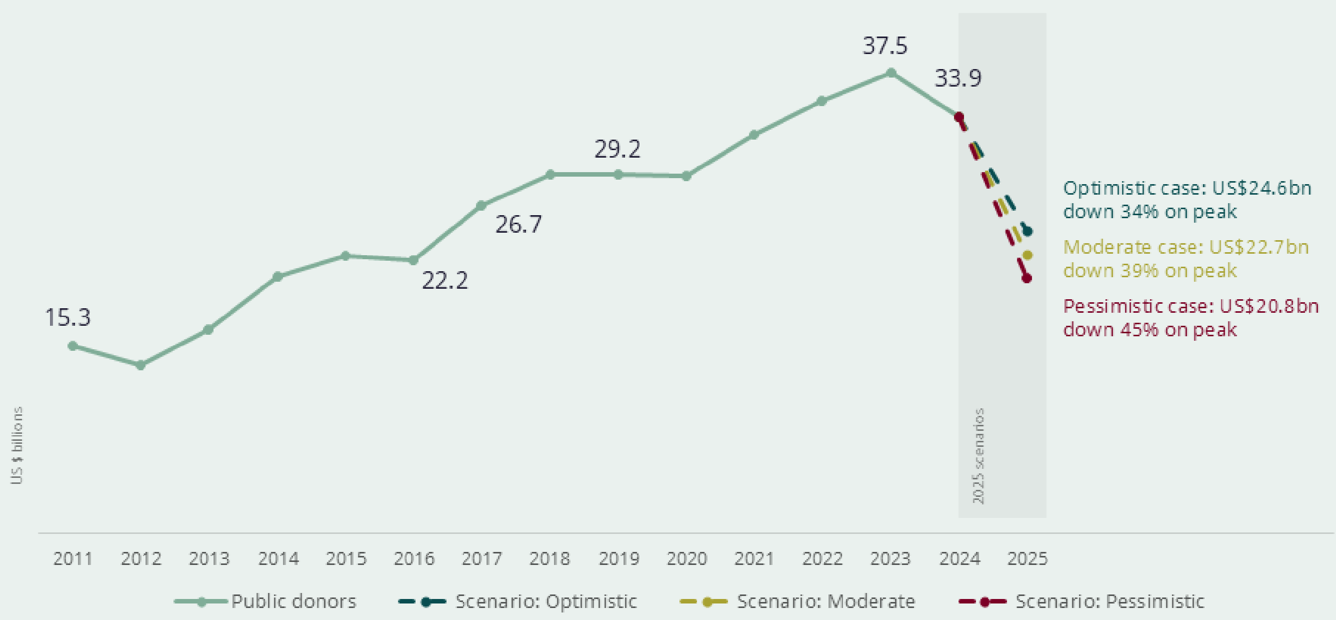

Figure 2: Three scenarios for humanitarian financial assistance from public donors in 2025. Data: Historical data based on OECD DAC, UN OCHA FTS and UN CERF. Scenarios for 2025 based on publicly available information on ODA or humanitarian budgets.
Source and graphic: ALNAP GHA Report 2025, p. 5.; adapted by CHA.

3. The state of the reform debate and the Humanitarian Reset

Against this backdrop of immense financial challenges, a reform debate has gained considerable momentum in recent months, with far-reaching demands ranging from a **reset** or **renewal** of the humanitarian system to its complete **transformation** into a locally managed, decentralised aid approach beyond existing structures. The much-discussed crisis in the humanitarian system was also seen as an opportunity for long-overdue reforms. A non-representative CHA survey of international humanitarian actors, for example, produced relatively positive results, with the largest group of respondents considering the process to be "*painful but overdue*" (31 %), while another 17 % saw it even as a "*great opportunity*" (see Figure 3).

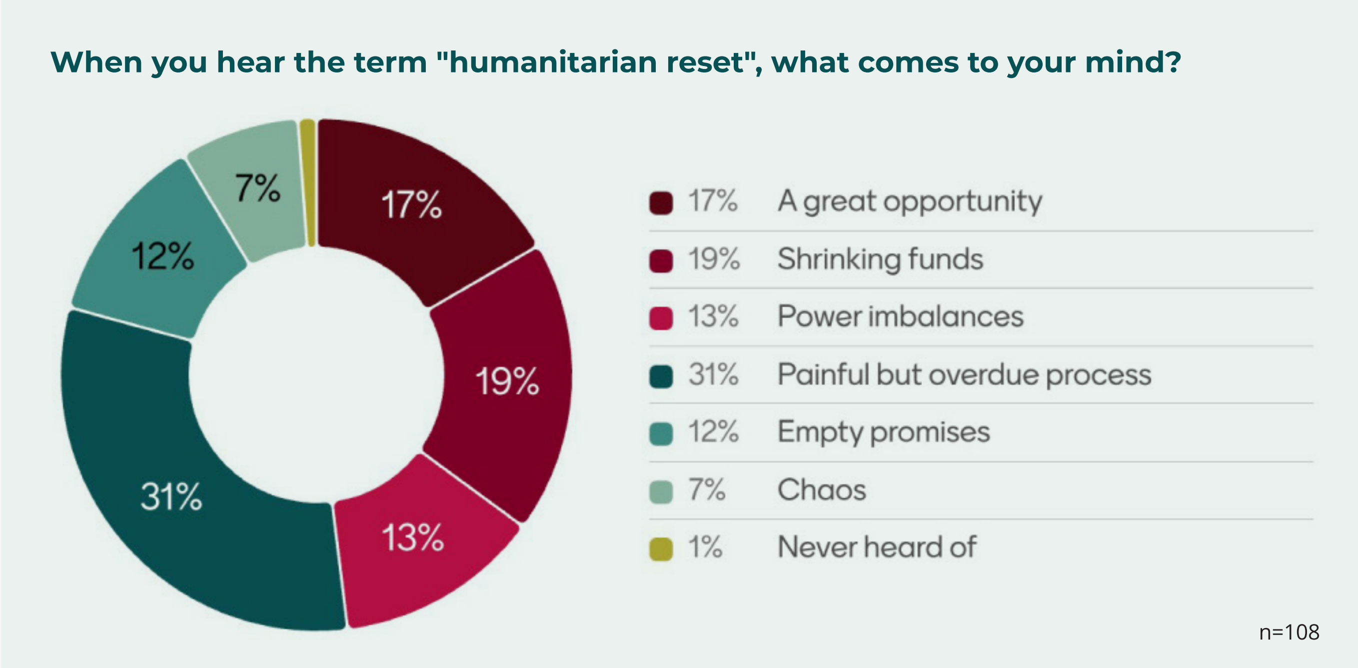

Figure 3: CHA survey on the Humanitarian Reset. Source: Survey among offline and online participants at the CHA25 conference on 23 June 2025.

Where do the reform efforts stand in the summer of 2025?

At the beginning of the year, significant reform measures were successfully initiated

Building on the momentum created by the crisis at the beginning of the year, and benefiting from his position as a newcomer, Tom Fletcher, appointed UN Emergency Relief Coordinator in November 2024, managed to take significant steps early on. The UN humanitarian system has long faced criticism for excessive bureaucracy and for sustaining an ever-growing humanitarian aid machine without a clear exit strategy. Yet several results achieved through the Reset process at the beginning would have seemed impossible to even seasoned humanitarian experts at the end of 2024.

