



Official Development Assistance: a crisis within a crisis...

Official Development Assistance: officially for development, in fact, increasingly for business and trade

International aid has been widely criticised, including by hungerexplained [[visit our thematic page](#)]. After decades during which rich countries provided development assistance to low- and middle-income countries in the framework of OECD's [Development Assistance Committee](#) (DAC), the **results have been disappointing**, to say the least: growing inequalities among countries in terms of income [[read](#)], health, education, food security, poverty, communication, energy and social protection [[read](#)].

These results were achieved at the cost of considerable waste and some side effects donor countries have not publicised much. In addition, international aid has sometimes been judged to be a “self-perpetuating industry”. However, one could argue that the situation would probably have been worse without it, especially in times of crisis.

In fact, official development assistance (ODA) has often (always?) been considered a way for a donor to impinge on a beneficiary's sovereignty for obtaining geopolitical allegiance¹ or favourable trade, mining or land agreements, and imposing or influencing policy changes (e.g. deregulation, privatisation, use of imported seeds and agrochemicals in agriculture). It has served to protect and secure markets for companies based in the donor country and create dependence. This has been particularly true since what can be qualified as the trend towards a privatisation of ODA [[read](#)]. Critiques also emphasised corruption fuelled by ODA, in certain cases [[read](#)].

Moreover, as can be seen from **figure 1**, **the share of humanitarian assistance in international aid has been growing** in recent years, at the expense of development assistance, strictly speaking, which stagnated, while it was supposed to help countries to develop..., probably because it is easier to show success in bringing relief than in promoting development!

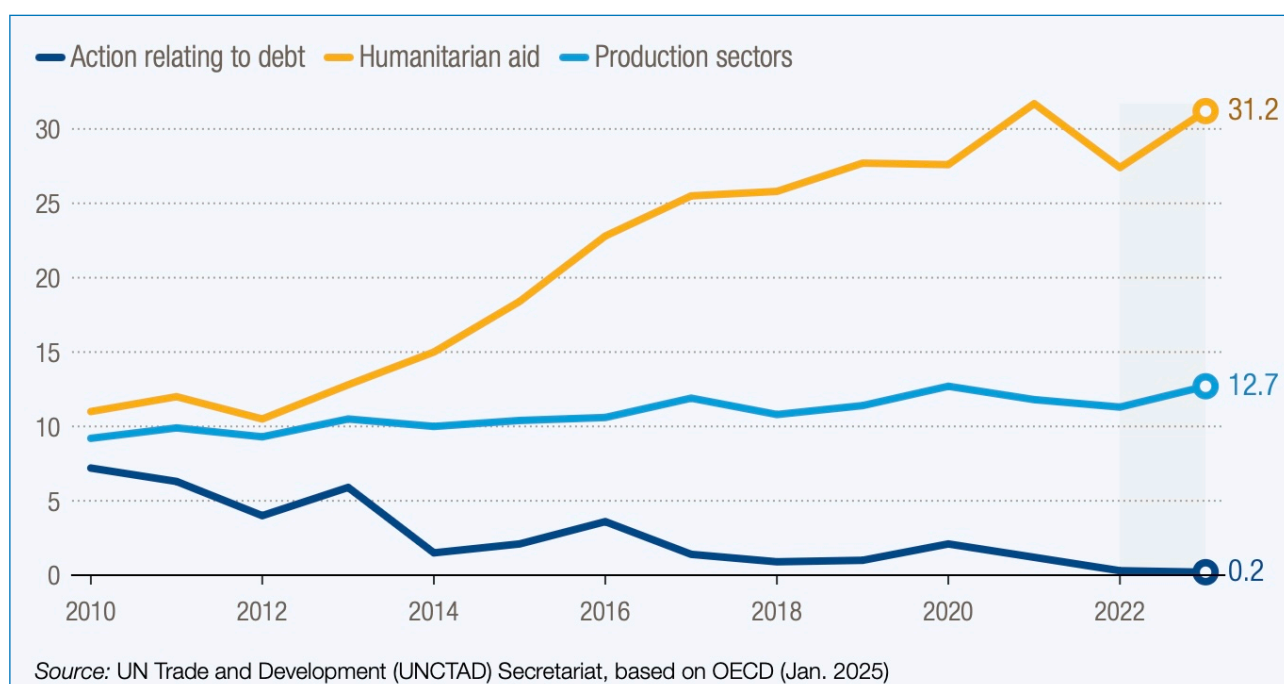
This major change took place because of the multiplication of emergencies such food crises caused by drought, floods, earthquakes or conflicts, or by health

¹ see for example, how food assistance has been and still is used sometimes [[read](#)].

crises resulting from pandemics (e.g. HIV/AIDS, COVID-19 or Ebola). Meanwhile NGOs and other humanitarian agencies progressively shifted “from self-proclaimed rebels to bookkeepers”, in the context of humanitarianism’s “complex history and conflicted soul: from its colonial, gendered, and racialised origins to its continuing absorption by the Western liberal project” [\[read\]](#).

