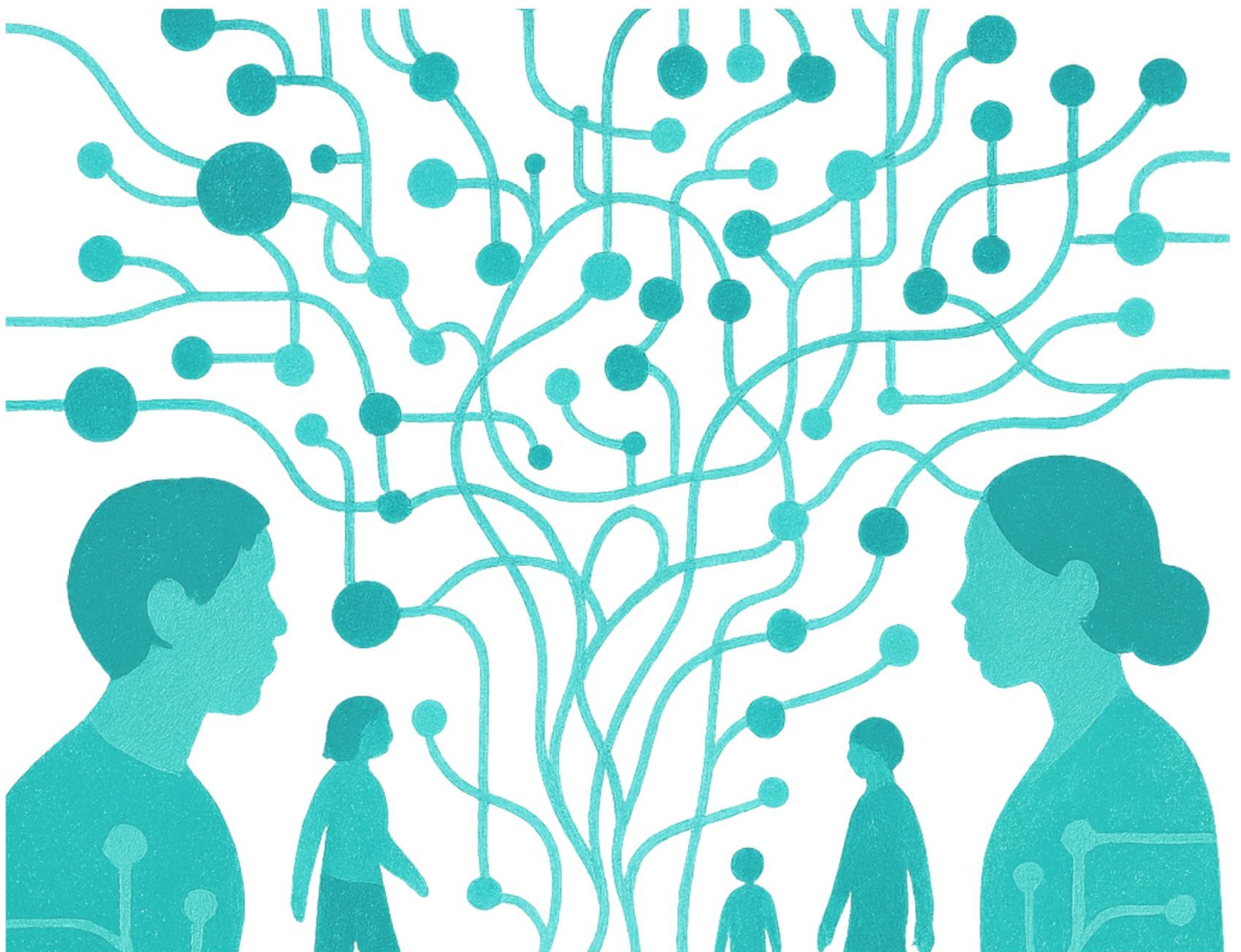


AN INDEPENDENT THINK PIECE

RECKONING AND RENEWAL: A FUTURE-READY HUMANITARIAN SYSTEM

commissioned by
the **Grand Bargain Ambassadors**
& funded by the **European Union**