Within weeks, eight countries were identified for withdrawal of Humanitarian Country Teams, with no new humanitarian contingency plans to be developed, in order to prioritise more acute crisis regions. The so-called cluster system – a landmark achievement after the uncoordinated tsunami response in 2005 but now widely viewed as overly cumbersome and process-oriented – will be immediately reduced from fifteen to eight clusters. *Pooled funds*, an agreed but only partially implemented central financing instrument introduced at the World Humanitarian Summit (WHS) in 2016, are to be strengthened with the goal of channelling the majority of future humanitarian funding through local mechanisms.

Pooled funds are intended to allocate a large portion of humanitarian aid locally

Furthermore, Tom Fletcher formulated far-reaching, overarching goals in his ten-point plan (Fletcher 2025b), tackling questions of power and structure, including: "*we agreed to move boldly to reduce inefficiency, duplication, and bureaucracy*". And even more fundamentally: "*Each organisation should focus on what it does uniquely well. We agreed to give up power and to act collectively* [...]". Subsequently, OCHA launched a hyper-prioritisation process and convened a critical IASC meeting in June 2025 to decide on the next phase of radical reforms.

However, growing resistance quickly became apparent in the ensuing discussions, prompting twenty-one donor governments, led by Germany, to issue an urgent appeal (Germany et al. 2025) formally addressed to Fletcher, but clearly aimed at the major UN aid organisations, outlining areas where they believed greater reform ambition was needed:

- ***"Establish direct reporting lines and accountability between RC/HC and country directors of humanitarian UN agencies, funds, and programs***
- ***...(avoid) turf battles, competition, and mandate-driven fragmentation***
- ***Through pooled funds, prioritise and maximise funding to local and national organisations, and notably women-led and other at-risk groups/organisations***
- ***Establish a drastically simplified and more agile humanitarian program cycle, which firmly places people's needs and protection at the center***
- ***Introduce an objective humanitarian needs assessment based on comparable evidence around the severity of needs" (ibid.)***

The demands represent the end of autonomy for large UN aid organisations in humanitarian crises

Stripped of diplomatic language, these demands were both sweeping and pointed. They called for ending the (highly competitive) autonomy of large UN aid organisations in humanitarian crises by transferring real decision-making power to the hitherto powerless Humanitarian Coordinators (HCs); redefining how humanitarian needs are independently measured and by whom, and fundamentally rebalancing funding flows to be channelled via pooled mechanisms to reach local actors directly.

Rarely has such a large group of donors acted in such unison behind a cause: "*Donors will hold individual agencies accountable for their engagement and contribution to the Reset*", they concluded, underscoring the seriousness of their intent.

What was decided by the IASC in Geneva on 19 June?

The IASC's results fall short of its own targets

From a critical perspective, it is striking how much the outcomes of the IASC meeting, even in Tom Fletcher's own summary, fall notably short of the ambitious joint demands that preceded it:

The call to end the autonomy of UN aid organisations (in particular the World Food Programme WFP, the United Nations High Commissioner for Refugees UNHCR and the United Nations Children's Fund UNICEF) in relation to the Humanitarian Coordinators was softened into the phrase: "*UN and NGO representatives [be] mutually accountable to the HC and local communities, as well of course to their agencies*" (Fletcher 2025a).

The demand to channel far more funding to local aid organisations through pooled funds and to move away from bureaucracy and the "*beauty parade*", particularly in the previously dominant Western capitals, resulted in the goal of "*significantly greater funding than previous targets to country pooled funds, which would provide significantly more funding to local actors/frontline responders*" (Fletcher 2025a). The final statement confirms frankly that, despite early discussions about concrete targets for global pooled funding and allocations to local partners: "*The IASC has not agreed a specific target for pooled funding*". Fletcher added his personal opinion instead: "*My aspiration as ERC [Emergency Relief Coordinator] is to reach 50 %, with 70 % of that for local actors*" (Fletcher 2025a).

The IASC was unable to set a specific financing target for pooled funds

With respect to independent needs assessments, only future "*shared services by the UN or others by default, including coordination, needs assessments* [...]" (Fletcher 2025a) are specified as targets. Fletcher's appeal at the end of his statement therefore reads like a reaction to internal blockages: "*Fundamentally, radical reform requires those with power to give it away* [...] *We have not yet carved out enough space to think about radical renewal*". Finally, one of the most fundamental questions remained unanswered: "*Where does each element of the humanitarian system – UN entities, INGOs, local NGOs – add unique value, and how do we sustain that?*" (Fletcher 2025a).

Is the Reset already at its end?

The vague results have raised concerns that [...] key decisions have already been made behind closed doors

The vague outcomes of the IASC meeting have prompted the question of whether the *Humanitarian Reset* is already in danger of petering out. This concern is amplified by the fact that, beyond the announcement of another IASC meeting initially planned for September (now postponed until the end of October), the next steps in the reform process remain as unclear as to how further decisions on the major outstanding issues are to be brought about. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) representative in Geneva, Ramesh Rajasingham, fuelled further fears with his assessment in the CHA podcast that "*the decisions had already been made*" in June (CHA 2025b). Developments over the summer have only reinforced doubts about the process's remaining momentum beyond a few striking outputs. In late August, OCHA published a *Reset Roadmap* outlining the next steps and milestones. However, the specifics of this roadmap vary greatly. Some targets are concrete, such as giving 70 % of the pooled funds managed by OCHA to local partners within a year. Others, such as the long-awaited "*standardised needs assessments*," are limited to vague timelines without clear reference to the processes required to achieve them. Still others reveal how superficially certain targets were included in the supposed roadmap. For example, the decades-old problem of "*broaden the donor base and expand predictable, flexible multi-year funding*" is to be solved abruptly by October 2025. In reality, less than 20 % of current humanitarian needs worldwide are covered in 2025.

In the current year, less than 20% of the humanitarian needs worldwide are covered

Reset Roadmap (autumn 2025)

Goal	Timeline
Prioritisation: Refocused GHO 2026 Standardized needs assessments Streamlined Humanitarian Programme Cycles	 November 2025 March 2026 September 2025
Localisation: Channel up to 70% of OCHA-managed pooled funds to local NGOS Agree phased targets for direct UN & INGO funding	 End of 2026 October 2025
Coordination: Integrate humanitarian and refugee coordination models Expand area-based coordination	 September 2025 January 2026
Efficiency and Finance: Default to shared services to cut overhead Consolidate appeals, reduce duplication, increase coherence Broaden the donor base and expand predictable, flexible multi-year funding	 September 2025 April 2026 October 2025 (GHO 2025 19% funded)

Table 1: Reset Roadmap – Goals and Timeline

Critics consider the overarching reform process UN80 to be insufficiently ambitious

The same analysis applies to the framework surrounding the *Humanitarian Reset*, which could either reinforce or undermine it: the broader UN80 reform process. Its interim results in September 2025 and the outcomes of UNGA 2025 made it clear that the humanitarian community should temper its expectations. Earlier this year, major structural reforms and potential mergers were still being discussed within the UN. Critics currently assess the UN80 reforms of the development and humanitarian sectors as follows: "*...merge UNFPA and UN Women, or smush together UNDP and UNOPS don't scream seismic change. The proposals for the humanitarian system are even less ambitious*"(Irwin 2025).

Indeed, many of the ambitions of the Reset are not even addressed in the current UN80 plans, and proposals for mergers between major players such as UNHCR/IOM or WFP/FAO/IFAD have disappeared entirely. At the same time, it states: "*Now is the decisive moment to forge systemic change. The vision is a New Humanitarian Compact – a six-step blueprint to deliver faster, leaner and more accountable support to people in crises; restore trust in multilateral action; and maximise impact from every dollar*" (UN80 Initiative 2025).

