

Cuts in official development assistance: OECD projections for 2025 and the near term

26 June 2025

Key messages

- **The OECD projects a 9 to 17% drop in official development assistance (ODA) in 2025.** This comes on top of a 9% drop in 2024. The outlook beyond 2025 remains highly uncertain.
- **The projected decline is driven by announced cuts in four major providers of ODA.** For the first time in nearly 30 years, France, Germany, the United Kingdom, and the United States all cut their ODA in 2024. If they proceed with announced cuts in 2025, it will be the first time in history that all four have cut ODA simultaneously for two consecutive years.
- **ODA in 2027 is projected to fall back to 2020 levels. That said, needs continue to grow and the projected ODA cuts will impact the poorest countries and vital services hardest.**
 - In 2025, least developed countries (LDCs) are projected to see a 13-25% fall in net bilateral ODA from DAC providers. Countries in sub-Saharan Africa could face a 16-28% decline.
 - Bilateral ODA for health is projected to decline by 19-33 % in 2025 over 2023 levels, marking further falls from previous high levels related to COVID-19 support. ODA for health in 2025 is projected to fall below pre-COVID-19 levels.
 - Anticipated cuts to multilateral organisations may trigger a second wave of funding decreases for the poorest countries and vital services. In 2023, nearly half of ODA to LDCs was delivered through multilateral channels. The eleven providers that have announced cuts account for between 62% (for WHO) and 87% (for WFP) of funding to key multilateral health and humanitarian agencies.
- **Co-ordinated action is critical to avoid major impacts on the countries and people most in need. Providers could:**
 - Share forward plans, information, and analysis on the implications of evolving ODA levels and allocations, underpinned by data and evidence;
 - Work together, and with countries and territories that receive ODA, to find solutions to close finance gaps, and protect and sustain focus on the highest impact programmes and investments, especially for countries, sectors, and populations most in need;
- Diversify partners, pool resources, catalyse private sector investment where appropriate, and support the mobilisation of domestic resources.

Where might cuts to official development assistance (ODA) fall in 2025 and the near-term? This Policy Brief examines this question by drawing on a survey of members of the OECD Development Assistance Committee (DAC), as well as their public announcements, and by projecting ODA for the period 2025 to 2027 (see **Box 1** for methodology). These figures are based on the OECD's calculations and final figures may differ. The analysis, and underlying data¹, aim to inform efforts to co-ordinate, plan and prioritise the allocation of more limited resources.

If providers continue to allocate aid as they have in recent years, LDCs, countries in sub-Saharan Africa, and the health sector are likely to be particularly exposed to cuts in official concessional financing. However, this projected outcome is not a foregone conclusion. Providers can still work to reverse and reconsider cuts in coming years and work better together to allocate available ODA to help protect the poorest and most vulnerable.

What is the state of play?

In 2024 (the latest year of official data), ODA fell by 9% in net terms² (OECD, 2025^[1]). The OECD projects an additional 9-17% decline in ODA in 2025. The outlook beyond 2025 remains uncertain, with indications of further significant overall declines.

Eleven OECD DAC members³ have publicly announced ODA cuts for the period 2025-2027. Together, these countries accounted for nearly three-quarters of total ODA in 2024, making these reductions a major shock to international development co-operation. Four of these countries – France, Germany, the United Kingdom, and the United States – collectively accounted for close to two thirds of total ODA over the past decade, with the United States alone accounting for one quarter. 2024 marked the first time since 1995 that all four providers decreased their ODA budgets in the same year. The further cuts announced mean that 2025 may mark the first time that all four reduce their net ODA for two consecutive years.

Despite planned increases in ODA by Ireland, Korea, and Spain⁴ – and commitments by other members to maintain existing high levels of ODA (Denmark at 0.7% of GNI, Norway and Luxembourg at 1% each of GNI) or to reach specific ODA/GNI commitments⁵ – ODA in 2027 is projected to fall back to 2020 levels. While still above 2019 pre-pandemic levels, the projected cuts risk undoing recent gains at a time of growing needs across countries and territories that receive ODA⁶ (hereafter referred to as 'ODA recipients').

ODA plays different roles in the financing mix of each recipient country. In LDCs and a number of sub-Saharan African countries, concessional finance like ODA accounts for the bulk of international financial flows where there is low and volatile foreign direct investment and high costs of capital limit access to alternative sources. OECD research has shown that mobilised private finance has so far largely benefited middle-income countries (OECD, 2023^[2]). ODA is also often heavily concentrated in social sectors, such as health and education, as well as other vital services. While ODA recipients remain the primary drivers of development outcomes, the sudden withdrawal of ODA is difficult to replace quickly with other funding sources – especially those that are as flexible, targeted, and focused on poverty reduction as ODA.

The scale of cuts by the largest providers in terms of volume, and the lag time between the announcement and implementation of cuts, also mean that impacts are unlikely to be confined to a one-year fall in ODA, but rather may reflect a more systemic change that could be felt at least through 2028 (**Box 2**).

Box 1. Methodology for projecting ODA from 2025 to 2027

All financial amounts were adjusted to USD denominated estimates of a single base year (2023) to enable comparisons over time. The exchange rates and GDP deflators used for this adjustment were sourced from the OECD's Economic Outlook 116 database.

Total ODA

Projections of total ODA are based on three approaches:

- DAC members' responses to a dedicated OECD survey on their ODA budgets over the next three years, undertaken in April 2025. Twenty-six of thirty-three members have responded to the survey as of June 2025.
- DAC members' official announcements of their future ODA budgets.
- If information was not available from either of the previous two sources, projections were based on the multiplication of preliminary ODA/GNI ratios in 2024, published by the OECD in April 2025, by projections of GNI in 2025-27. Projections of GNI are based on applying forecasted gross domestic product (GDP) growth rates (published by the International Monetary Fund in its April 2025 World Economic Outlook) to estimates of GNI reported by members from 2024 onwards.

These approaches led to projections of total ODA from DAC member countries in 2025-27 based on two scenarios: a "lower cut" scenario and "higher cut" scenario. The main difference between the two scenarios is the calculation of ODA projections for the United States. The "lower cut" scenario reflects a 38% cut to USAID funding in 2025 from its 2024 amount, based on a conservative approach published by the Center for Global Development on cuts to Fiscal Year 2024-25 obligations (Sandefur and Kenny, 2025^[3]). The "higher cut" scenario reflects an 82% cut to USAID funding in 2025 from its 2024 amount, based on a policy announcement by the US Secretary of State in March 2025 that 82% of USAID programmes were being terminated.

Case studies

Projections at a disaggregated level focused on three case studies: bilateral ODA to LDCs; sub-Saharan Africa; and health and population activities. For each provider, the OECD applied projections of total ODA to the share by provider country of net bilateral ODA to LDCs, sub-Saharan Africa, or the health sector individually based on historical data. For LDCs and countries in sub-Saharan Africa, the applied shares were based on average shares of bilateral ODA in 2023 and 2024 (preliminary ODA). For health, since preliminary data on 2024 ODA were not available, only the share of bilateral ODA in 2023 was used. Since these disaggregated projections are based on projections of total ODA, a "lower cut" and "higher cut" scenario is shown for each.