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JUNE 2025



Executive summary

With Grand Bargain 3.0 coming to an end in October 2026 and in view of the rapidly changing humanitarian landscape, the Grand Bargain Ambassadors commissioned this independent Think Piece to inform reflections on the future of the process and its platform. The Think Piece provides a strategic foresight analysis of future humanitarian challenges and humanitarian financing and reform initiatives. It uses a stress testing approach to explore how the humanitarian system might respond to growing pressure and examines whether the architecture is robust enough for what may lie ahead. Key reflections from the Think Piece include:

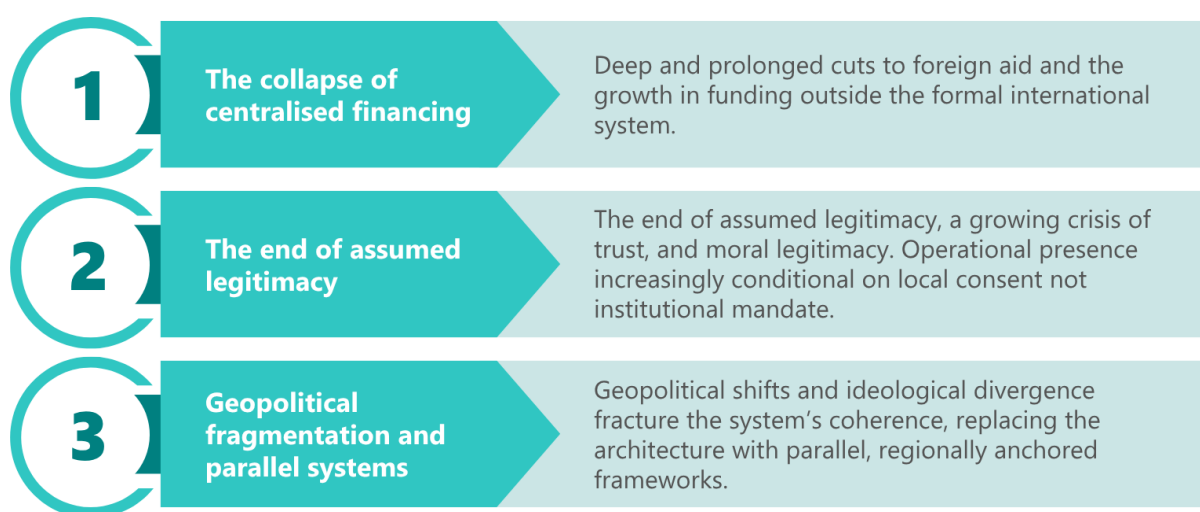
The current humanitarian system was designed for a world of geopolitical consensus, linear crises and steady, discretionary funding that no longer exists. We are now in an era of polycrises in which shocks are transmitted along networks and complex systems. Crises are overlapping, protracted and political. Economic and political vulnerability to shocks has grown globally and the outlook is highly unstable. Shifting economic and political conditions in donor countries have led to decreased public support for foreign aid, which is expected to contract further from 2025 onwards. Multilateralism is being challenged from many directions and respect for international law, principles and standards is deteriorating. A reconfiguration of multilateral arrangements with a plurality of actors and organisations is emerging.

The funding crisis in 2025 has exposed structural vulnerabilities and dependencies. Decades of growth have seen the humanitarian system become supply-driven, complex, slow and bureaucratic. It is often disconnected from the needs of the people it serves and has lost clarity of purpose. The role of humanitarians in addressing longer-term and structural issues is contested. The system's legitimacy is also eroding. Growth has paradoxically been accompanied by a retreat from presence in many harder to reach and insecure places. Meanwhile, new actors and models are emerging at the margins, with local and national organisations playing an outsize role in delivering assistance, especially in the most insecure places, despite receiving a fraction of humanitarian funding. Throughout the long funding boom, dependency on a small group of key donors grew to become a system level risk. Under acute funding pressure, the system is now aggressively prioritising who is targeted and reverting to life-saving programming. Enforced rationalisation in the humanitarian system is underway. There are risks that this reinforces the dominant position of certain agencies, and sees the loss of critical functions, external challenge and diversity in the system.