The New Humanitarian Compact is limited to reducing bureaucracy and does not include any structural changes

But here too, on closer inspection, this compact offers more marketing than substance. In reality, the New Humanitarian Compact amounts to a bureaucratic streamlining plan that repackages reasonable proposals for joint UN offices, data and purchasing platforms, etc. Accordingly, the sobering conclusion of former UN official Damian Lilly is: "*...the humanitarian pillar stands out for the lack of any structural changes whatsoever [...] These proposals have fallen by the wayside as they simply are not in the organisational self-interest of UN humanitarian agencies*" (Lilly 2025).

These entrenched organisational interests, which shape reform goals at multiple levels, remain a central obstacle to the Reset across various actors inside and outside the UN.

On the UN side, this is exemplified by OCHA's handling of the Reset process, particularly its initially strong focus on country-based pooled funds (CBPFs). Critics argue that OCHA's emphasis stems from its own coordinating role over these funds, raising concerns about its motivations. To build credibility and secure donor confidence, OCHA will need to offer much more concrete proposals for managing pooled funds in genuine partnership with local actors and for avoiding token participation.

Accordingly, Germany, for example, has set itself the goal of allocating around one-third of its humanitarian funding to pooled funds in the future. At the same time, Berlin has made very clear to OCHA that this goal applies to all pooled funds, including local funds, and that Country Based Pooled Funds (CBPFs) must demonstrate individually their respective local advantages before receiving additional funding. In doing so, OCHA must appease its critics. As Hibak Kalfan, NEAR's CEO and a prominent Global South voice, summarised the frustration with current participation models, "*All we've done is pull up a couple of extra chairs to the table*" (CHA 2025a).

INGOs have been criticised for neglecting local partnerships since early 2025

Even though the UN has remained the main focus of public criticism of the process to date, the role of international NGOs in transforming the system remains equally unclear. In particular, the large INGOs that have been dependent on the US are still being criticised for having focused primarily on internal adjustment processes and neglecting local partners and partnerships, a reality several have acknowledged self-critically. Donor governments such as Germany – whose funding for INGOs has also multiplied in recent years – had expected aid organisations to use this period of cuts to rethink their strategies after years of growth and expanded mandates. So far, however, this expectation has been met only to a very limited extent.

At the same time, fears are growing about overcompliance with US restrictions, including on programme priorities, language choices and narratives. This was also underpinned by reports of terms such as climate change, gender and inclusion being deleted from organisations' US websites, for example, those of WFP, CARE and Mercy Corps, because they had fallen out of favour in Washington (Loy 2025).

Hopes for joint efforts by aid organisations here to define red lines with other partners have not yet been fulfilled. "*Everyone is talking about it internally, but no one is talking to each other*", criticises one INGO executive affected by the situation. Relevant donor governments in Europe also expect more resilience and principled behaviour from their UN and INGO partners in this regard.

4. The role of donor governments

Maintaining pressure from donor governments is crucial to the reform process's chances of success

High expectations and sustained pressure from donor governments will be key to determining whether genuine reform of the humanitarian system can still be achieved. This also raises the question of whether governments are making a consistent and credible contribution to their share of responsibility. On the one hand, this involved aligning programme funding more strategically with key priorities, particularly those sidelined in Washington, and moving away from national "*pet projects*" in the process, as one European donor representative named it privately.

Such alignment must be accompanied by a coordinated and strategic joint effort that substantially deepens the coordination efforts made to date, which, even within the EU, have rarely gone beyond the coordination level of information sharing versus coordination levels of thematic and strategic cooperation (Südhoff 2024). Detailed recommendations on how governments can safeguard critical partnerships, programmes and structures already exist (IASC 2025, Hövelmann / Südhoff 2025).

Donor countries should harmonise their existing parallel exchange forums and coordinate their efforts more closely

Moreover, it will be critical to agree on common priorities and effective forums for exchange, particularly regarding structural changes. Switzerland and the Netherlands, for example, invited the top donors to an informal Reset exchange the day after the Grand Bargain meeting in Geneva (10 October 2025). Germany, currently chairing the OCHA Donor Support Group, is instead prioritising that forum, which has met shortly thereafter, and is only participating in the Geneva exchange at the working level. Another relevant forum is the informal *Stockholm Group*, in which leading donors like London, Stockholm, Brussels and Berlin coordinate efforts like the mentioned donor letter in June 2025 at times – a more effective but very exclusive forum versus very ineffective but highly inclusive fora like the COHAFA.

Similar coordination challenges arise with regard to priority structural changes that are to be implemented. In the fall of 2025, for example, the European Civil Protection and Humanitarian Aid Operations (ECHO) / the European Commission proposed that Emergency Coordinator Fletcher assume leadership of the Grand Bargain, consolidating discussions across the OCHA Donor Support Group, the IASC and the Grand Bargain. However, any substantial reform proposals will only succeed if key European capitals join forces in a more strategic and less ad hoc way.

This is even more true with respect to maintaining critical pressure on aid organisations to change. Donor governments must make funding decisions conditional on measurable progress, creating economic incentives within the humanitarian aid market (Lilly and Bowden 2024). To do so, they must leverage their financial influence and, as stated in the June 2025 donor letter, demand concrete accountability.

An assertive donor position requires adequate funding for humanitarian aid

At the same time, maintaining the urgently needed momentum for substantial reform also requires donors themselves to act consistently and credibly. The consistency of agencies reforms and their principle-based orientation on affected populations in greatest need will be difficult to achieve in the "*prioritisation process*", that has dominated most reform debates, if donor governments fail to apply the same standard to their own prioritisation policies. In this context, the recent hard power-related budget decisions made by leading European donors do not bode well for a credible, assertive donor position.

This applies both to prioritisation within humanitarian budgets and to their massive de-prioritisation in the context of foreign policy interests and the corresponding overall budgets. The dominance of national self-interest is clearly indicated by the two largest European donors:

Germany, for example, plans to invest around a quarter of its humanitarian aid in Ukraine in 2025, more than its combined support for Latin America and Asia. This imbalance contradicts both the proportionate humanitarian needs in Ukraine and the already substantial funding of this crisis provided by other donors (Financial Tracking Service 2025b).

Recent developments in Brussels also point to a similar trend. The European Commission (EC) appears increasingly inclined to align humanitarian policy with security and geopolitical interests, particularly through initiatives

The European Commission could subordinate humanitarian goals to security and geopolitical interests

like the Global Gateway Initiative and the proposed next Multiannual Financial Framework (MFF).

The proposal for the next multiyear budget by EC President von der Leyen outlines a drastically increased overall MFF budget for 2028-2034 amounting to 2 trillion € in total, out of which a new merged foreign policy oriented "*Global Europe*" programme is budget with 10 % / 200 billion for seven years. Within this amount about 25 billion € are envisaged for humanitarian aid, meaning a slightly higher share than in the previous budget. However, critics raise major concerns to which extent these funds will be indeed earmarked and transparently dedicated to greatest humanitarian needs versus downplayed to a geopolitical tool. "*However, we are deeply concerned by the apparent lack of a clear, dedicated budget line for humanitarian action within this ambitious framework, being now downplayed as a 'policy tool'*", criticises for example the leading NGO association VOICE (VOICE 2025).