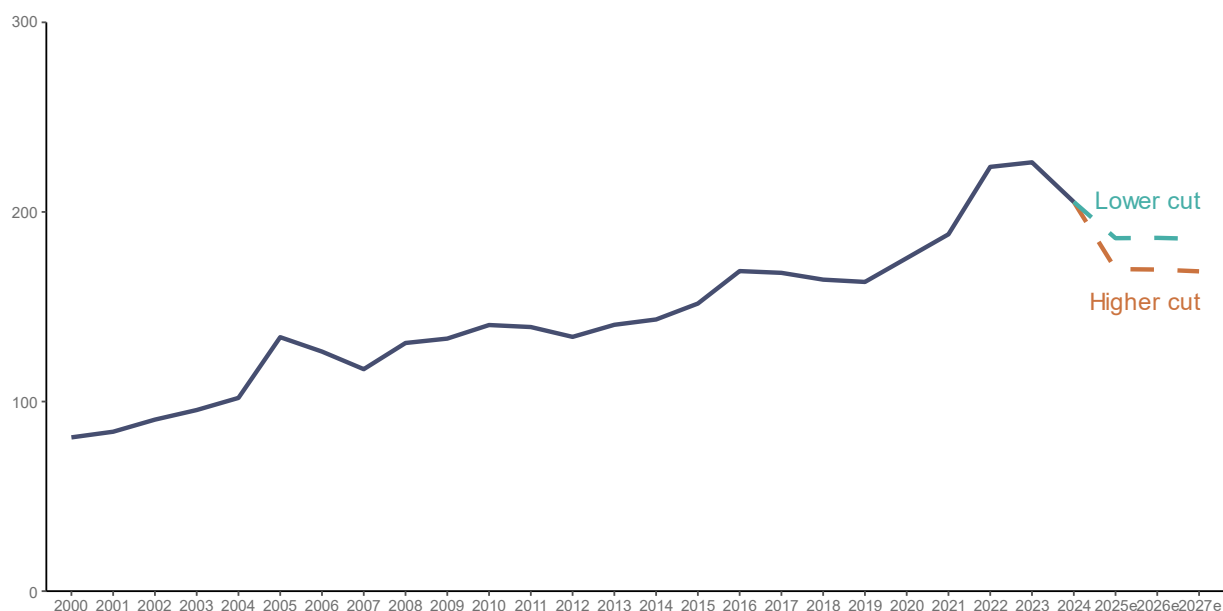
Sources: (Sandefur and Kenny, 2025^[3]); (IMF, 2025^[4]); (OECD, 2025^[5]). (2025^[5])

After declining by 9% in 2024, net ODA is projected to fall again by 9-17% in 2025

ODA is set to decline in 2025, continuing the reversal in growth seen since 2020. The OECD projects a drop of 9 to 17% in 2025, bringing net ODA to between USD 186 billion ("lower cut" scenario) and USD 170 billion ("higher cut" scenario) (Figure 1). In volume terms, the higher cut scenario would represent a USD 35 billion decline from 2024 – coming on top of the USD 21 billion decrease in ODA already seen in 2024, for a total two-year decline of USD 56 billion from 2023 levels.

Figure 1. After increasing to meet the demands of recent consecutive crises, ODA is set to fall further in 2025 and in the near term

Trends in total ODA from DAC countries, 2000-24 (official data) and 2025-27 (projections), USD billion, constant (2023) prices



Notes: Data from 2001 to 2023 reflect final statistics reported to the OECD. 2024 data are preliminary. Estimates in 2025-27 show a range of projected ODA – more information on the methodology is available in Box 1.

Sources: OECD (2025^[5]), OECD Data Explorer, *DAC1: Flows by provider (ODA+OOF+Private)*, <http://data-explorer.oecd.org/s/od>; OECD (2025^[6]), OECD Data Explorer, *DAC2A: Aid (ODA) disbursements to countries and regions*, <http://data-explorer.oecd.org/s/ob>.

The outlook to 2027 is similar, with a projected cut of 10 to 18% in ODA over 2024-2027. Projections for the period 2024-27 reflect high uncertainty after 2025, given that budgets for 2026 and 2027 are not yet decided, and national budgeting timeframes and processes vary across DAC members (OECD, 2021^[7]). In particular, the United States Fiscal Year (FY) 2026 budget proposal and rescissions package could imply a steeper cut in US foreign assistance in 2027 and beyond (**Box 2**).

Box 2. Outlook for United States' foreign assistance

In 2025, the United States announced significant cuts to its foreign assistance (Pamuk, 2025^[8]). The FY2026 Department of State budget request includes:

- A two-thirds reduction in funding for bilateral global health programmes, including a 50% cut for HIV/AIDS and no allocations to the Global Fund, Gavi, the Vaccine Alliance, or the World Health Organisation.
- No funding for the African Development Bank's concessional window, amounting to a USD 155 million cut over 2026–2028 for the ADF-17 replenishment.
- A 75% cut in funding for the Millennium Challenge Corporation (for 51 developing countries across a range of income groups).
- Funding for three new accounts: USD 1.5 billion for the President's Emergency Refugee and Migration Assistance; USD 2.9 billion for the America First Opportunities Fund¹; and USD 2.5 billion for a consolidated international humanitarian assistance account that merges two entities (one account and one fund) and represents a 66% cut from FY2025 levels (U.S. Department of State, 2026^[9]).

At time of publication, the FY2026 Department of State budget request was before Congress for budget hearings and approval. Most funds must be obligated within 2 years of appropriation. Spending and disbursements can only begin once funds are obligated, generally in the 2-4-year period after obligation, but sometimes longer. This means that most disbursements tied to the FY2026 budget are anticipated to materialise at the end of 2027 and into the following years.

The FY2026 budget request also proposes rescinding USD 9.6 billion of previously approved budget authority for State and International Affairs (U.S. Department of State, 2025^[10]). On 12 June, the House approved rescinding USD 8.3 billion of foreign assistance from earlier appropriations (U.S. House of Representatives, 2025^[11]). The Senate must approve this package by mid-July for it to take effect (Collinson and Hurley, 2025^[12]). If passed, these cuts – mainly affecting global health and disaster relief – would reduce disbursements starting in 2026 and exacerbate planned cuts to these sectors.

As of 2025, a modest fraction of appropriated funds from previous budgets have been obligated by USAID or the Department of State, which now oversees foreign assistance (Center for Global Development, 2025^[13]). Following the phasing out of USAID's operational activity, building the Department of State's ability to administer the relevant appropriations will take time. With limited direct government-to-government aid, the U.S. relies heavily on CSOs and contractors – many of whom are now inactive or operating at reduced capacity (Professional Services Council, 2025^[14]).

1. According to the budget request, this Fund would focus on "strategic investments that make America safer, stronger, and more prosperous and support some of America's most enduring and critical partners, including India and Jordan; support activities critical to keeping American safe, such as repatriations; counter China and other near-peer rivals; and fund new activities to strengthen America's national security priorities" (Office of Management and Budget, 2025^[15]).

Sources: Collinson and Hurley (2025^[12]); U.S. Department of State (2025^[10]); Office of Management and Budget (2025^[15]); Pamuk (2025^[8]); Professional Services Council (2025^[14]); U.S. House of Representatives (2025^[11]); Center for Global Development (2025^[13]).