The gap between reform ambition and systemic ability to change is a key vulnerability. The system has been unable to diversify its funding base and become more efficient while innovation has been stifled. Power in the humanitarian system is centralised among actors who have resisted structural reforms. Past reform efforts have focused on technical adjustments without addressing the underlying political structures or economic incentives that impede

change. Despite strong commitments, the humanitarian system has been unprepared to localise humanitarian action and the 'Participation Revolution' has been reduced to a technical exercise, neutralising its transformative potential.

Across all three stress-test trajectories, what adapts is not the system itself, but its periphery. Stress testing offers a structured way to rehearse the future readiness of the system to disruptive shocks by identifying vulnerabilities and surface untested assumptions. The Think Piece outlines three distinct plausible trajectories. In each of these trajectories, the current humanitarian system is increasingly outpaced by new actors, funding flows, and delivery models that operate outside its boundaries.



The humanitarian system faces a choice: adapt to the realities of today's crises or risk becoming marginalised. A return to a situation of plentiful humanitarian funding should not be expected and if a major system-level crisis occurred tomorrow, it is unlikely that the current system would be able to respond. During this period of structural reckoning, there is an opportunity for a fundamental redesign of the purpose, structure, and legitimacy of humanitarian aid. The Humanitarian Reset and Grand Bargain commitments, however, are insufficient for addressing the scale of the change needed.

The Emerging Horizon: A new architecture and pathways for action. This moment demands a new humanitarian system that is more plural, more accountable, more demand-driven, more resilient, and more aligned with the realities of today's crises. Key priorities for action include:

- **Reconceptualising humanitarian action:** The system must achieve clarity of purpose. It must identify its comparative advantages and limits to guide the choices it now faces, including reconciling divergent views on the scope of ambition from providing immediate relief to delivering long-term transformative outcomes. This requires a major shift towards supporting local actors and systems, discipline in setting and

working towards clear exit strategies, and a much stronger role for humanitarians as advocates, brokers and facilitators, working closely with governments and development, climate, peace and private sector actors to address not just the symptoms but the drivers of humanitarian crises.

- **Differentiated models of humanitarian aid:** A shift away from one-size-fits-all templates, where all crises compete for a limited pot of funding, towards differentiated models tailored to specific crisis contexts is needed. This requires distinguishing crisis types to identify caseloads that should reasonably fall within the scope of humanitarian responsibilities, identifying which policy, coordination, planning and financing frameworks are appropriate and convening relevant actors including governments, regional bodies, and civic institutions, to negotiate coherent packages of support.
- **Rebuilding legitimate leadership:** Power must be shared, not concentrated. This requires term limits for humanitarian leaders, rotating and joint governance structures, and independent mechanisms that enable challenge from the margins. Leadership must be earned through accountability, moral courage, and responsiveness, not assumed by mandate, or exercised through bureaucratic power and control of resources. Community-led networks, mutual aid systems, and local capacities should be recognised and invested in as core parts of crisis response, not treated as peripheral, co-opted or stifled.
- **Alternative funding models:** Alternative funding models both inside and outside the current system need to be found. There must be acceptance that additional funding should not necessarily flow through the current international humanitarian system, rather the objective should be to mobilise resources for crisis response through the wider humanitarian ecosystem. This will require developing greater 'financial fluency' beyond Official Development Assistance (ODA), and humanitarians adopting a role as brokers and network connectors to mobilise resources in service of crisis-affected people.
- **Radical simplification:** The system's fragmented layers of coordination, planning, compliance, and competition have become a barrier to action and need radical simplification. A future-ready system must have fewer layers, clearer roles, and a shift toward decentralised, locally driven models of response, where legitimacy comes from proximity, effectiveness, and trust, not from formal mandates or institutional status. Cost efficiency and effectiveness must become part of the DNA of humanitarian operating systems.
- **A focus on performance and results:** The system must move from a culture of resource competition to one where outcomes are the measure of success. Resources