This underlines the potential major conflict of objectives in times of shrinking budgets and harsh prioritisation processes. This is also reflected in the perception of humanitarian actors themselves; while many saw the *Humanitarian Reset* as a relatively positive opportunity (see above), their assessment of the prioritisation debate and processes to date is far more negative in the CHA survey: one third of respondents see it as merely a "*buzzword obscuring budget cuts*", 23 % as focused on "*structures versus people*" and 11 % even as a "*betrayal of humanitarian principles*" (see Figure 4).

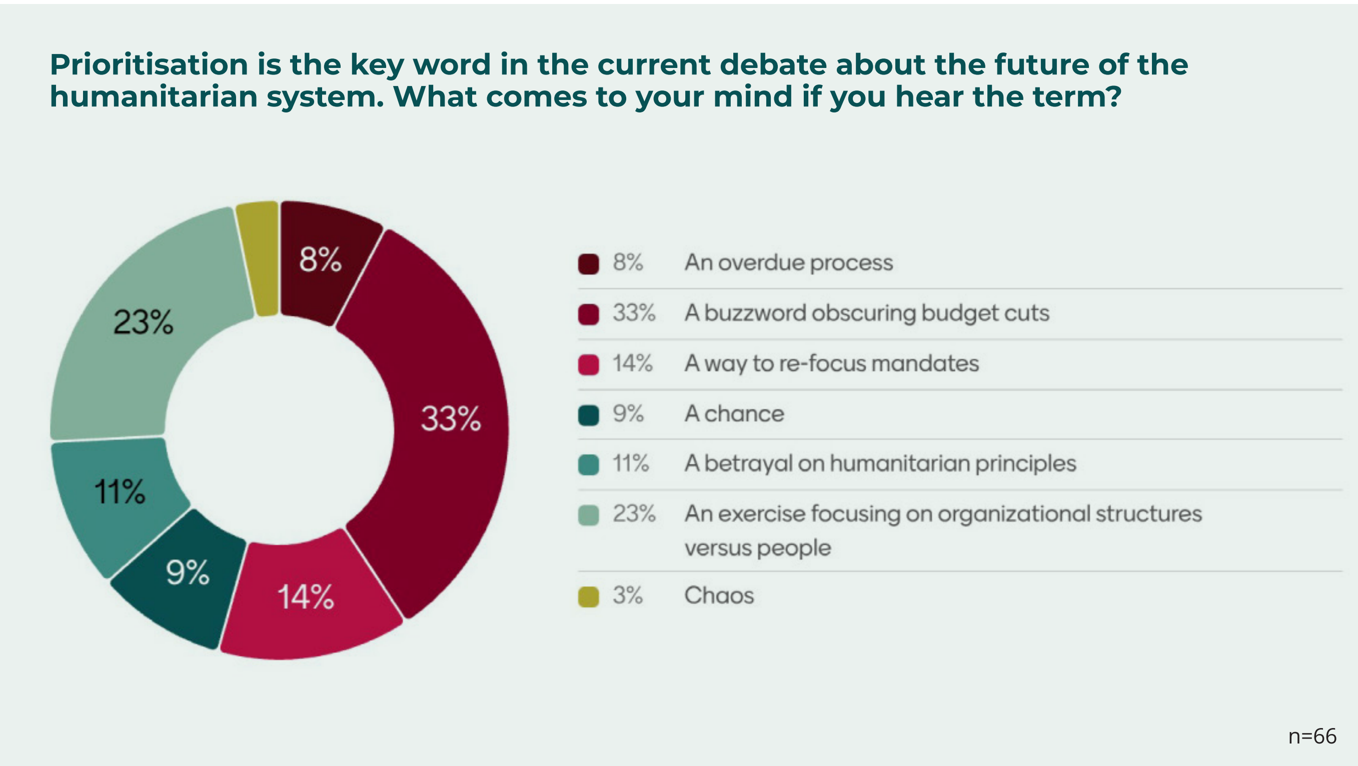

Figure 4: CHA survey on prioritisation. Source: Survey of offline participants at the CHA25 conference on 24 June 2025.

So, a majority of actors is considering latest debates as being in fact driven by budget cuts only. It is indeed striking that in current debates also among major donors such as Brussels, Berlin, London and Paris about the future of humanitarian engagement, the question of what constitutes an appropriate financial humanitarian engagement by a given donor after the end of USAID is rarely addressed, let alone discussed based on transparent criteria.

The question of what constitutes adequate funding for humanitarian aid is taking a back seat among top donors

A look at recent years shows just how relevant such criteria would be. Only a few years ago, linking foreign policy investments across the areas of defence, development and humanitarian aid, both in terms of substance and funding, was a clear priority, at least for progressive governments. The previous German federal government, for instance, had committed to matching any financial increase in the defence budget with proportional growth in development/humanitarian aid at a ratio of one to one. This approach was aligned with the German National Security Strategy, which took a holistic view of security, including its dimensions of "*human security*".

Since Russia's war of aggression against Ukraine, however, achieving an equivalent financing target between defence and development cooperation and humanitarian aid seems unrealistic. At the same time, the risks of failing to reach a differently balanced agreement have already become abundantly clear – both in political narratives and in the decisions of Europe's top donors, where defence budgets are rapidly rising while development and humanitarian aid budgets are almost universally declining.

This became particularly evident in London, where the Labour government explicitly announced its intention to increase the defence budget by 0.2 % of GDP and to finance this by reducing the Official Development Assistance (ODA) budget by the same amount. Germany has even gone far beyond this approach: while defence spending is set to rise from around 2 % to approximately 5 % of GDP, the ODA ratio is expected to fall to 0.56 % in 2026 and to 0.43 % by 2029 (Meyer 2025), and the humanitarian budget has already been more than halved.

There is a growing risk that humanitarian aid will be delegitimised by being portrayed as a discretionary or “nice-to-have” expense

As a result, there is a growing risk of a downward spiral in which decision-makers point to other donors making even deeper cuts, using this as a justification to dismiss greater commitment as an unrealistic or optional luxury in difficult times. However, in order to counteract this trend, its critics must also do their homework:

So far, even humanitarian lobbyists, politicians and experts have been unable to clearly define the standards by which a donor country's humanitarian commitment can be judged appropriate, insufficient or disproportionate. The issue is often treated with a considerable degree of arbitrariness and without criteria or transparent standards, and funding demands are made largely without clear justification. This lack of rigor undermines the credibility among decision-makers in governments, parliaments and the media. It is therefore essential that this be addressed in line with the following recommendations.

5. Recommendations for a criteria-based humanitarian budget

Traditional Western donor governments outside the United States continue to emphasise the relevance of their humanitarian commitments and highlight their interest-driven importance for migration and security policy issues. At the same time, this does not prevent former leading donors from cutting their humanitarian aid budgets, often based on narratives their previous commitment was disproportionate compared to that of other donors. The new German federal government is also sticking to its goal of financing an "*adequate*" humanitarian budget, even while it has reduced humanitarian aid by 52 % to €1.05 billion in its first federal budget (Federal Ministry of Finance 2025). This raises the urgent question of how to define what constitutes an appropriate or "*sufficient*" humanitarian budget for a given donor government. In times of Contested Aid, it is all the more difficult to enforce a normatively justified level of adequate humanitarian funding. This makes it even more important to develop a comprehensible, criteria-based rationale for determining what funding level can be considered adequate or "*sufficient*". Without such a foundation, discussions on the subject lack credibility, and any demands risk being dismissed as arbitrary.