2025 projections in relation to GNI

ODA as a share of GNI is a key measure of providers' budgetary effort. In 2025, the OECD projects that ODA would drop to 0.30% (lower cut) or 0.27% (higher cut) as a share of GNI⁷ – the lowest levels since 2019 and 2007, respectively. If DAC members had maintained the same ODA/GNI ratios as in 2024, total ODA would have increased by 1.2% in volume terms, instead of falling by 9 to 17% in 2025.

LDCs and countries in sub-Saharan Africa are likely to be disproportionately affected by the cuts in 2025

LDCs⁸ and countries in sub-Saharan Africa⁹ are highly exposed to the announced ODA cuts. Bilateral ODA to LDCs could drop by 13% (lower cut scenario) to 25% (higher cut scenario) in 2025, following a 3% decline in 2024 (preliminary data). For countries in sub-Saharan Africa, the projected decline is 16% to 28% (Figure 2), following a 2% decline in 2024. In the higher cut scenario (17% cut in total ODA), these countries could lose around one-quarter of their ODA in 2025 alone.

The projected bilateral ODA to LDCs and countries in sub-Saharan Africa in 2025 would be the lowest since the mid-2000s. For LDCs, bilateral aid has been falling every year since 2022 and is expected to continue to decline (OECD, 2025^[16]).

Major ODA providers, both directly and via the multilateral organisations they fund, are historically active in LDCs and sub-Saharan Africa. ODA also plays a critical role compared to other international financial flows in these countries, representing an important share of GNI (1.6% in LDCs and 2.2% in sub-Saharan African countries on average in 2023) and the national budget (Desai and Carey, 2023^[17]).

The eleven members that have announced ODA cuts have historically provided a substantial share of the bilateral ODA received by LDCs and countries in sub-Saharan Africa (Figure 3). From 2015 to 2024, they collectively contributed an average of USD 23.2 billion per year to LDCs (76% of bilateral ODA to LDCs) and USD 25.0 billion to sub-Saharan Africa (83% of bilateral ODA to sub-Saharan Africa). Four of these providers – France, Germany, the United Kingdom, and the United States – together accounted for USD 20 billion annually to LDCs and USD 22 billion to countries in sub-Saharan Africa in the period 2015-2024. Their funding represents two-thirds of total ODA received by each group.

Moreover, ODA allocations by these four DAC members are concentrated in a few countries within each group. For example, half of their combined net bilateral ODA to LDCs over the period 2014-2023 went to seven countries, namely Afghanistan (12% of the total); Ethiopia (9%); South Sudan, Yemen and the Democratic Republic of Congo (all 6%); Somalia and Tanzania (5% each). One third of their combined ODA to sub-Saharan Africa went to just five countries: Ethiopia (8%, also an LDC), Nigeria (7%), South Sudan (also an LDC), Kenya and the Democratic Republic of Congo (5% to each of the three countries).

Multilateral organisations are also major providers to LDCs and countries in sub-Saharan Africa and could help compensate for drops in bilateral ODA to the poorest countries (OECD, 2024^[18]). For example, in 2023, while DAC countries' net bilateral ODA to LDCs fell by 0.8%, concessional outflows from multilateral organisations rose by 7% to reach USD 28 billion. Moreover, multilateral finance accounted for 43% of total receipts in LDCs and other low-income countries. The World Bank's International Development Association (IDA), for example, which disburses USD 20-25 billion per year, prioritises countries with high poverty and inequality. Cutting funding to multilateral organisations could therefore also negatively impact the poorest countries.

Figure 2. LDCs and countries in sub-Saharan Africa face the steepest cuts

Net bilateral ODA for sub-Saharan Africa and LDCs from DAC countries, 2002-24 (official data) and 2025-27 (projections), USD billion, constant (2023) prices

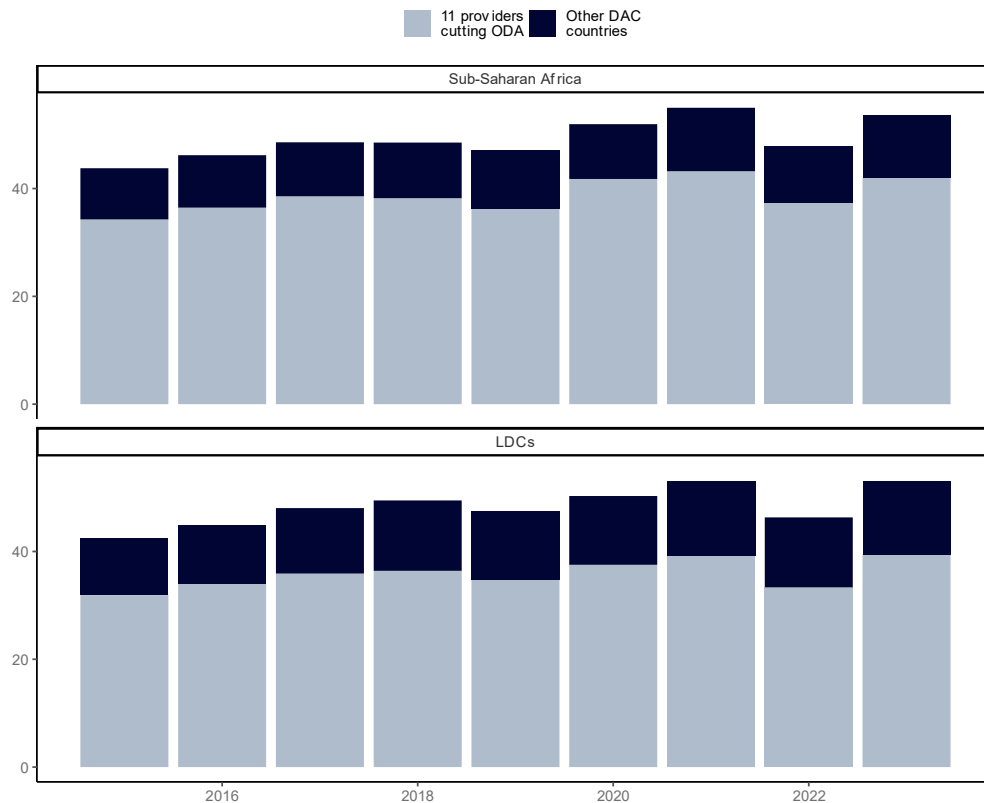


Notes: Data from 2002 to 2023 reflect final statistics reported to the OECD. 2024 data are preliminary. Estimates in 2025-27 show a range of projected ODA – more information on the methodology is available in Box 1.

Source: OECD (2025^[6]), Preliminary official development assistance levels in 2024, [https://one.oecd.org/document/DCD\(2025\)6/en/pdf](https://one.oecd.org/document/DCD(2025)6/en/pdf); OECD (2025^[6]), OECD Data Explorer, DAC2A: Aid (ODA) disbursements to countries and regions, <http://data-explorer.oecd.org/s/ob>.