In addition, ODA has been **increasingly directed towards middle-income countries**, at the expense of low-income countries, particularly in Africa where actual ODA decreased since 2020 [\[UNCTAD, 2025\]](#), a trend largely linked to the fact that success is more easily met in locations where things already work.

Figure 1 – Official development assistance (ODA) to developing countries by purpose in billions of dollars at constant 2022 prices, 2010–2024



It is within this difficult context that, almost one year ago, another crisis broke: the brutal closure of USAID with the advent of a new US administration, and considerable aid budget cuts in other major Western donor countries, mostly linked to higher defence spendings in reaction to the invasion of Ukraine by Russia.

The USAID shut down

On 28 March 2025, the Trump administration informed that it would shut down USAID, more than 60 years after the creation of the agency by President J.F. Kennedy. USAID was the **largest source of ODA in the world** with a total budget

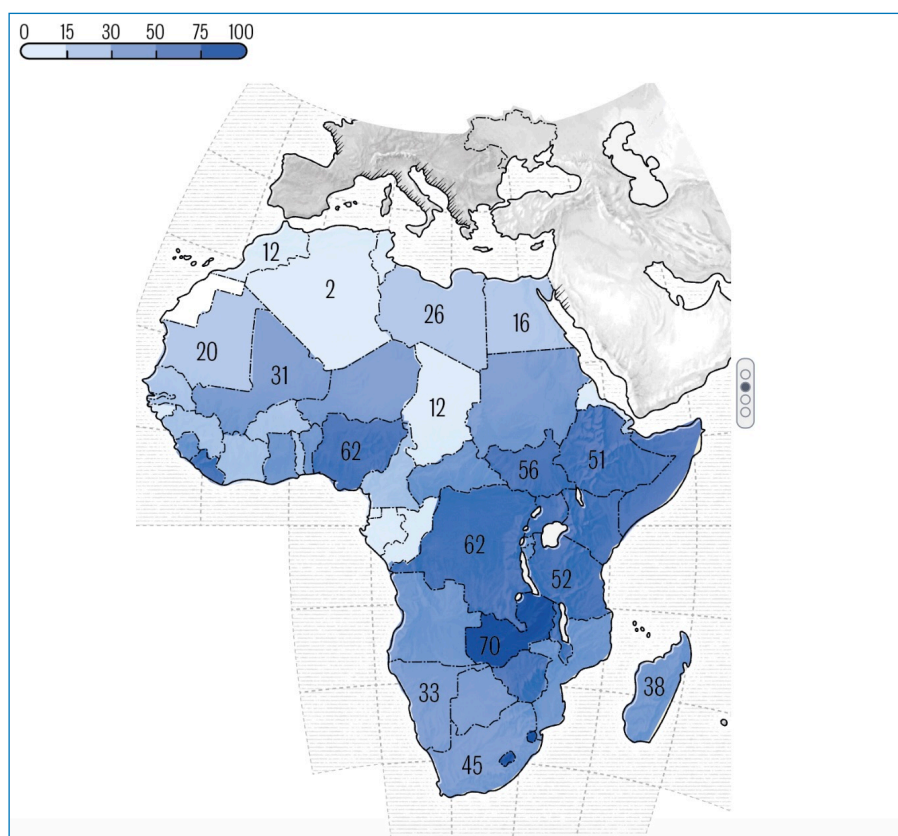
of more than USD55 billion in official development assistance (ODA) in 2023², and programs in more than 100 countries.

In recent years, the biggest sectors funded by USAID were humanitarian assistance and health, followed by governance and administration. Agriculture only benefitted from a minor share of its budget [\[read\]](#).

From the regional point of view, USD12.3 billion went to Africa in 2023 [\[read\]](#), continent for which it represented, on average, more than 35% of total ODA received [\[read in French\]](#).