In times of Contested Aid, a criteria-based humanitarian budget is needed

It is therefore crucial to define an appropriate humanitarian budget for donor governments in a transparent manner, both to establish a shared basis for discussion and to move toward consensus on this issue, at least among like-minded donor governments. The following section briefly outlines the key elements of such an approach and presents in more detail an innovative proposal for a *fair share* model.

German humanitarian aid 2025 compared to benchmarks in bn €

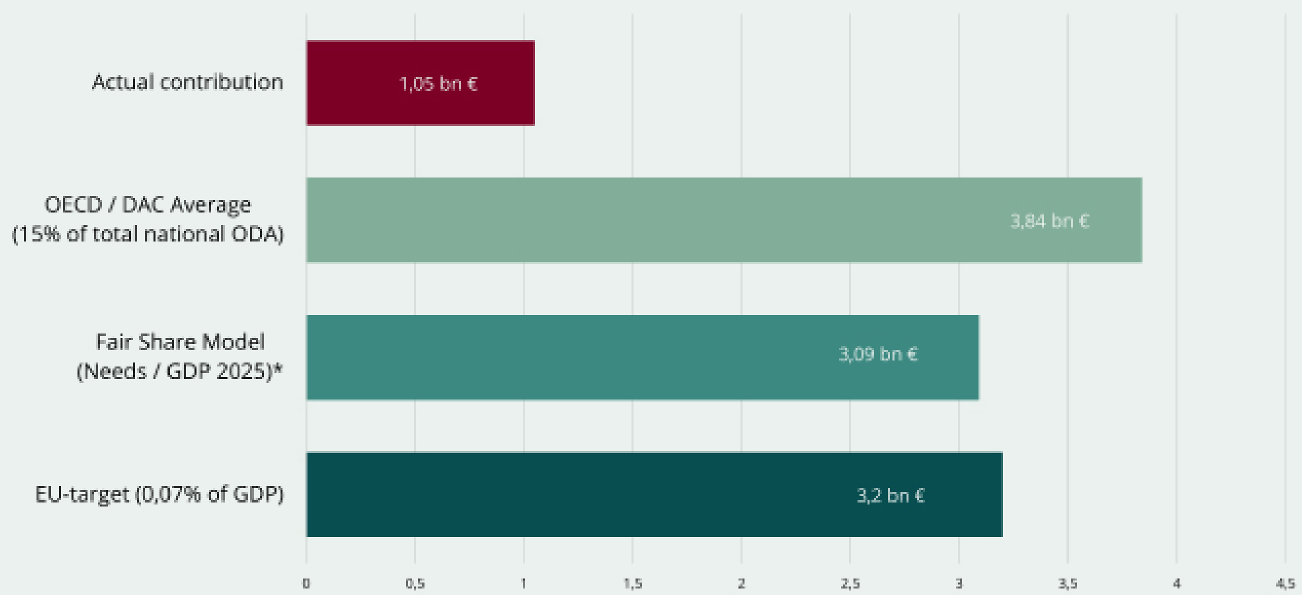

Figure 5: German humanitarian aid in 2025 compared to reference values in billions of euros. Data: GDP data based on IMF World Economic Outlook Database; humanitarian needs in 2025 based on data from OCHA (GHO report as of July 2025); GDP and scenario for Germany in 2025 based on publicly available information on ODA or humanitarian budgets. Source: CHA calculations.

a) EU-proposal for a 0.07 % target

The EU proposal is based on economic performance and offers predictability

Within the EU in particular, a group of like-minded countries has gained support for the demand that at least one tenth of the long-agreed ODA quota of 0.7 % of GDP, i.e. 0.07 % of each country's GDP, should be allocated to humanitarian aid. Countries such as Spain have already committed to this target through national legislation, while others, including Luxembourg, Sweden and Norway, are exceeding it.

The proposed humanitarian target of 0.07 % of GDP offers several advantages. It can be directly linked to an existing international agreement (0.7 % GDP/ODA) and takes into account the argument that expectations of countries must also be based on their economic capacity (GDP). If a country's economic prosperity declines, so do its humanitarian commitments.

Moreover, a target defined in this way could also limit domestic political competition between development cooperation and humanitarian aid actors, as well as the influence of party politics and institutional power dynamics by establishing a fixed, agreed-upon share of humanitarian assistance. The predictability of humanitarian budgets and thus programs would also increase significantly and, barring very exceptional economic crises, ensure an expected "*base amount*" for humanitarian aid, as numerous humanitarian actors are now demanding.

One of the disadvantages of the EU proposal is that the 0.7 % ODA target itself is increasingly losing recognition and is also criticised as arbitrary, even by some of its former supporters. For the first time in many years, Germany has not committed to the 0.7 % target in its coalition agreement. Furthermore, even within the EU discourse, there has been no fact-based justification for a 10 % share of humanitarian aid in the overall ODA target of 0.7 %, which therefore appears arbitrary, particularly in the humanitarian field of volatile crises and conflicts.

There is a risk that donors may reduce their allocations for humanitarian aid

A fixed 10 % share for humanitarian aid could also prove counterproductive in political terms, when it comes to encouraging greater commitment for example from smaller donor countries. As explained in the following section (5b), nearly 20 donor countries already allocate more than 10 % of their ODA to humanitarian aid (see Figure 6). Admittedly, this is based on their real ODA budget, which in most cases is far less than 0.7 % of GDP. However, political dynamics in mind this might come with a risk that many of these actors would not adopt the new humanitarian "0.07 %" GDP target but instead interpret its implicit target of only 10 % of total ODA as a welcome opportunity to reduce their actual humanitarian budget. This concern is reinforced by experience: in recent years, the EU proposal has undergone a practical test, yet—apart from a few exceptions such as Spain—it has not led to any sustained change in the allocations of EU governments.

If Germany for example were to aim for a humanitarian aid target of 0.07 % of GDP, this would require a humanitarian budget of €3.2 billion in 2025, based on current GDP forecasts (see Figure 5).

b) ODA-share 15 %

Humanitarian aid budgets are often based more on tradition than on current needs

Even among donor governments that share similar political views, the proportions of their budgets allocated to international cooperation in the areas of development, humanitarian aid and peacebuilding vary considerably. Depending on the donor country, the respective proportions allocated to humanitarian aid also appear to be influenced more by tradition than by current needs, despite the growing scale of humanitarian crises or the high numbers of people in need.