Figure 3. The 11 providers that have signalled ODA cuts have a significant footprint in LDCs and Sub-Saharan Africa through both their bilateral and multilateral aid

DAC countries' net bilateral ODA and imputed multilateral ODA to LDCs and sub-Saharan Africa, USD billion (constant 2023 prices)

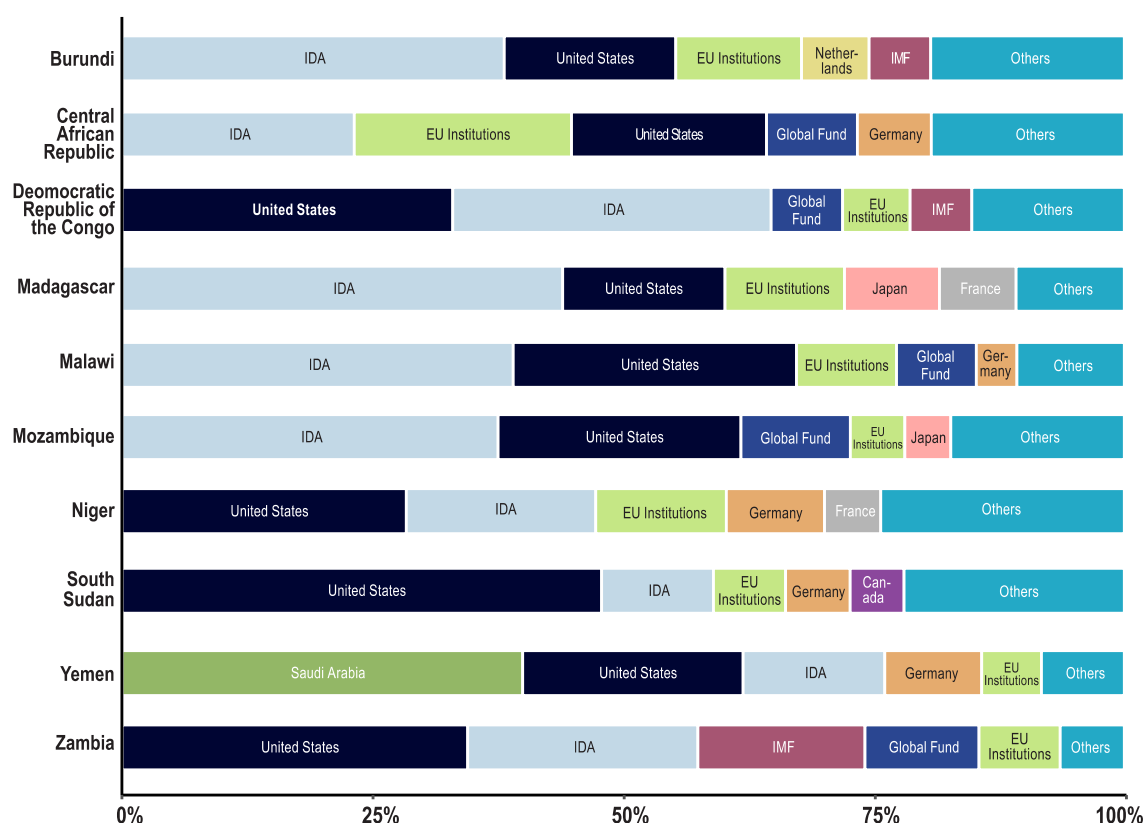


Source: OECD (2025^[6]), OECD Data Explorer, *DAC2A: Aid (ODA) disbursements to countries and regions*, <http://data-explorer.oecd.org/s/ob>.

Figure 4 shows how important major providers that have announced ODA cuts – and the multilateral organisations that they fund – are for the world's poorest countries. In the ten countries with the highest poverty rates as measured by their projected extreme poverty rate in 2023 (World Bank, 2024^[19]), the top five providers in each country accounted for 85% of total ODA receipts. The United States and the World Bank's concessional window, IDA, were the top two providers in eight of these ten countries in 2023. The main funders of IDA in 2023 were, in descending order, the United Kingdom, Japan, Germany, the United States and France – two of which announced reduced pledges to the most recent IDA-21 replenishment.¹⁰

Figure 4. Major providers that have announced cuts, and multilateral organisations they support, are among the top providers of concessional finance in the poorest countries

Share of total ODA received by the ten countries with the highest rates of extreme poverty (2023 projected), top five providers and other providers that report to the OECD



Note: IDA refers to the World Bank's International Development Association. "Others" refers to the remaining providers beyond the top five in each country.

Source: OECD (2025^[6]), OECD Data Explorer, *DAC2A: Aid (ODA) disbursements to countries and regions*, <http://data-explorer.oecd.org/s/ob>; World Bank (2024^[19]), Poverty and Inequality Platform (PIP) version 20240627_2017_01_02_PROD, <https://pip.worldbank.org/>.

Projections differ for LDCs in regions beyond sub-Saharan Africa (which accounts for 33 LDCs). In South & Central Asia (4 LDCs), net bilateral ODA is expected to decrease by 1-8% from 2023 levels (the latest year with official data for this sub-region) in 2025. On the other hand, in Far East Asia (3 LDCs)¹¹, net bilateral ODA is expected to increase by 4-9% from 2023 to 2025. The trend likely reflects the relative stability in ODA among major providers in the regions, such as Japan, the largest provider there.

Bilateral ODA for health is projected to decline further in 2025, compared to 2024

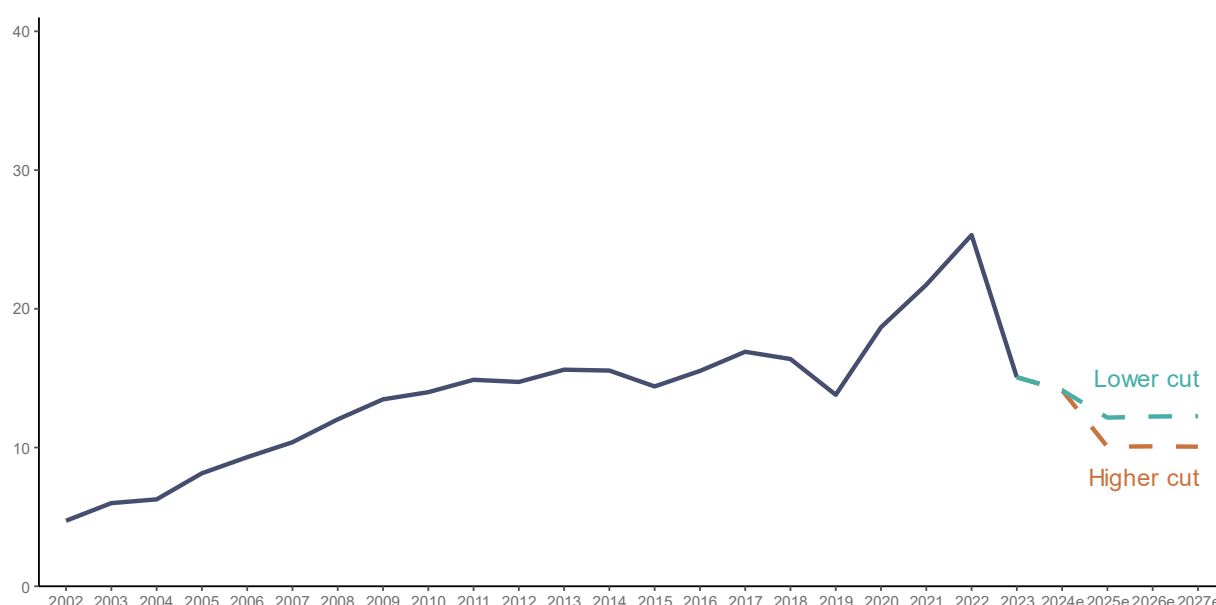
Projections of DAC countries' net ODA for health and population services (hereafter referred to as "health") indicate a 6% decline in 2024 from 2023 levels. This comes on top of a 40% decrease in net ODA for health in 2023, following the peak in 2022, as providers responded to the effects of the COVID-19 pandemic in all countries, including developing countries. The projected decrease was to be expected as the effects of the COVID-19 pandemic lessened.