should flow to those who deliver measurable impact—on efficiency, relevance, and the priorities of affected communities—not to those who best maintain the status quo. Independent challenge functions will be critical in shifting accountability to align with the priorities and needs of crisis-affected people. Greater independent scrutiny of system performance is needed, especially from crisis-affected people themselves, to identify what is and is not working, and to safeguard space for alternative models.

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Acknowledgements

This paper has been commissioned by the Grand Bargain Ambassadors as an independent piece of research for the Grand Bargain signatories and the humanitarian community more broadly. It has been written by Suleiman Abdullahi, Damian Lilly and Lydia Poole.

The authors would like to thank all those people that gave their time to be interviewed and participate in focus group discussions, including the Grand Bargain National Reference Groups. Thanks also to the GHA programme at ALNAP who provided advice, data and analysis on financing trends. Finally, thanks to the Grand Bargain Ambassadors and the Grand Bargain Secretariat team for their stewardship of the process and review. The views expressed in the paper are those of those of the authors and do not necessarily represent those of the Grand Bargain.



**Funded by
the European Union**

1. Introduction

The humanitarian system - a constellation of actors centred around a core group of donors, UN agencies, the Red Cross Movement and NGOs - is in a phase of massive upheaval. Globally, humanitarian needs remain persistently high. And yet deepening funding cuts in 2025, since peak aid in 2023, have sent shockwaves through the aid system causing programme and staff cuts, and putting millions of lives at risk. In March 2025, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator (ERC) for the United Nations announced a 'Humanitarian Reset' policy reform agenda to address these challenges, while Grand Bargain signatories agreed to accelerate the implementation of their commitments.

The Grand Bargain was established in 2016 in response to the recommendations of the report of the High-Level Panel on Humanitarian Financing (hereafter HLP) to close the funding gap and make humanitarian action more effective and efficient. Originally an agreement between the fifteen largest donors and fifteen largest aid agencies, the number of Grand Bargain signatories has grown to 71, including local and national actors alongside donors, UN agencies, the Red Cross/Red Crescent Movement and international non-governmental organisations (INGOs), making it the most inclusive policy dialogue platform of the humanitarian community. Successive iterations of the Grand Bargain have prioritised a narrower set of issues to bring about more transformational change. In the latest '3.0' iteration agreed in June 2023 this includes two focus areas: (1) localisation, participation of affected communities and quality funding, and (2) using the Grand Bargain's convening platform to 'catalyse' sector-wide transformation. However, while progress has been made on several

Grand Bargain commitments, there have also been persistent challenges, and additional reform priorities exist outside the scope of the Grand Bargain commitments and priorities.

With Grand Bargain 3.0 coming to an end in October 2026 and in view of the rapidly changing humanitarian landscape, the Grand Bargain Ambassadors commissioned this independent Think Piece to inform reflections on the future of the process and its platform. The Think Piece provides a strategic foresight perspective analysis of future humanitarian challenges and humanitarian financing and reform initiatives. It argues that the humanitarian system faces a moment of reckoning in which incremental reform is no longer sufficient. In sections 2 and 3, the Think Piece identifies and diagnoses exogenous and endogenous forces acting on people in crises and the ability of the humanitarian system itself to respond. Section 3 also assesses past and current reforms, within the context of the Grand Bargain and beyond, to understand not only the progress made but also structural enablers and barriers to change. Section 4 applies a 'stress-test' analysis to the system through three plausible trajectories including signposts for where the system may be headed if current trends persist. Section 5 sets out an alternative future for the humanitarian system based on the stress testing analysis and the future priorities that need to be addressed.