To achieve a fairer distribution of humanitarian burdens and ensure more adequate funding, donor countries in the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) could agree on a target to reserve a defined minimum share of their total real ODA expenditure for humanitarian aid. One obvious option would be to use the international average of these budget shares as a benchmark, which most recently stood at 15 % of total real ODA across all countries (see Figure 6). This indicator offers the advantage of being budget-neutral and easier to implement in budgetary terms, as it would only involve the reallocation of existing funds without requiring any additional budget allocations. In times of *contested aid* and austerity policies that dominate Western Europe – outside the defence sector – this appears to be a compelling argument. In addition, such an approach would accommodate the power related considerations of current ruling parties in countries such as Germany, the United Kingdom and France, where limiting inter-

In times of austerity, a budget-based approach seems advantageous

Share of humanitarian aid of total ODA in 2022 in %

Figure 6: Share of humanitarian aid compared to ODA expenditure in per cent (2022). Data: OECD DAC. Source: CHA calculations.

national engagement and expenditure is seen as an important factor in curbing the rise of right-wing populist forces. Whether this is a realistic approach is another question, while as one political insider notes: "*For conservatives in Germany, this is one of the very few issues on which they believe they can make points against the AfD with concrete figures*." Public opinion polls on the international engagement of the respective governments further show that, while overall support for foreign assistance has declined, humanitarian aid continues to enjoy significantly higher approval ratings than long-term development cooperation. (Oh 2025; Deutscher Spendenrat 2025)

The German government is in a stalemate in the current negotiations on the humanitarian budget

Similar to the 0.07 % target, the decision to reserve at least 15 % of ODA for humanitarian aid could also establish a minimum level of commitment that is independent of party politics or trends and limit the irrelevant, power-political de-prioritisation of humanitarian issues. The relevance of such a non-negotiable agreement can be illustrated by the current government constellation in Germany, which risks producing a stalemate on the issue of ODA and humanitarian aid: the collapse of the German humanitarian budget and the explicit plan to reduce the ODA quota to only 0.43 % of GDP in 2029 are clear signs of a broken political consensus. Since at least 2015, there had been consensus across democratic parties that strong international engagement, including Germany's rise to become a top humanitarian donor, was indispensable. This creates scope for domestic and power-games related erraticism, which can gain a far greater influence on decisions about humanitarian affairs than any factual issues. For example, the distribution of ministerial posts in the German Foreign Ministry to the conservative Christian Democrats (CDU) and in the Development Ministry to the Social Democrats (SPD), according to party political proportional representation, is leading to a paradoxical blockade in the current budget negotiations. In theory, the SPD would be a strong advocate for higher aid allocations in the federal budget, and numerous new exceptions to German debt policy would empower the new government to do so. However, any increase in funding would probably primarily benefit humanitarian aid administered by the CDU-led Foreign Ministry, since it has faced far deeper cuts than development cooperation so far. This provides a substantial domestic disincentive to SPD representatives to fight beyond lip service for a value based humanitarian approach. In particular, if the targets set by the CDU for an overall reduction of ODA were to be maintained, the increase in humanitarian aid would effectively be at the expense of the SPD-led Federal Ministry for Economic Cooperation and Development's funds. This has resulted in autumn 2025 in a power game situation in which both sides are dominated by influential domestic political factors and actors who, despite all cross-party support at the technical level, are working against a higher humanitarian budget.

The 15% approach could be at the expense of other international cooperation initiatives, such as development cooperation

On the one hand the absurd humanitarian impact of such power games also in other governments could be prevented in future by a permanently fixed ODA share for humanitarian aid, such as the proposed 15 %. However, even beyond questions of power politics, setting a humanitarian quota of 15 % of a donor country's actual ODA would also in other settings carry the risk that any increase could come at the expense of other budget lines for international cooperation. Specifically, donor countries that have so far fallen short of the 15 % quota could take advantage of the opportunities offered by a new purely aid reallocation approach and move on with development cuts, which organisations with a dual mandate, in particular, see as a major disadvantage. For donor countries that already contribute well above the proposed 15 %, the target could also have unintended consequences by legitimising reductions in their humanitarian aid. Smaller donor countries that already meet the 15 % target as part of a very small overall international commitment, such as Hungary or Slovakia, could use it as justification for not making a more substantial commitment in absolute terms. Traditional donor governments that exceed the target, such as the Netherlands or Denmark, could be confronted even more vehemently with anti-aid criticism, as they have obviously exceeded international targets and cuts were long overdue. Finally, the current OECD/DAC average of 15 % of total ODA allocated to humanitarian funding would remain also a largely arbitrary benchmark in the absence of any further evidence-based justification.

If Germany for example were to align itself with the current OECD/DAC average of 15 % of humanitarian aid as a share of total planned ODA expenditure for 2025 (€25.6 billion), this would require a humanitarian budget of €3.84 billion in 2025.

c) Fair share models

One approach that has surprisingly rarely been applied to date is the so-called *fair share* model in humanitarian aid. This model seeks to develop a transparent, needs-based criterion that can be applied to every donor country.

Fair share models combine demand and economic performance

A needs-based approach is particularly compelling given the fluctuating nature of crises and the corresponding needs in humanitarian aid. Moreover, a needs-based approach would follow the same logic as other budget areas, such as the much more intensively discussed defence budgets, which are currently being massively expanded on the grounds of increasing needs such as withdrawal of the USA, consequences of Russia's war against Ukraine, etc. To date, *fair share* approaches have only been applied selectively to individual crises for lobbying purposes, such as during pledging conferences for individual crises, without being further developed. Systematically extended to the global humanitarian system, *fair share* approaches could be based on global humanitarian needs as outlined in the Humanitarian Response Plans and the Global Humanitarian Overview (GHO). On this basis, the contribution can be calculated that an OECD/DAC country should make as a donor in line with its economic strength in order to provide its *fair share*. In this approach, a *fair share* of burden sharing is defined by setting it in proportion to the share of the respective donor country's wealth compared to all donor countries. Applying this to a global scale would result in the following calculation model for Germany, for example:

According to GHO (last updated in July 2025), humanitarian needs in 2025 will amount to 45.48 billion dollars. Under a *fair share* approach, each OECD/DAC country would have to contribute in proportion to its relative economic prosperity (Gross National Product, GDP) compared to all donor countries. Germany's share of the total GDP of all OECD/DAC countries in 2025 will be approximately 7.5 %. This means that its fair share of global humanitarian needs would also amount to cover around 7.5 % of funds required.

With global humanitarian needs amounting to around 45.48 billion dollars (GHO 2025), Germany's appropriate humanitarian contribution in 2025 would amount to the equivalent of 3.09 billion euros, based on a *fair share* approach (see Figure 5).

On this basis, a fair humanitarian budget can also be determined for other donor countries in terms of appropriate burden sharing (see Figure 7). For traditional donor countries, this would amount for example to €2.56 billion for Japan and €2.35 billion for the United Kingdom, highlighting that there is major room for improvement. The *fair share* calculation for the United States can highlight that Washington's commitment until 2024 has been by no means disproportionate, but rather appropriate, while countries such as Norway are contributing a disproportionately large share. The proposed budgets for Arab donor countries such as Saudi Arabia and the United Arab Emirates, which are often criticised, are also at a level that they have already achieved in some years and, importantly, need to sustain moving forward.

Fair-Share shows that Germany has by no means contributed disproportionately much to date

The advantage of a *fair share* approach lies, on the one hand, in its potential to challenge narratives and create transparency regarding assumptions that a few Western donors have been bearing a disproportionate share of the burden of international humanitarian aid for many years, with Germany in particular being a prominent contributor.

In fact, Figure 8 shows that, based on its economic capabilities, this is not evident even at the height of German humanitarian engagement. Arab states, which are often criticised, have made greater efforts to bear a *fair share* of the humanitarian burden in 2023, for example.

The approach follows a clear logic and counteracts arbitrary redistribution

Furthermore, the *fair share* approach is grounded in a needs-based logic, which replaces a politicised or often arbitrary budgetary supply logic. Take Germany, for example: in an institutional setting such as Berlin, this approach could prevent decisions on aid for millions of people in need from being determined by competition between multiple responsible ministries, party affiliations at the management level or the erratic nature of late-night budget committee meetings.