Figure 2 shows the importance of the United States in the ODA received by African countries.

Figure 2 – The share of the United States in ODA obtained by African countries in 2023 (in %)



Source: [Holzinger et al., 2025](#).

Announcements made by the US Administration suggest that 82% of USAID programmes will be terminated.

² representing around 0.24% of its gross national income (GNI), to be compared to the OECD's recommended share of 0.7%. Military expenditure corresponded to 3.3% of GNI [\[read\]](#) while the US Administration envisions its increase by 50% in the near future.

This will imply

- two thirds cut of the funding for global health programmes, including 50% cut for HIV/AIDS and 100% cut for the [Global Fund](#), [GAVI](#), [the Vaccine Alliance](#) and [WHO](#),
- reduced funding of the African Development Bank,
- a 75% cut in funding of the Millennium Challenge Corporation that had significant activities in the area of agriculture (e.g. infrastructure, land policy) [\[read\]](#), and
- funding of three new accounts: one for refugees, one new “America First Opportunities Fund”, and one for humanitarian assistance, for a total of USD6.9 billion [\[read\]](#).

Based on the analysis of the past impact on mortality of USAID programmes, a study published by The Lancet [\[read\]](#) estimated that, over the last two decades, they had helped prevent more than **91 million deaths globally**, including **30 million deaths among children**.

The same study calculated that the **dismantling of the agency** could result in more than **14 million additional deaths by 2030**, including **4.5 million deaths among children younger than 5 years** in low- and middle-income countries.³



Source: [Popa Matumula, 2025](#)

Several important areas are sources of particular concern. One of them is the perennality of anti HIV/AIDS programs, as, since 2015, international donors have accounted for approximately 40% of HIV funding in low- and middle-income countries, with the US serving as the largest contributor [\[read\]](#). Others include actions against malaria and neglected tropical diseases, tuberculosis, nutritional

³ [impactcounter.com](#) estimates that since the decision was made to cut aid funding, it has caused the death of 790,000 persons, of which 534,000 children (on 4/02/2026).

deficiencies, diarrhoeal diseases, lower respiratory infections, maternal and perinatal conditions, and education⁴.

Important international organisations in the health sector will be severely impacted, such as the [Global Fund to Fight AIDS, Tuberculosis and Malaria](#) and [GAVI, the Vaccine Alliance](#) as they were getting a large share of their funding from the US.

Low-income countries, particularly in Africa, are expected to suffer most from the US decision [\[read\]](#). As can be deduced from **figure 2**, countries like Zambia, DRC, Nigeria and Tanzania will be hit hardest. Some countries, in addition to being impacted by the withdrawal of USAID, will be subjected to higher tariffs imposed by the US. This is the case, for example, for Lesotho, Madagascar, Mauritius, South Africa, and Botswana [\[read\]](#).

In the area of food security and emergency assistance, the shut down of USAID will strongly affect the capacity to respond swiftly to crises, as UN agencies like WFP and UNICEF, as well as a great number of NGOs relied heavily on US funding. This will impinge life-saving operations and negatively impact global food security [\[read\]](#).

A study published late 2025 makes an early assessment of the consequences of budgetary restrictions resulting from cuts in the US and in European countries on 62 French international solidarity NGOs. The results show that almost all of them have been directly affected and had to reduce their activities, suspend or close projects (1280 projects concerned), lay off part of their staff (10,000) and diminish significantly their operational capacity, harming 15 million people.

Longer-term consequences will be felt in beneficiary countries, as long-standing local partners are destabilised by cuts, local communities lose trust and the progress they have achieved over the past years are being threatened [\[read in French\]](#). Similar situations are observed in other donor countries, including the US, and in the case of major international NGOs.

The abruptness of the cut and the fact that several important donors are reducing their contributions simultaneously make the change extremely violent as this leaves little time and opportunity for adjusting, generating a cascade of disasters where projects closures will likely not respect basic ethical principles [\[read here and here\]](#).

In addition to creating havoc in healthcare, education, economic development, governance, and humanitarian assistance, these unexpected cuts will also strongly affect the image, soft power and influence of the United States (and of other donor countries) in beneficiary countries as well as elsewhere.

⁴ a number of schools benefitting from funds from USAID had to reduce their activities or close in 2025 for lack of resources.