Methodology

The research draws on an extensive literature review of relevant articles (including recent commentary on LinkedIn), reports, policy studies and evaluations, and analysis of humanitarian financing data. Extensive consultations also informed the research. Key informant interviews were undertaken with 38 people involved with the Grand Bargain as well as thought leaders in the humanitarian system from donors, UN agencies, INGOs and local and national NGOs. Group consultations were organised with the Grand Bargain National Reference Groups and seven humanitarian think tanks. The authors also attended two workshops organised by the Grand Bargain in May 2025 on reimagining and reforming the humanitarian system¹.

A stress testing approach has been adopted to assess the extent and ways in which the humanitarian system, as currently configured, would respond to current and future shocks. Stress testing is a diagnostic method used to assess the resilience of systems and offers a structured way to rehearse the future, before it arrives. Stress testing includes simulating plausible but disruptive pressures to identify vulnerabilities and untested assumptions and to evaluate how systems respond to potential shocks.

2. Exogenous forces acting on people in crises and the humanitarian system

The last decade has demonstrated that the world is now far more unpredictable, fragile and vulnerable to crises. This is now an era of polycrises in which shocks are inter-connected and risks compounding, while the responses that follow often create cascading unintended future vulnerabilities. Profound economic, political, and environmental shifts are not only affecting people in crisis in poor and conflict-affected places - the humanitarian system itself is now a casualty of these forces. The following section outlines the principal exogenous forces shaping the humanitarian landscape.

2.1 Upwards trends in needs and drivers of needs

The scale, complexity and character of crises continue to mutate, placing new and expanding demands on the humanitarian system. In 2016, the UN Secretary General's HLP cautioned that if current trends continued, by 2030, the cost of humanitarian assistance will have risen to US\$ 50 billion (UN 2016). By 2023, funding requirements for the UN Global Humanitarian Overview (GHO) had already reached US\$ 55 billion. Major metrics of the drivers of humanitarian needs and impacts of crises on people all show a clear pattern of rising conflict², forced migration³, climate related shocks, food insecurity⁴, and stalled progress in poverty reduction⁵, a far cry from the HLP's entreaty to "shrink the needs" (UN, 2016).

There are rarely quick exits to emergencies, the majority of crises are protracted. Crises now last a decade on average (UN Office for the Coordination of Humanitarian Affairs (OCHA) 2024), with people subject to multiple overlapping and compounding acute and chronic needs. Meanwhile, humanitarian planning, funding and programme cycles remain short-term without clear transition planning and exit strategies.

We are now in an era of systemic large-scale transnational risks where shocks are transmitted along networks and systems. Globalisation, including the inter-dependence of economic, financial and technological systems, and the breakdown of natural systems that sustain life, including the climate⁶, biodiversity, soil and water, mean that many risks likely cannot be managed solely at the level of the nation state. Demonstrated by the cascading social, economic and political impacts of the covid-19 pandemic and the invasion of Ukraine, this new order of risks may be very large and readily transmitted along inter-dependent systems. Traditional approaches to managing contagion of financial and economic shocks and pathogens are not fit for the task and while they have provided short-term relief, they have many unintended consequences, including fuelling inequality, indebtedness, and political

polarisation. Surveillance and global governance of large-scale transboundary and systemic risks are only partially catered for within the multilateral system.

2.2 Growing economic and political vulnerability and uncertainty

Economic and political vulnerability to shocks has grown globally, and the outlook is highly unstable. Many countries across the wealth spectrum are now structurally more economically vulnerable to shocks.⁷ Income and wealth inequality within countries, a source of “system brittleness” is rising (UNCTAD 2024). Shocks in turn are both increasingly frequent, and are major contributors to deteriorating economic conditions,⁸ social and political polarisation, and conflict.