In 2025, ODA for health is projected to decline further by 14-29% compared to 2024. Compared to 2023 levels (the latest year of official data), the projected decline in 2025 ranges from 19% (lower cut) to 33% (higher cut) (Figure 5). In the higher cut scenario, ODA for health would decline by three-fifths between 2022 (the height of members' response to the COVID-19 pandemic in developing countries) and 2025.

In either scenario, ODA for health in 2025 would match levels last seen in the mid-2000s. This steep decline is concerning given the importance of ODA in supporting ODA recipients' health systems, ensuring access to health care, and strengthening global health security and pandemic preparedness (Penn et al., 2025^[20]).

Figure 5. ODA for health is projected to continue to decline and could fall to mid-2000s levels

Net bilateral ODA for health from DAC countries, 2010-23 (official data) and 2024-27 (projections), USD billion, constant (2023) prices



Notes: Estimates in 2024-27 show a range of projected ODA – more information on the methodology is available in Box 1.

Source: OECD (2025^[6]), OECD Data Explorer, *DAC2A: Aid (ODA) disbursements to countries and regions*, <http://data-explorer.oecd.org/s/ob>.

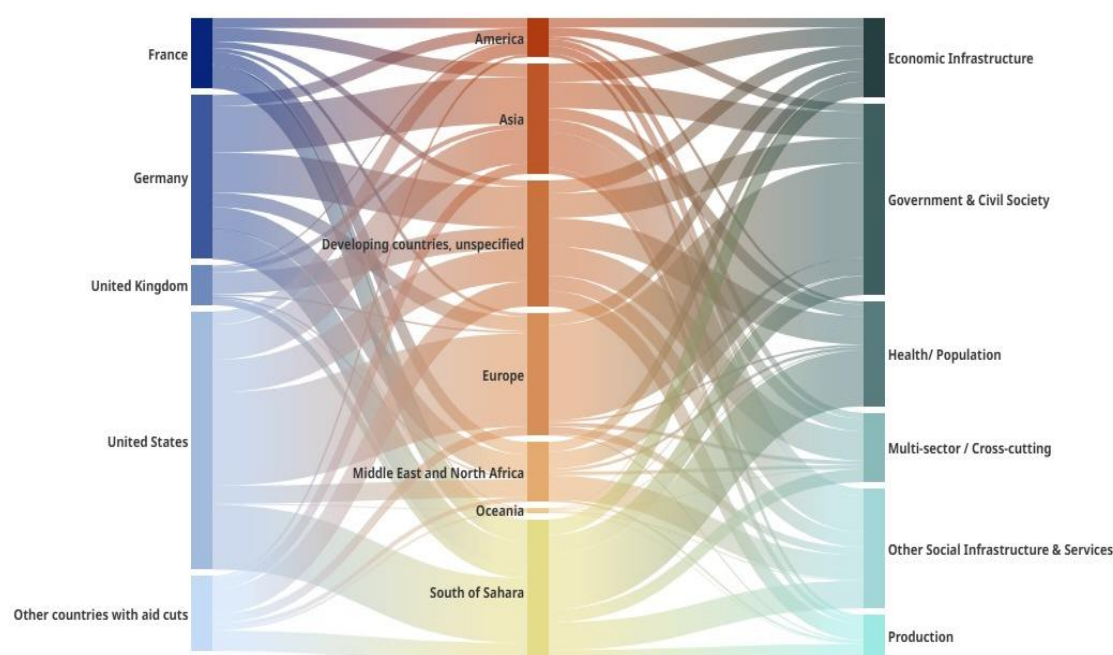
The relative volatility in funding for health is also challenging for ODA recipients. In 2020, health investments surged by 34% compared to 2019 to support developing countries with the response to the global COVID-19 pandemic. ODA for health grew by another 17% in both 2021 and 2022 to reach USD 26 billion in 2022, in response to the COVID-19 pandemic. In 2023, the decline in COVID-19 related funding drove an expected 40% decrease in ODA for health, which fell by USD 10 billion to a total of USD 16 billion. While some have argued that dependency on external assistance for health may have incentivised ODA recipients to de-prioritise domestic health spending, there are significant risks to an abrupt rather than phased transition (Adeyi, 2023^[21]; OECD, 2025^[22]).

Most likely, the projected funding cuts will be spread unevenly across countries and across sub-sectors within health. While ODA for pandemic prevention, preparedness, and response increased 30% annually on average between 2019 and 2022, funding for basic health care, basic nutrition, and water supply and sanitation programmes fell between 2019-2022 in part due to a reorientation of funding to respond to the pandemic; further reductions in these areas risk reversing progress towards universal health coverage and building longer-term resilience to pandemics (Penn et al., 2025^[20]).

Major ODA providers are prominent funders in the health sector (Figure 6). In 2022, they accounted for 73% of total bilateral ODA for health, with the United States alone accounting for 51%. These shares stayed at similar levels in 2023. Additionally, between 2014 and 2023 on average, about 19% of total bilateral ODA to LDCs went to health and population activities, of which 60% alone came from the United States. Similarly, for sub-Saharan Africa over the same period, about 26% went to health and population, of which 69% from the United States.

Figure 6. ODA from providers announcing cuts is significant in health and sub-Saharan Africa

Bilateral ODA in 2023 from the eleven countries that have announced cuts from 2025 to 2027, by region and sector group



Note: For more information on the regions and sectors used in this chart, please refer to OECD's master database on development finance classifications: <https://development-finance-codelists.oecd.org/CodesList.aspx>.