Instead, funding would follow a rights-based, needs-driven logic analogous to social security systems, providing a clear normative foundation. Just as in the German social system, for example, the rates for citizens' income benefits must be defined by inflation rates, needs and fixed indices and can otherwise be claimed in court. International engagement would also be based on needs and hardship in the world and overcome a purely charity-based approach. At the same time, a *fair share* model takes into account a country's economic capacity, as do the approaches mentioned above, in order to avoid excessive demands. The following also applies in the fair share model: if a donor country's economic capacity and GDP decline, its humanitarian burden would generally decrease as well.

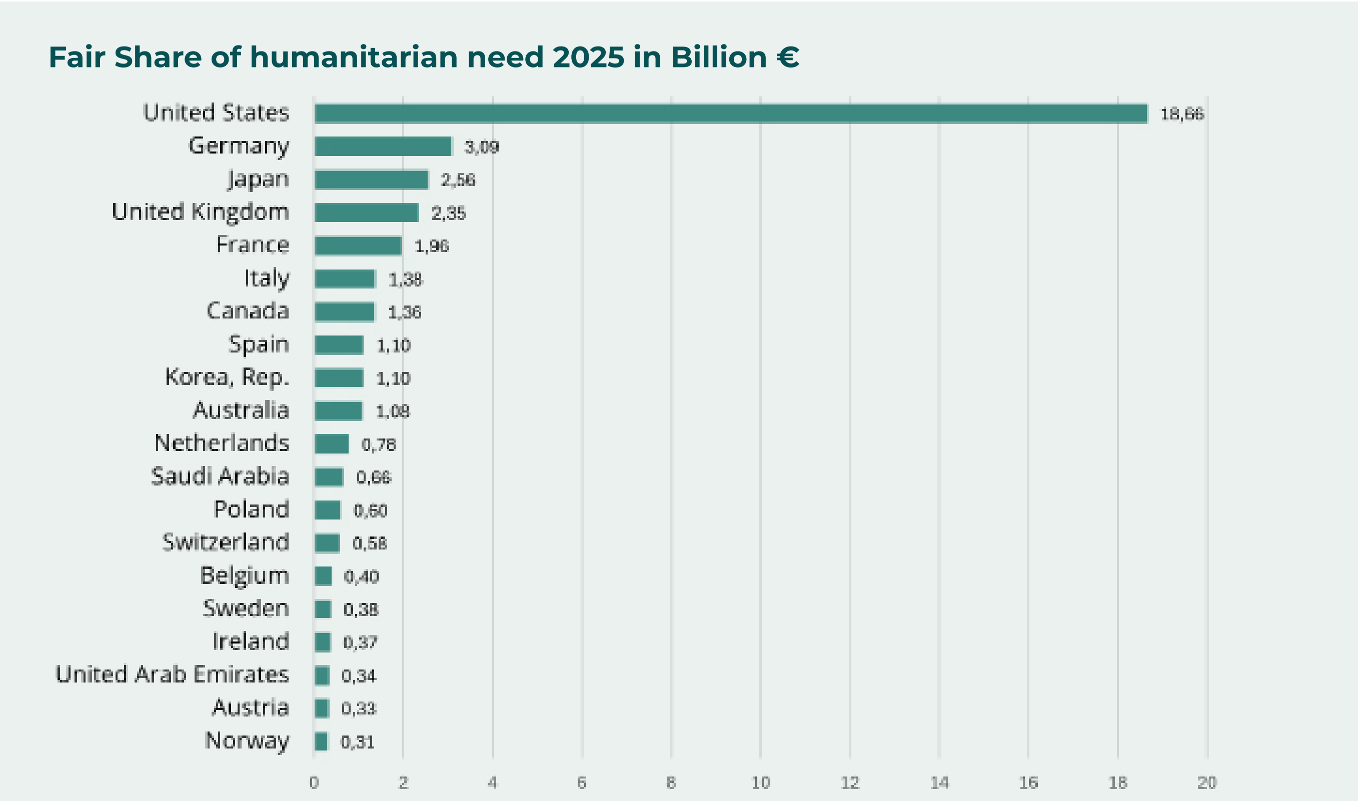

Figure 7: Fair share of humanitarian needs to be covered by donor country in proportional terms based on relative GDP share (in 2025 in billions of euros).. Data: GDP data based on IMF World Economic Outlook Database; humanitarian needs in 2025 based on OCHA data (GHO report as of July 2025). Source: CHA calculations.

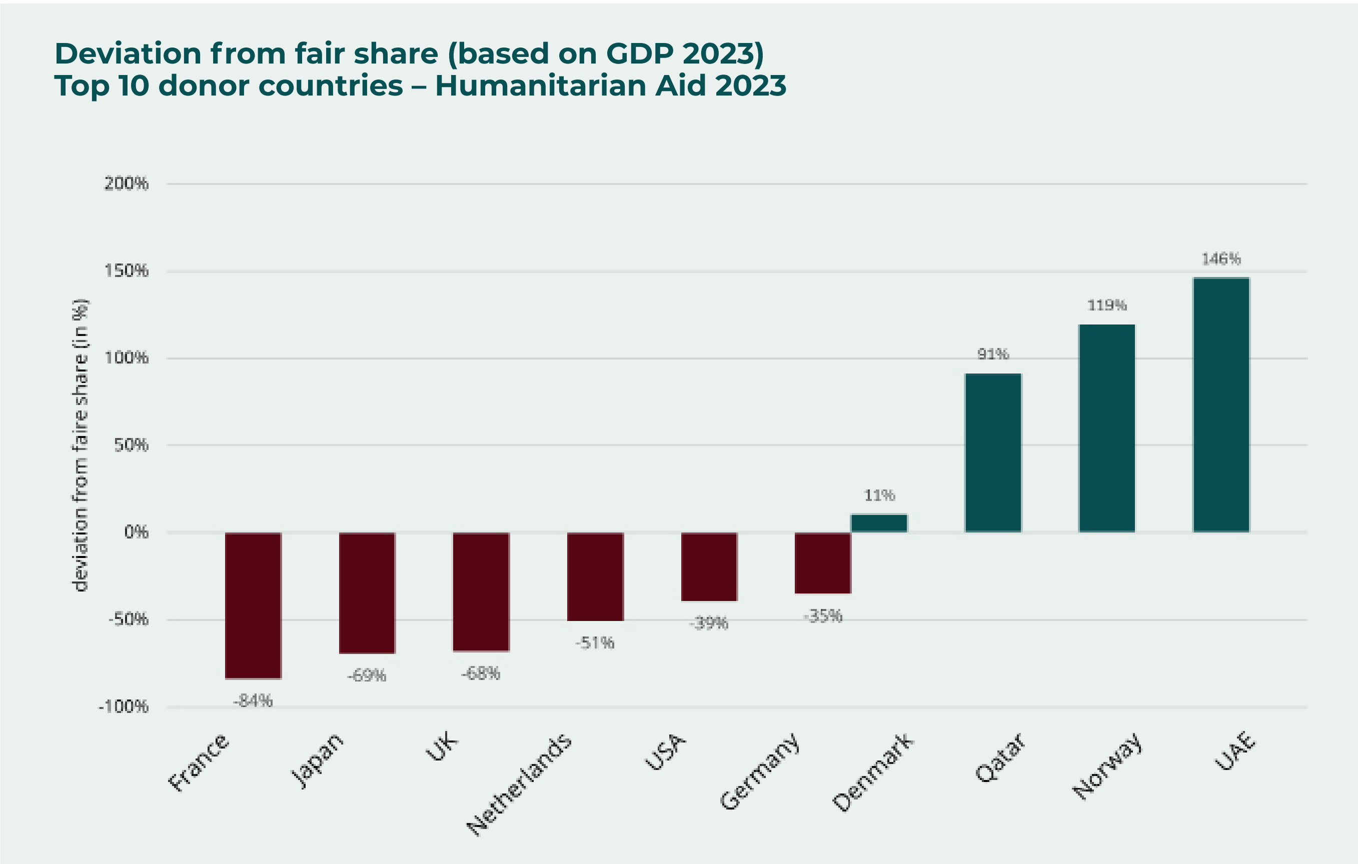

Figure 8: Fair share model with deviation from fair share GDP/humanitarian aid 2023. Data: GDP data based on IMF World Economic Outlook Database; humanitarian aid budget based on OECD/DAC 2023 (most recent complete data); humanitarian needs in 2023 based on data from OCHA (GHO Report 2023); source: CHA calculations.