Successive economic shocks, slow growth and longer-term structural changes have altered the political landscape in high-income countries. The global financial crisis of 2007/8 and subsequent policy responses set in chain far-reaching political and economic consequences, compounded by a series of subsequent economic and political shocks. Economic growth in the Eurozone and UK has remained low, and in rich countries on both sides of the Atlantic, low growth combined with high inflation following the Covid-19 crisis and Russian invasion of Ukraine, and growing debt, has placed pressure on government finances. Rising wealth inequality⁹, austerity measures in public spending, long-term de-industrialisation, and squeezed household finances have fed into growing distrust in governments, political polarisation, and rising populism¹⁰. Extreme economic uncertainty and the impacts of tariffs in 2025 are expected to slow economic growth, further drive-up public debt, and force tough public spending decisions (IMF 2025).

In low-income countries, economic conditions and fiscal headroom have deteriorated. Lower economic growth, high inflation, high food and energy prices, successive shocks, including Covid-19, and rising conflict and fragility, have stalled progress in poverty reduction. Poverty levels are now higher in some of the poorest countries than they were in 2019 (World Bank 2024).¹¹ Low-income countries, which had taken advantage of cheap credit in the previous decade, have seen their debt repayment costs grow and fiscal deficits widen as their GDP growth has stalled and interest rates increased (Mawejje 2024). More than half of low-income countries are now at high-risk of, or are in, debt distress (IMF 2025). Governments under extreme fiscal pressure are cutting back social spending, compounded by reductions in ODA (IMF *ibid*), with public service provision, including health and education, likely to face severe constraints in the coming years.

2.3 Declining public and financial support for foreign aid

Shifting economic and political conditions in donor countries have led to decreased public support for foreign aid. The recent donor government policy tack towards economic and political strategic self-interest is a continuation of several longer-term trends. Declining domestic support for foreign aid among major donor countries accelerated with the rise of populist politics in the 2010s and public concerns around migration and security from 2015. Shifting geopolitical dynamics and the rise of great power competition, including control of critical minerals, trade routes and spheres of influence, and a transactional view of international affairs, is now taking hold. Arguments that foreign aid provides 'soft power' benefits have gained little traction in a global political context of rising competition among major powers, and funding cuts have been met with little public push back within donor countries.

ODA peaked in 2023 and is expected to contract further from 2025 onwards. Growth in ODA in recent years was artificially boosted by the Covid-19 response, support to Ukraine, and spending on refugee hosting in donor countries, and reached a peak in 2023. The largest funding shock has come from the US government's cancellation of 80% of existing aid contracts in 2025 although other major donors including Germany, the UK and others have also cut or signaled their intention cut to their aid budgets.¹² Based on the latest estimates, ODA from the largest 17 donors is expected to have fallen by US\$ 31 billion by the end of 2025 (Donortracker 2025). The scale and impact of these cuts in the years to come remains unclear, but the US government's budget proposal indicates an intention to cut aid spending from 2026 across a broad scope of health, humanitarian aid, multilateral agencies and funds, and economic development (Collinson & Hurley, 2025). The character and focus of ODA is also changing rapidly. Aid cuts have been accompanied by shifts towards quid pro quos or transactional policy framings – notably in the US¹³, the Netherlands, Sweden and EU, while the UK and Switzerland have diverted aid budgets towards military spending.

Humanitarian actors should plan for a reduction of up to half of 2023 funding levels from 2026 onwards. Humanitarian aid had already contracted in 2023 and by a further 11% in 2024 (ALNAP 2025). Recent modelling indicates a range of cuts in 2025 from 2023 levels of 34% in an optimistic scenario, 39% in a moderate scenario, and 45% in a worst-case scenario (ALNAP 2025). The worst-case scenario would mean total funds of around US\$21 billion in 2025 which in effect would be a return to 2014 levels. However, 2026 is likely to be worse again, as cuts from other major donors, notably the UK, take effect, and if the US enacts the proposed much reduced humanitarian budget of US\$ 4 billion, down from US\$ 10 billion in 2024.