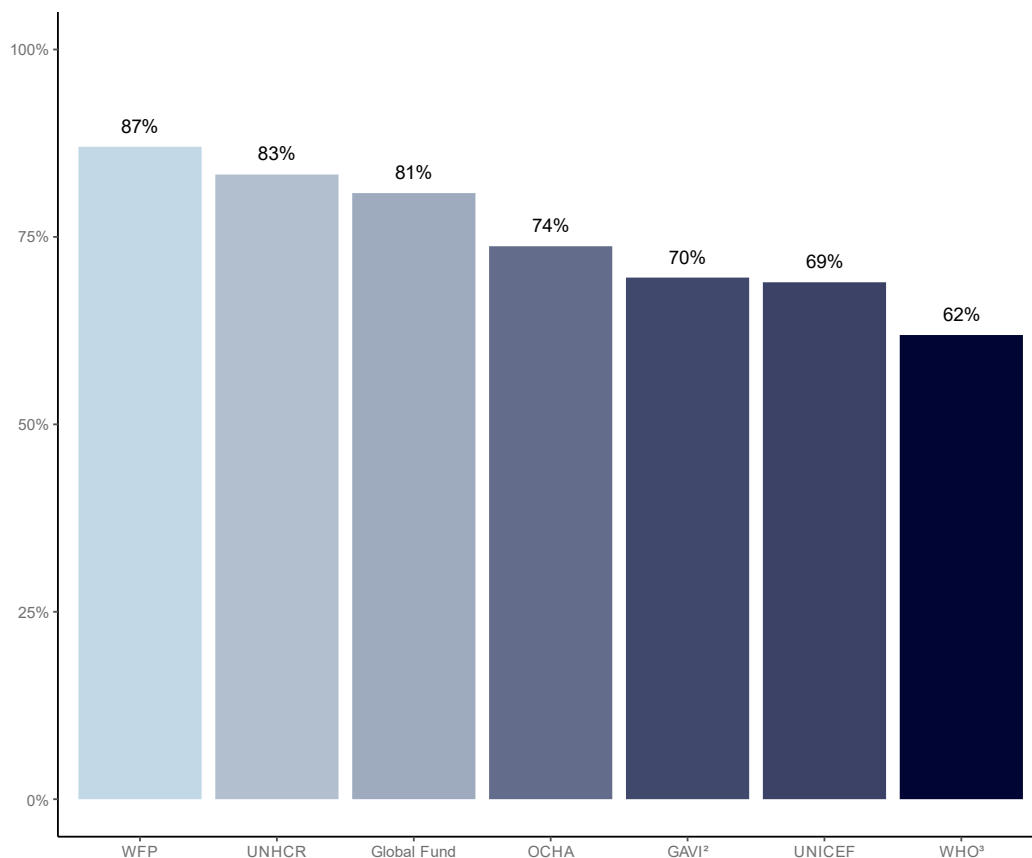
Source: OECD (2025^[23]), CRS: Creditor Reporting System (flows), <http://data-explorer.oecd.org/s/52>.

Looking ahead to 2025 and the near term, ODA for health and population services in LDCs and to sub-Saharan Africa is projected to fall at rates similar to total bilateral ODA to these groups, when comparing 2025 to 2023 – i.e., by 16-27% in LDCs and 17-29% in countries in sub-Saharan Africa, versus 13-25% for LDCs and 16-28% for sub-Saharan Africa as a whole. The similarities reflect the focus of certain providers on the health sector within these groups of countries, as shown in Figure 6. Some ODA recipients are particularly exposed: Kenya, Mozambique, Uganda, South Africa, and Tanzania are among the top recipients of ODA to health. Health also accounts for more than 25% of total ODA received by each country, coming mostly from the major providers among DAC members who have announced ODA cuts.

Multilateral organisations are also important actors in the health sector, both through earmarked and core funding. From 2014 to 2023, on average, multilateral organisations accounted for 38% of total ODA spending in the health sector by all providers. In that same period, they implemented 20% of DAC countries' bilateral ODA for health. These organisations rely significantly on core contributions from ODA providers with planned cuts (Figure 7). For example, the United States' FY2026 budget request indicates zero funding for the Global Fund and GAVI, as well as the World Health Organisation, from which it is in the process of withdrawing (**Box 2**).

Figure 7. Key multilateral health and humanitarian funds are exposed to ODA cuts

Burden-share of the eleven providers that have announced cuts, as % of total disbursements from DAC countries, 2022-2023 average¹



Notes: ¹ With the exception of GAVI, figures are based on two-year averages of core and non-core gross disbursements. ² GAVI figures include 2021-25 direct contributions and pledges, including to the International Finance Facility for Immunisation, but exclude contributions to COVAX. ³ WHO figures include both core voluntary and assessed contributions but exclude contributions to the WHO Strategic Preparedness and Response Plan.

Sources: OECD (2025^[24]), OECD Data Explorer, *Providers' total use of the multilateral system*, <http://data-explorer.oecd.org/s/1td>; GAVI (2025^[25]), Funding, <https://www.gavi.org/investing-gavi/funding>.

Projected cuts could also affect other vital services in countries and territories that receive ODA

A number of other sectors and actors are exposed to the projected cuts in ODA given the prominence of providers that have announced cuts among their top providers in 2023 (the latest year for which official data are available). (Figure 6). For example:

- **Humanitarian aid** is projected to decline by 21-36%, the largest decline of all sectors from 2023 to 2025. The United States accounted for 58% of humanitarian assistance from DAC countries in 2023 at USD 15 billion, and cuts in US ODA would have important knock-on effects for humanitarian efforts through multilateral channels.

- **ODA to education** is projected to decline by 18-22% from 2023 to 2025, with primary education in particular projected to decline by 13-26% in the same period. Three ODA providers gave more than USD 1 billion to education in 2023, together accounting for 65% of total ODA from DAC countries to this sector: Germany (USD 3.2 billion, or 32% of the total); France (USD 1.7 billion, or 17%), and the United States (USD 1.6 billion, or 16%).
- Support for the **government and civil society sector**, comprising human rights, democratic participation and civil society, and public sector reform, is projected to decline by 21-36% from 2023 to 2025. Reduced ODA to Ukraine is primarily driving this decline – Ukraine received 44% of DAC countries' bilateral ODA to this sector in 2023. In 2022 and 2023, as the top provider, the United States alone accounted for 50% and 59%, respectively, of ODA for this sector. Government functions such as data collection are also facing significant ODA funding cuts (PARIS21, 2024^[26]).
- **Civil society organisations**, which received or implemented USD 26.7 billion of DAC members' ODA on average in 2022 and 2023 (13% of total ODA), are also at risk of losing their main sources of funding. The United States (USD 10.3 billion), EU Institutions (USD 2.8 billion), and Germany (USD 2.1 billion) are the top three providers to CSOs, accounting for 57% of the total: each gave more than USD 2 billion to these actors in 2022 and 2023.

