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# **Global Humanitarian Action at the Crossroads**

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## SYNOPSIS

The new UN under-secretary-general for humanitarian affairs and emergency relief coordinator, Tom Fletcher, has called for a "humanitarian reset" as the UN-led humanitarian system reaches breaking point. Even as global humanitarian needs continue to rise, traditional donor countries, most notably the United States under the second Trump administration, are cutting aid, creating a potential catalyst for change. The humanitarian community must rewire the system if it is to uphold humanitarian principles and reach those most in need.

#### COMMENTARY

From 17 to 28 March 2025, the humanitarian community gathered in Geneva and online for the Humanitarian Networks and Partnerships Weeks against a dire backdrop: substantial funding cuts across the sector by traditional donor countries. These cuts provided a stark reality check and signalled the need for change in the sector and its priorities.

Beyond the humdrum of official status updates and technical developments, conversations on the sidelines reflected a willingness for change and recognition that the humanitarian system is overly bureaucratic and bloated. As we approach the 10th anniversary of the World Humanitarian Summit next year, will recent aid policy announcements, notably by the United States, be the long-awaited catalyst for change in the humanitarian system?

#### Rationalising Aid

On 20 January, his very first day in office, US president Donald Trump signed <u>Executive Order 14169</u>, "<u>Reevaluating and Realigning United States Foreign</u> <u>Aid</u>". This order called for a 90-day pause in US foreign aid pending a comprehensive

review to ensure that US commitments aligned with the country's foreign and national security policy objectives.

By March, an estimated <u>83 per cent of USAID's programmes were cut</u>, amounting to an estimated US\$60 billion. The UK government too announced a reduction in overseas aid, from <u>0.5 per cent to 0.3 per cent of gross national income</u> from 2027, or a cut of about GBP6 billion, in order to pay for increased military spending. Germany, the Netherlands, and France also indicated cuts in their aid budgets for 2025. These developments will impact both humanitarian and development projects, with longerterm projects most affected.



In 2025, the Trump administration moved to dismantle USAID as part of its America-First agenda, disrupting global humanitarian and development aid. *Image source: Ted Eytan from Washington, DC, USA, <u>CC BY-SA 2.0</u>, via Wikimedia Commons.* 

## Long Institutional History

These recent aid cuts have created a sense of shock and surprise in the humanitarian system. However, they have a longer institutional history: traditional donor countries have been moving towards a stronger linkage between aid and security for more than a decade now. Traditional donor countries are generally understood to be high-income countries that are members of the OECD's Development Assistance Committee.

In 2010, the Danish government brought its Danish International Development Assistance (Danida) into closer alignment with its Ministry of Foreign Affairs. The same year, the Netherlands Ministry of Development Cooperation was merged into the Ministry of Foreign Affairs.

In 2013, the Australian Agency for International Development (AusAID) was incorporated into the Department of Foreign Affairs and Trade. Likewise, NZ Aid was merged into New Zealand's Ministry of Foreign Affairs and Trade. The same year, the Canadian International Development Agency (CIDA) was absorbed into the Department of Foreign Affairs, Trade and Development (DFATD).

Throughout the 2010s, Germany increased its own alignment of foreign affairs and development policy. In 2020, the UK government merged the Department For International Development (DFID) into the Foreign, Commonwealth and Development Office.

This broader trend among the traditional donor countries to move towards closer alignment between aid and national security was catalysed by the 2008 financial crisis. The merging of foreign affairs and aid institutions has started to make links between domestic constituencies and foreign aid more explicit and direct.

In 2025, the United States announced a reorganisation of USAID and the State Department. This move was part of President Trump's "America First" agenda. As the single largest humanitarian and development aid donor, the United States has disrupted the aid sector through this shift, leading to many affected communities not receiving the assistance they need.

### Global Institutions — Behind the Curve?

Since the end of the Cold War, the UN system has broadly pivoted towards direct operational roles. Specialised UN agencies such as UNHCR (UN Refugee Agency), WFP (World Food Programme), and UNICEF (UN Children's Fund) became more visible in delivering aid in humanitarian and development contexts. This trend was mirrored in traditional donor countries in the 1990s and early 2000s, with specialised agencies being invested with operational independence in the dispensing of aid.

However, as the aid infrastructure of traditional donors began to undergo rationalisation after 2008, the UN-led humanitarian system showed no concurrent systemic reform. The failure to agree on broad reforms or even the modest ones agreed at the 2016 World Humanitarian Summit highlights systemic inertia within the UN system. It also reflects the fact that many humanitarian leaders in the UN system have become too embedded to make the necessary changes.

A series of quick-win policy changes announced in December further underscore this point. A focus on moving meetings online and holding them less frequently fundamentally misses the point that the UN-led system works only if it has the requisite interpersonal relationships and trust achieved in person. Interpersonal relationships and trust must necessarily form the basis of any future compact between those offering aid and those communities affected by crisis. The UN system needs to find its core relevance to support these evolving relationships.

#### **Emerging Directions**

Over the past fortnight of Humanitarian Networks and Partnerships Weeks, the conversations have once again highlighted a disconnect between donor governments, foundations, and international organisations, on the one hand, and affected communities, local non-governmental organisations, and recipient national governments, on the other hand. It was acknowledged that it is incumbent upon leadership in the humanitarian sector to explore ways to address this challenge.

The UN-led system is compelled to reform as traditional donor governments reduce their aid spending commitments and no country or group of countries has emerged to make up for the shortfall. In response to the US aid policy change, observers expected other traditional donors to step up but instead many used the change as "a good day to bury bad news" about their own respective aid cuts. Australia was the notable exception in this respect, with its announcement to increase its overseas aid commitments, particularly in the Pacific and Southeast Asia.

While many in the aid sector have long argued for a demand- rather than supply-driven humanitarian system, the emerging trend among donor governments appears to counter this trend. With donors being more explicitly focused on ensuring that their generosity yields returns to domestic constituencies, we could see the re-emergence of some form of conditionality in their aid commitments. Conditional aid often requires the recipient country to spend the allocated money on goods and services from the donor country.

Such a development would mean the UN-led system must provide the necessary leadership to uphold humanitarian principles and match donor supply with demand from affected communities. Some efforts have been made to develop systems such as KITAMatch in Malaysia, which provides a national platform for donors to engage local communities that are in need of humanitarian assistance. A similar network on a global scale would offer one way of addressing the challenge of unmet demands.

Importantly, there are many examples in different communities across the world that should inform the much-needed systemic changes. Ahead of the World Humanitarian Summit in 2016, regional consultations provided important platforms to engage communities in different parts of the world. Many of these have continued in some form to provide an essential platform for sharing views. As the leaders in the UN-led humanitarian system begin to map out its future, it will be essential to hear from those outside the formal UN-led structures and mechanisms if the system is to remain relevant and fit for purpose, i.e., to support affected communities and donor countries alike.

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