Growing competition in the aid landscape is reshaping the traditional western-dominated aid system. Low- and middle-income countries now have a wider range of options as governments including China, Russia, United Arab Emirates (UAE), Türkiye and Saudi Arabia

offer alternative development and security partnerships. This competition has offered potential client governments greater choice and confidence to express new preferences. A growing number of governments in the Sahel, for example, have rejected decades-long French military presence, diplomatic ties and development cooperation.¹⁴ Shifts among traditional donors towards more transactional aid with fewer conditions is a response to this growing competition and the loss of influence that accompanies falling demand for Western aid. The EU Global Gateway initiative, for example, is a response to competition from China's Belt and Road Initiative. Together, cuts to aid budgets, and a recalibration towards prioritising donor interests, means that far less development aid is likely to reach low-income, particularly fragile and conflict-affected countries. The role of multilateral institutions, notably the International Financial Institutions (IFIs) becomes more important as bilateral aid retreats from the poorest countries.

Alternative models for aid, based on solidarity, justice and financing global public goods are being proposed. Traditional narratives of aid as a transfer of funds and technology from the Global North to the Global South for the purposes of social and economic development and responding to humanitarian crises are being challenged from multiple directions. Several narrative framings for aid are emerging. These include donor-centred transactional narratives prioritising donor geopolitical and economic interests, which are now in the ascendent. But also, a supra-national narrative that reframes aid as a shared responsibility to invest in the management of global public goods (Aly et al 2024). In this 'Global Public Investment' framing, the donor-recipient model is replaced by a model in which "all contribute, all benefit, all decide" (Expert Working Group on Global Public Investment, 2022). A third narrative is rooted in solidarity, addressing global inequality and justice (Aly et al ibid). It remains unclear which of these narratives will prevail and how, within them, global public responsibilities including refugee hosting, meeting the needs of people in conflict and affected by climate disasters, will be framed and prioritised.

2.4 Challenges to the rules-based order and liberal consensus

Multilateralism is being challenged from many directions. Addressing global and transnational risks including rising conflicts, climate change impacts, pandemics, cybersecurity, artificial intelligence (AI), and growing debt, requires collective action. Multilateralism, however, has been under threat from geopolitical rivalries among major powers and frustration with inefficiency and perceived bias of global institutions, including the UN (IPI, 2024). This has contributed to a paralysis in many UN inter-governmental bodies. The UN's credibility in maintaining international peace and security through the UN Security Council has evaporated as it has failed to act on the world's worst crises.¹⁵ A critical liquidity crisis has developed as major powers have selectively de-funded parts of the UN system and withheld or delayed payments of assessed contributions to the regular budget.

Respect for international humanitarian laws, principles and standards has deteriorated.

The changing nature of conflicts has been accompanied by increasing violations of International Humanitarian Law (IHL) by state and non-state actors and indifference or tacit acceptance by states of this (Geneva Academy 2024). There has been growing impunity for atrocity crimes and lack of accountability to bring those responsible to justice (UN SG, 2025). Many UN member states have failed to hold those in breach of IHL to account and instead have prosecuted and funded wars and rolled back their commitments to the 1951 Refugee Convention. Increasing risk to civilians has been compounded by the withdrawal of support for the global institutions who have the responsibility promote and uphold international norms and standards.

Licence to operate based on mandate and principles are no longer sufficient. International humanitarian actors are no longer welcome or safe to operate in many crises with reduced access to populations most in need of assistance. This includes countries which have undergone unconstitutional changes in government, where the UN and IFIs are unable to fully engage with de facto authorities that are not internationally recognised, and against whom donors may have active sanctions. The conduct of humanitarian organisations and their donors also plays a role including perceptions of double standards and lack of respect for humanitarian principles. For example, some donors have used aid budgets and partners to 'manage' and deter migrants (Donini 2016), co-opted humanitarian action into security agendas, and used humanitarian action as a substitute for political action.