On the positive side, this abrupt reduction in ODA could, according to some analysts, be an opportunity for beneficiary countries “to reclaim agency over [their] developmental trajectories, unshackled from external conditionalities and structural dependencies”. For them, this could be the beginning of an era of greater self-reliance and enhanced cooperation among ex-beneficiary countries [\[read\]](#). It could be some kind of a wake-up call for countries to take up their responsibilities [\[read\]](#), as it is well known that in a number of countries, governments choose dependence to avoid allocating proper resources to some domains (e.g. health, education or emergencies), on the ground that “donors will provide ‘cold’ funds, in case of need”.⁵

Other observers, however, believe that the void resulting from the change of US aid policy “could create a power vacuum, potentially exploited by countries like China, thereby straining US diplomatic ties with recipient nations” [\[read\]](#).

ODA cuts in other countries

For decades, a number of rich countries have surfed on the ‘**peace dividends**’, believing that war was an unlikely occurrence. Since the progressive shift of US interest from Europe to Asia and the 2022 invasion of Ukraine by Russia, high-intensity war has again become a very concrete threat in Europe, triggering a **massive rearmament** that will consume huge amounts of resources.

One of the main victims of this new trend has been ODA, probably because scaling down funding in that area is less likely to create domestic protests.

Thus, in the UK, the government decided to cut aid from 0.5% to 0.3% of GNI by 2027. Top victims considered are GAVI, bilateral partnerships with African governments and aid programmes supporting marginalised communities [\[read\]](#).

ODA provided by the European Union and its member countries, when aggregated results larger than that of the US, according to OECD data (USD96 billion compared to USD67 billion for the US in 2024).

Countries such as Germany (second individual donor country, after the US), France, Netherlands and Finland have also decided to reduce aid funding. Less brutal than the US, these cuts will, however, have serious consequences in the medium and long term. They will probably entail closing some agencies and merging of aid instruments, and make the possibility for the EU to fill the vacuum created by the US cuts seems unlikely.

The EU Secretariat alone is considering to slash by 35% its aid budget for the period 2028–2034, and its member countries are also likely to diminish bilateral aid funding, but all the figures are not yet known [\[read\]](#).

⁵ as stated by one African prime minister at a regional meeting in his inaugural speech.

Conclusion

International aid is in crises.

A **first crisis** has progressively taken shape over the last decades that saw a **de facto change of priorities**: aid for the development of beneficiary countries has little by little become

- an aid to cope with emergency situations that make the headlines of rich countries and move their audiences,
- an aid to influence beneficiary countries and make them change their policies, impose unequal trade agreements, and, finally,
- an aid to promote the interests of the private sector of donor countries.

From the point of view of beneficiary countries, results obtained are disappointing, to say the least, even when compared to the very limited resources mobilised by aid agencies.

A **second crisis**, more brutal, was added to the first one: geopolitical shifts and the return of high-intensity war in Europe are causing a **spectacular fall in the resources** allocated to official development assistance.

The **consequences** of these crises will be felt: **in the immediate future**, mortality will be higher and some development achievements in beneficiary countries will prove to be fragile.

It is still too early to measure implications of these crises in the **medium and long term**. Circumstances in low- and intermediate-income countries are no longer what they used to be at the time of the independences. Their population has grown, capacities have developed there, even if in an unequal way among countries and within their societies.

There are (at least) **two possibilities**, as always:

- a **good one**: greater mobilisation and agency in countries for gaining more independence and take better control over their development trajectory,
- a **not as good one**: lack of reaction of governments leading to a degradation of the situation, all the more as the period is one of fierce competition for global natural resources [[read pp. 5-7](#)] and markets.

The next ten years will be crucial.

[Materne Maetz](#)
(February 2026)

To know more:

- Coordination Sud, [La solidarité internationale en péril – Impact des coupes budgétaires dans l'aide publique au développement](#), 2025 (in French).

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- Aloudat, T., [Why reform isn't enough: From rethinking to remaking humanitarianism](#), The New Humanitarian, 2025.

Selection of earlier articles published on [hungerexplained](#) related to this topic:

- [An unequal world: facts, causes, consequences, and possible remedies...](#) 2025.
- [The food weapon: a never-ending and horrendous story...](#) 2025.
- [Understanding our world: end or new phase of capitalism?](#) 2025.
- ['Developing countries', a convenient and resilient fiction?](#) 2024.
- [Privatisation of development assistance: integrating further agriculture into the world market](#), 2018.

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