



Lunch meeting

Funding shocks and the strategic impact on the humanitarian system

29 April 2025, webinar

Summary report

This year, but also in 2024, many donors announced budget cuts for humanitarian action. The resulting funding shocks affect humanitarian action both immediately and in the long term. Organisations are being forced to stop vital programmes, lay off staff, and reduce their presence in communities, leaving people in need with little to no support. 'Seismic shift', 'humanitarian disaster', or 'opportunity for radical change': these are all perspectives on how the humanitarian system should respond to the current developments. On 29 April, KUNO organised a lunch meeting to discuss funding shocks and the strategic impact on the humanitarian system. Two speakers offered their arguments for necessary and major changes.

Themrise Khan, Independent Development Professional and Publicist, addressed some of the main flaws of the humanitarian system. Themrise claims that the time for humanitarian action, particularly in the broader context of foreign aid, is over. Instead, it is time to come up with a new way of doing things that would reduce dependency on the West. Humanitarian action is part of the broader system of foreign aid, causing it to suffer from similar anomalies regarding power, domination, and control. The humanitarian action sector is becoming more selective about which disasters to assist. The humanitarian system is highly political, and decisions on where to act are political in nature rather than necessarily humanitarian. It is not a matter of underfunding; it is about being selective, even when the number of humanitarian crises around the world is increasing.

Secondly, every country has its own form of humanitarian system, whether formal or informal. Every country has the capacity to assist its people to some extent. In times of crisis, the first responders are usually local citizens. For example, during the catastrophic floods in Pakistan in the summer of 2022, the first responders were villagers helping each other. This ethos needs to be cultivated and supported. However, in many disasters and crises, international aid agencies often enter the country, take over, and replace these local initiatives.

Thirdly, there needs to be a clearer distinction between development and humanitarian action. Development aid functions more as a soft power tool and invests in, for example, education, health, and more economically centred areas, which technically fall under the responsibility of nation states. In contrast, humanitarianism is altruistic in nature and is disaster and conflict-centred. Their objectives are completely different. In short, while the objective of humanitarian action – saving lives – may seem straightforward, the realities are much more complex. They are morphing into each other. However, the distinction is important.

Arjan Hehenkamp, Crisis Lead for Sudan at the International Rescue Committee, stated that 25 years ago, the combined total of the consolidated humanitarian appeal for the United Nations worldwide was \$4 billion. Now – after the funding cuts of 2025 – this is over \$40 billion. This demonstrates that over the years, a massive budget increase for humanitarian action has taken place. Alongside the budget, the scope of humanitarian action has drastically increased as well. Looking back to the Cold War era, this explains why this is the case. During the Cold War, The Soviet Union and Western states had significant interests in investing in South Asian and African countries in order to be able to sustain their political interests and their allied states. This interest disappeared after the end of the Cold War. From that moment, the task of providing aid was delegated to multilateral institutions, the United Nations, and NGOs. This system pressured African and Asian states to divest in public service provision towards their population. The NGOs and United Nations stepped into the vacuum left by the lack of interest of Western states and reduced investments in public service provision. Humanitarian action was rapidly expanded, and humanitarian organisations felt that they needed to do more, causing the time frame, scope and geographical reach for humanitarian action to drastically increase. This expansion of humanitarianism is referred to by Hugo Slim as the ‘Humanitarian Christmas Tree’. This analogy refers to the constant addition of ornaments to the tree without ever taking anything off.

Arjan explained that humanitarian action serves a wide range of purposes and is often provided in countries where the government is, in principle, capable of delivering such assistance. Humanitarian action has become ‘meaningless’ in the sense that it means everything for all people in all situations all the time.

The funding cuts made by the United States government - and other governments like the Netherlands - raise a fundamental question: Can the humanitarian system maintain its forest of Christmas trees, or should action be more focused on situations deemed most necessary? Arjan argues that humanitarian action is most legitimate and effective in situations where there is intense and violent polarisation and contestation of power, and where there is no capacity and will of the government or its institutions to intervene

and take care of the well-being of its population. The core purpose of humanitarian action is to address vital, life-saving needs.

The funding cuts present an opportunity to return to the core purpose of humanitarian action. There are three situations where humanitarian action will be effective and legitimate, if only for a short period of time:

- 1) Situations of active conflict (or intense violence which approximates conflict);
- 2) Situations of malign neglect where there is deliberate and systematic discrimination of a particular need or particular population;
- 3) Phases of acute disaster or outbreaks where local capacities are overwhelmed by the disaster.

In other situations, humanitarians should consider which forms of intervention might be more effective, such as debt relief. In response to the funding cuts, many NGOs and other humanitarian actors have had to withdraw from various countries. This leaves the question: what were they doing there in the first place? Arjan ended his address with a clear call not to do less with less, but rather to do more in fewer situations.

Reflection and discussion

The audience raised questions and concerns regarding these changes in the scope of the humanitarian system. First, given the complexity of the humanitarian ecosystem, how can its infrastructure and governance be adapted to implement these changes? It is extremely difficult for international bodies or organisations to change their governance, since this is political and bureaucratic in nature. The key question is not how to restructure. Instead, it should be asked whether these organisations actually belong on the ground in the first place. This will dictate whether their governance structure needs to be changed. The decisions on where to focus efforts should, ideally, be made by the countries most at risk of humanitarian crises. In reality, it is often donors who make these decisions. To change this, NGOs would need to change their funding models to get more unrestricted funding not tied to specific objectives or regions.

Themrise added to the discussion that the nexus was not realistic in the first place. A strong development sector is needed—one that also supports or enables the country to build a humanitarian system. They do not need to co-exist as their objectives do not necessarily align.

Participants commented on the distinction between development aid and lifesaving aid, and the difficulty of refocusing humanitarian action. South Sudan, for example, has a non-functioning government and faces recurring humanitarian crises and prolonged displacement. Talking with affected populations shows that they need livelihood support rather than, for example, plastic sheets. The government is not—and is unlikely to—meet the needs of its population, and development actors are not present in many areas.

Similarly, Yemen is experiencing a protracted humanitarian crisis, and the government is not meeting the livelihood needs of its population. This raises a critical question: what should the role of humanitarian actors be in such situations, and is it possible to refocus solely on life-saving assistance?

In response, it was argued that humanitarian action cannot address the root causes of crises and may therefore not be the appropriate response in such situations. Humanitarian action is put in an impossible position: if we try to make it the answer, we make it something that it is not.