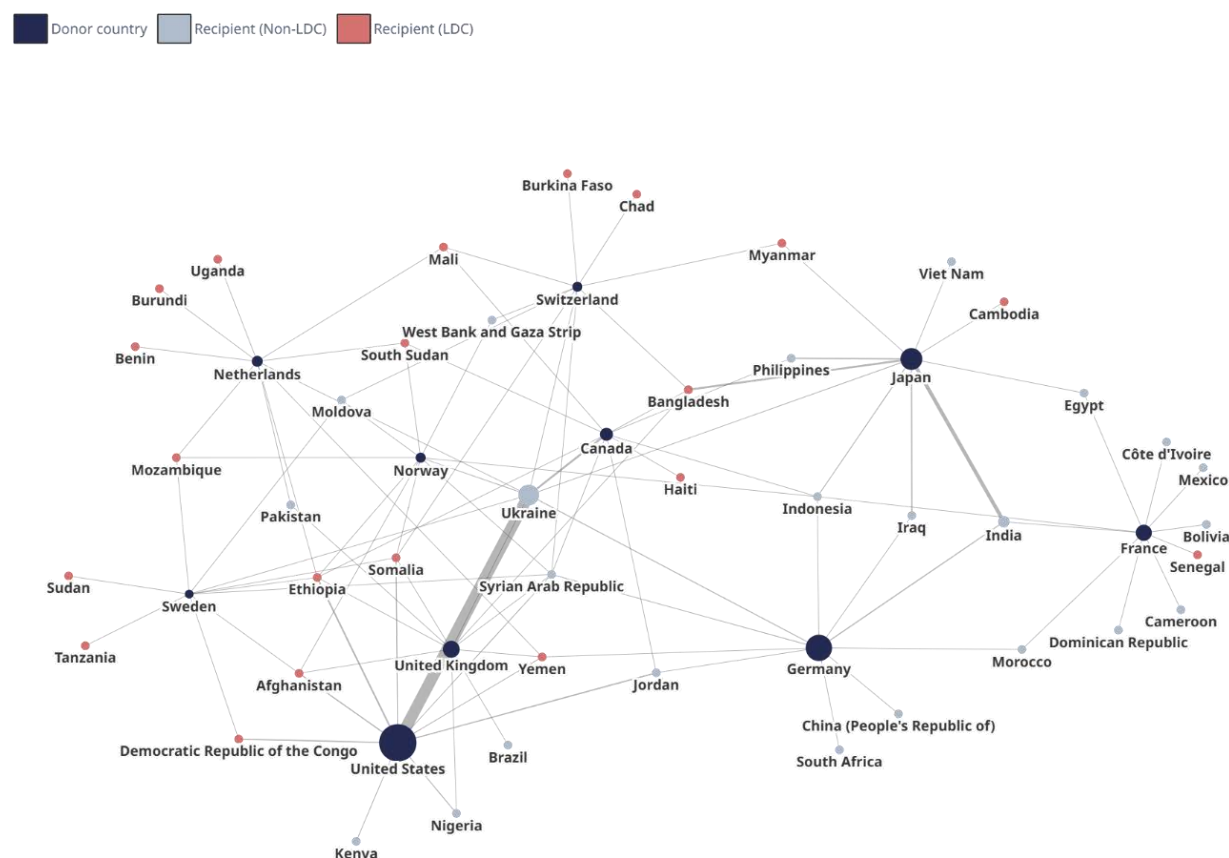
Key considerations for providers

The projected cuts in ODA in countries and territories that receive ODA and key sectors, such as health, call for co-ordinated action by providers to protect the countries and people most in need, and the most effective programmes. Such coordination needs to be informed by strong data and analysis.¹²

As the ODA system undergoes significant change, all providers – whether reducing their budgets or not – will face choices involving trade-offs and ripple effects. A network analysis of the top ten ODA providers by volume and their top ten ODA recipients (Figure 8) highlights how shifts in one provider's allocations could have spillover effects on both ODA recipients and other providers. Countries appearing in the top ten lists of providers, several of which are cutting aid, may face heightened exposure. But this scenario is not automatic; providers could opt to retain levels of support or to concentrate funds in their current top recipients. Careful co-ordinated planning, exposure and gap analysis will be needed to manage the greatest risks, not least for countries most in need.

Figure 8. The interconnected ODA landscape could expose some recipients to cuts more than others

Network analysis of the top ten ODA recipients of the ten largest ODA providers, 2023



Note: Nodes represent provider and ODA recipients. Thickness of lines between nodes represents relative volume of gross ODA disbursements from provider to recipient.

Source: OECD (2025^[6]), OECD Data Explorer, DAC2A: Aid (ODA) disbursements to countries and regions, <http://data-explorer.oecd.org/s/ob>.

Providers can also consider how geographic and sectoral cuts could coincide and their relative impacts (Table 1). The range of ways that cuts can play out underscore the need for dialogue with ODA recipients on their priorities and funding options. In the countries where the top providers contribute a significant share of sector-specific ODA in key sectors such as health and education, co-ordination with other providers and ODA recipients would be especially important.

Table 1. Relatively few providers account for a significant share of funding for health, governance, and education in some of the poorest countries

DAC members' bilateral ODA disbursements in 2023, with shares for each provider corresponding to 2023 ODA

COUNTRY	HEALTH	GOVERNANCE	EDUCATION
AFGHANISTAN	Total: USD 214 m	Total: USD 184 m	Total: USD 127 m
<i>Top 5 providers</i>	United States 37% ¹ Germany 19% ¹ European Union 18% Japan 12% Sweden 4% ¹	United States 25% ¹ European Union 23% Germany 19% ¹ Japan 13% Norway 5%	United States 26% ¹ European Union 15% Japan 14% Germany 14% ¹ Sweden 8% ¹
ETHIOPIA	Total: USD 397 m	Total: USD 157 m	Total: USD 178 m
<i>Top 5 providers</i>	United States 57% ¹ Netherlands 10% ¹ France 8% ¹ United Kingdom 4% ¹ Italy 4%	EU 22% United States 11% ¹ Sweden 9% ¹ Ireland 7% Germany 7% ¹	United Kingdom 34% ¹ Germany 19% ¹ United States 15% ¹ Norway 7% Italy 7%
SOUTH SUDAN	Total: USD 148 m	Total: USD 164 m	Total: USD 71 m
<i>Top 5 providers</i>	United States 39% ¹ United Kingdom 18% ¹ Canada 17% Sweden 6% ¹ Germany 4% ¹	United States 29% ¹ EU 14% Norway 13% Netherlands 10% ¹ Germany 8% ¹	United States 20% ¹ Norway 19% Germany 17% ¹ EU 13% Sweden 12% ¹
YEMEN	Total: USD 81 m	Total: USD 108 m	Total: USD 97 m
<i>Top 5 providers</i>	Germany 51% ¹ Netherlands 20% ¹ United States 12% ¹ Japan 8% France 6% ¹	EU 41% Germany 17% ¹ United States 12% ¹ Netherlands 12% ¹ United Kingdom 5% ¹	Germany 72% ¹ EU 12% United States 10% ¹ France 4% ¹ Hungary 1%
DEMOCRATIC REPUBLIC OF CONGO	Total: USD 391 m	Total: USD 191 m	Total: USD 90 m
<i>Top 5 providers</i>	United States 59% ¹ EU 9% Belgium 8% ¹ France 6% ¹ Sweden 3% ¹	EU 28% Sweden 13% ¹ Germany 11% ¹ United States 11% ¹ Canada 9%	United States 23% ¹ France 19% ¹ Belgium 15% ¹ EU 11% Germany 10% ¹
SOMALIA	Total: USD 52 m	Total: USD 197 m	Total: USD 64 m
<i>Top 5 providers</i>	United States 21% ¹ Sweden 15% ¹ Finland 12% ¹ United Kingdom 10% ¹ Switzerland 10% ¹	EU 24% United Kingdom 14% ¹ Norway 12% Denmark 11% Sweden 9% ¹	United States 37% ¹ EU 17% Germany 14% ¹ Finland 8% ¹ Canada 7%
TANZANIA	Total: USD 563 m	Total: USD 95 m	Total: USD 98 m
<i>Top 5 providers</i>	United States 86% ¹ Korea 2% United Kingdom 2% ¹ Switzerland 2% ¹ Ireland 2%	EU 32% United States 11% ¹ Sweden 8% ¹ Switzerland 8% ¹ Germany 7% ¹	United States 18% ¹ Sweden 18% ¹ United Kingdom 14% ¹ Canada 13% Korea 9%

1. Providers of development co-operation that have indicated they will cut ODA in 2025-27: Austria (Austria has announced an increase in ODA in 2025 but a decrease in 2026), Belgium, Finland, France, Germany, Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States. "ODA to health" refers to ODA to health and population services.