This approach also has the advantage of allowing committed governments to distance themselves from even higher expectations. In times when a major donor, such as the United States, is absent, or when other donors (e.g. Eastern European EU countries) are unwilling to contribute sufficiently, governments willing to perform and contribute their fair share can thus refuse, in a justified manner, to meet the even higher, and often arbitrary, expectations of civil society and lobby groups. The fair or "*adequate*" share of a donor's commitment would become largely predictable overall, regardless of increasingly erratic donor policies.

For aid organisations, the methodology does involve risks

This ability to distinguish between more extensive demands in exceptional circumstances, such as the abrupt withdrawal of an actor such as USAID or in the event of new, acute crises, can also be viewed as a limitation of the fair share approach from the perspective of aid organisations and affected populations. Another challenge is that its needs-based orientation coincides with renewed discussions about valid methods for assessing humanitarian needs, with further adjustments pending, including in the preparation of Humanitarian Response Plans.

Having said that, stricter application of humanitarian criteria has already had an impact and led to an official decline in assessed needs in the latest GHOs, despite multiple ongoing or escalating humanitarian crises. At the same time a return to humanitarian aid focusing exclusively on life-saving measures also harbours major risks, such as a lack of sustainability/connectivity, insufficient consideration of protection issues or a relapse into less effective traditional material aid from the Global North, such as food aid.

The composition of demand must be clearly defined

The political instrumentalisation of fair share models, which could, for example, aim to apply them only to such "*hyper-prioritised needs*" in order to legitimise cuts, would thus be counterproductive. This makes it all the more important for OCHA and its donor countries to resist the temptation to launch a politically motivated "*Global Humanitarian Overview 2026*." This would be the case with a GHO that, unlike in the past, does not first determine the number and needs of people worldwide (around 300 million in 2025) and then fix the number of those most reachable and in greatest need (178 million in 2025), but instead defines only a "*hyper-prioritised need*" (114 million people in 2025) from the outset to appease donors. Moreover, legitimate fair share models that are viable in the medium term would require accompanying reforms. These reforms would profoundly introduce long-promised independent needs assessments and joint assessments in crisis areas and consistent implementations of this goal, which has been re-proclaimed in the wake of the *Humanitarian Reset*.

Moreover, consideration should be given to whether a GHO, which has always been drawn up in December as forecast for the coming year, could be published earlier as part of a planned streamlining of needs analyses. Public budgets are typically finalised by the fall for the coming year, which has historically meant that, in the humanitarian context, only the previous year's misleading needs figures have been available. These interactions also illustrate how closely reform efforts have been interlinked across all stakeholder and policy levels since early 2025. The process can only succeed if donors, aid organisations and UN institutions make substantial contributions to a sustainable reform process and are able, at least in relevant areas, to set aside individual interests in favour of collective progress.

6. Conclusion

If substantial reforms are to succeed, the momentum must be seized

With USAID coming to an end in summer 2025, fundamental questions have emerged about the future and functionality of the humanitarian system, which remains essential for millions of people worldwide. The humanitarian community's response at the beginning of 2025 was impressive in terms of quickly prioritising the most critical crisis contexts and streamlining the humanitarian coordination system.

However, more structural reforms, or even a transformation of the system into a locally based and managed network, have not yet materialised. Key reform proposals have already been watered down, and the path forward remains unclear. This threatens to play into the hands of powerful forces of inertia within the humanitarian system that benefit most from the status quo. In order to get substantial reforms off the ground, donor governments, UN agencies and INGOs must do their homework, as outlined above, if the momentum for reform that has been building since the beginning of the year is to be harnessed.

Top donors must be prepared to take power away from organisations

At the same time, progress at all levels of actors is interlinked. Donor governments, led by Germany as the current top donor, must maintain pressure on the UN and civil aid organisations to undertake substantial reforms and make funding decisions contingent on progress. This also requires an open, demanding dialogue on the future role of international aid organisations, including the UN and INGOs, in the humanitarian system.

Such a discussion should revisit mandates, comparative advantages and, if necessary, the willingness of donors to take away resources and power from international aid organisations. In enforcing this agenda, expectations are rightly high also vis-a-vis humanitarian donors who continue to verbally commit to humanitarian values and principles, such as most EU countries. Only governments willing to meet these expectations themselves—by, for example, preventing politically driven prioritisation of aid in unprecedented dimensions or a race-to-the-bottom approach in funding—can credibly and sustainably persuade humanitarian actors to make difficult changes.

All three indicators presented lead to similar quantitative results

Agreements between like-minded donor governments on criteria-based targets for their humanitarian budgets would be an important building block in this regard, for which the indicators outlined above could provide a reasonable basis.

Fair share models in particular offer a comprehensive approach based on this analysis, as well as one that is based on needs and rights versus charity, for defining appropriate humanitarian budgets. In addition, they could allow donor governments to distance themselves from even more far-reaching expectations, such as those from civil society, during periods of erratic commitments or withdrawal of other governments.

The race to the bottom has already begun

It should also be noted that all three indicators presented to define appropriate humanitarian donor budgets yield relatively similar quantitative results. For example, to achieve an adequate or "*sufficient*" humanitarian budget, Germany, would have to set based on all models a target of at least €3 billion per year (see Figure 5). At the same time, the current challenges represent a decisive turning point for international aid organisations, both UN and NGO circles. There is a strong temptation for these actors to focus on their own interests—focusing on staff welfare in the Global North and securing their niche within a shrinking humanitarian system—especially since, despite the crisis, the sector still operates at a financial level far above that of the 2000s. However, the danger of such an approach is already evident in the breakdown of local structures and partnerships, and the exclusion of those who have suffered most: the affected populations and local aid workers. In addition, a race to the bottom is already beginning in terms of programming, with recently criticised programmes and policies in the context of climate change, gender and inclusion, being deprioritised or verbally negated by some international aid organisations.

There are also early signs that, due to increasingly scarce resources, some actors are withdrawing from collective contexts such as coordination forums, associations and partnership approaches. This weakens the very forums that should be promoting a collective approach, particularly at a time when joint efforts are crucial, for example, to define red lines in increasingly politicised humanitarian processes and to strengthen collective leadership approaches overall. Only if all relevant actors seize the post-USAID crisis momentum, setting aside individual interests to the greatest possible extent, can the humanitarian community avert an even deeper financial and legitimacy crisis. Such a coordinated effort would protect hundreds of millions of people in need and provide a chance for meaningful reform. Otherwise, the summer of 2025 risks marking not only the official end of USAID, but also the end of the *Humanitarian Reset*.

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