Source: OECD (2025^[6]), OECD Data Explorer, DAC2A: Aid (ODA) disbursements to countries and regions, <http://data-explorer.oecd.org/s/ob>.

Finally, providers should consider the role that their financing plays, particularly in sectors within LDCs and countries in sub-Saharan Africa, and the gaps left by the possible withdrawal of ODA. Key considerations include the capacity of the recipient country to fill financing gaps and the presence of other providers in the country or with a sectoral competency, which could step in to help close gaps. As they seek to manage the risks of current funding shocks, providers should focus on synergies, coherence and co-ordination in the following areas:

- With local actors including national governments, local authorities, local civil society, and other local stakeholders, who can best determine priorities (OECD, 2024^[27]; OECD, 2021^[28]);
- With ODA providers intending to cut or re-allocate, with South-South development co-operation providers and all other official providers of development finance, multilateral organisations, philanthropic foundations and civil society organisations including INGOs;
- Within their portfolios, providers should seek complementarity of allocations and priorities between bilateral and multilateral flows and private sector instruments;
- Among providers, to identify sectors and geographies vulnerable to compounding cuts across the system and co-ordinate an effective response/mitigation strategy.

This Policy Brief has provided initial insights. Further analysis will include:

- expansion of analysis on countries and sectors that are exposed to cuts or under-aided by various criteria;
- further exploring the role of ODA relative to other financial flows, including domestic resources, in countries most exposed to cuts to inform discussions on ‘substitutability’ of different financing flows;
- mapping funding patterns or relationships between providers (bilateral and multilateral), philanthropic foundations, and ODA recipients, which would further highlight opportunities for co-ordination and efficiency gains in the global allocation of ODA.

What can policymakers do?

- **Share information, evidence, and analysis** on the implications of cuts and changes to development co-operation. Clear and timely communication and dialogue with recipients on funding plans aligned with their budget planning and co-ordination processes is key to responsibly ending or changing ODA relationships.
- **Special attention should be paid to countries, sectors and populations most in need and experiencing sudden and significant financing drops.** Effective delivery of basic services and strong institutions and state capacity requires sustained support for governance and data systems. Equally, emergency and lifesaving support to stem crises in the short-term cannot substitute for a longer-term focus on sustainable development.
- **Strategic dialogue with national and local authorities on how to fill gaps, protect gains and maximise effectiveness and impact.** Draw on extensive evidence, including from evaluations, to identify critical areas for investment, and discuss how domestic, private, and external resources could help to fill the gaps, including through frontloading of resources. This also means working to enhance ODA's catalytic role in mobilising domestic revenue and private sector investment.
- **Diversifying concessional and non-concessional financing and instruments helps reduce risks for ODA recipients and providers and to better tailor support to country specificities.** Doing so means expanding partnerships with bilateral and multilateral providers, philanthropies, civil society, and the private sector. Strengthening synergies and complementarities between bilateral and other funding channels – such as pooled funds, delegated and triangular co-operation, and multilateral organisations – can enhance impact, provided efforts are made to avoid further fragmentation.

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Notes

¹ For further data on trends in ODA up to 2023, see: [“Official development assistance at a glance”](#) and [“Official development assistance by policy objective”](#).

² On a grant equivalent basis, which is the official measure for headline total ODA figures since 2018, ODA fell by 7.1% in 2024 and amounted to USD 212.1 billion, representing 0.33% of DAC countries’ combined GNI. However, given the projections are mainly on a cash flow basis, the analysis in this policy brief refers to net ODA disbursements unless otherwise stated. For a more detailed analysis of preliminary ODA figures in 2024 on a grant equivalent basis, see: [https://one.oecd.org/document/DCD\(2025\)6/en/pdf](https://one.oecd.org/document/DCD(2025)6/en/pdf).

³ As of June 2025, the following members have publicly announced cuts in their ODA in 2025-27: Austria (Austria has announced an increase in ODA in 2025 but a decrease for 2026), Belgium, Finland, France, Germany, Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States.

⁴ Based on information collected from members’ responses to the OECD and public announcements made: Ireland’s international development assistance programme will see an additional €35 million in 2025, bringing the total to EUR 810 million – a 4.5% increase over 2024. Preliminary estimates predict a total ODA for 2025 of around EUR 2 billion. Firm figures are not available for future years, but Ireland remains committed to its ODA programme and working towards the UN target of 0.7% of GNI. Korea has increased its ODA/GNI ratio by 50% since 2018 to reach 0.21% in 2024 and is on course to reach 0.25% by 2030. Spain’s law 1/2023 on Cooperation for sustainable development and global solidarity lays out its commitment to reach an ODA/GNI target of 0.7% by 2030, and the 2024-2027 Master Plan for Sustainable Development and Global Solidarity indicates three trajectories to do so.

⁵ In FY 2025-2026, Australia will increase its ODA by 2.7% from the previous fiscal year (an increase of AUD 135.8 million). Australia is also committed to indexation of its ODA at 2.5% per annum from FY 2026-27. Denmark has set its ODA/GNI target at 0.7%; Luxembourg at 1%; Norway at 1%; Latvia and Lithuania indicated in their response to the OECD survey that they planned to reach ODA/GNI levels of 0.33% by 2030 and Italy responded with its intention to align its multi-year trends with international standards on ODA and gradually approach the 0.7% ODA/GNI target of the 2030 Agenda.

⁶ See: <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/oda-eligibility-and-conditions/DAC-List-of-ODA-Recipients-for-reporting-2022-23-flows.pdf>.

⁷ ODA as a share of GNI is generally represented on a grant equivalent basis after 2018. However, since the projections in this brief are based on net flows, ODA as a share of GNI is shown on a net flows basis over time to enable comparison.

⁸ Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People’s Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Yemen, Zambia.

⁹ Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia,

Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saint Helena, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe. Note that 33 of the 46 countries in sub-Saharan Africa are also LDCs.

¹⁰ The US pledge to IDA-21 was revised from USD 4 billion to USD 3.2 billion, while the United Kingdom's pledge was revised from GBP 3 billion to GBP 1.4 billion. See <https://documents1.worldbank.org/curated/en/099042525174542121/pdf/BOSIB-7a002896-02fc-42a9-b4f3-78737cf8b931.pdf>

¹¹ The following LDCs are in South and Central Asia: Afghanistan, Bangladesh, Nepal, and Myanmar. The following LDCs are in Far East Asia: Cambodia, Lao People's Democratic Republic, and Timor-Leste.

¹² At the DAC High-Level Meeting in March 2025, DAC members called on the OECD to support their priority setting and budget planning with analysis and projections, with a view to identifying exposure, risks, and gaps that can inform their strategies.

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