Reconfiguration of multilateral arrangements with a plurality of regional organisations playing a role looks set to emerge. There are growing calls, including from influential blocs of emerging economies, to rebalance power within the multilateral system including broadening membership of the Security Council and reforming the governance and borrowing terms of the IFIs to better meet the needs of low- and middle-income countries.¹⁶ Regional organisations (including ASEAN, ECOSWAS, SADC) and country groupings (including the BRICS and G20) increasingly negotiate multilateral trade negotiations, influence global policy, invest in their own crisis management process and humanitarian capacities, and deploy peacekeeping operations, independent of the UN system.

3. Endogenous forces shaping the humanitarian system

The humanitarian system has evolved and grown dramatically in an expanding funding environment for decades. It has acquired along the way however, systemic brittleness, vulnerabilities and dependencies that were already the subject of successive system-wide reform efforts, and which have now left the system critically exposed.

Reform efforts, from the Grand Bargain to the more recent Humanitarian Reset, have targeted challenges including funding quality, coordination, accountability, and localisation. While modest progress has been made in areas including pooled funding, anticipatory action, and local partnerships, change has remained incremental (Willits-King and Spencer, 2021; Metcalfe-Hough et al, 2023). Moreover, reforms have targeted technical concerns and not the underlying power structures and economic incentives that shape the humanitarian system (Bennett, 2018; Saez et al 2021).

The recent funding cuts have raised the stakes. The gap between reform ambition and systemic readiness of the system to change is now a key vulnerability. Either the scarcity of resources will be an impetus for tackling intractable reforms or it could reinforce existing blockages and structural problems. The following section identifies key areas of structural and systemic brittleness, vulnerability and dependency which will need to be understood and overcome, if future change efforts are to deliver more than incremental changes to a system in decline. The discussion also reflects on the progress and continued relevance of reform efforts to address these major structural vulnerabilities and dysfunctions.

3.1 Purpose and scope of humanitarian action

The scope and ambition of humanitarian action has expanded with the growth of funding. Often present for decades in protracted crisis and refugee hosting situations, humanitarian organisations have substituted state functions and development programming by providing basic services, and an array of life enhancing programmes (HLP HF 2016; Slim, 2023; Lilly, 2023; Sida et al 2025).¹⁷ The unresolved question of whether it is the job of humanitarians, or even within their competence, to “end the needs” (the ‘maximalist’ approach) or whether they should limit the scope of their assistance and duration in crises (the ‘minimalist’ position) has come into sharper focus with the funding cuts as it has become increasingly impossible to do both. There are divergent views on whether humanitarians should go back to basics (Dubois, 2018) and focus on life-saving assistance or maintain an expansive view of humanitarian action that also addresses resilience and longer-term challenges.

Under acute funding pressure, the system is now aggressively prioritising who is targeted and reverting to life-saving assistance programming. In 2023, OCHA introduced a ‘boundary setting’ approach to the Humanitarian Programme Cycle (HPC) to focus humanitarian response plans on the most life-saving needs and reduce interventions aimed at addressing structural problems.¹⁸ Given the dramatic funding cuts in 2025, the ERC requested a scaling back of humanitarian appeals with 114 million people most in need of assistance now prioritised in 2025¹⁹. Even before the US funding cuts only 6 out of 10 people that actually are in need of assistance were targeted in 2025, falling to 3 out of 10 with the focus on 114 million (Lilly & Person, 2025). Given that most appeals are underfunded the proportion of people that

have any hope of receiving assistance is now extremely small. There is fear that millions of people in need are now being overlooked as they are not even being targeted for assistance.

Prioritisation has revealed the limitation of the humanitarian appeal process. While prioritisation is an intrinsic part of humanitarian action given the scarcity of funding. Now however, the approach to drastically reducing humanitarian plans, is having unintended consequences and reveals the limitations of the current conceptualisation of humanitarian assistance and appeal process (Lilly & Pearson, 2025). With so few people in need being targeted, let alone funded for assistance, it brings into question the utility of the UN-led humanitarian appeal process which takes a one-size-fit-all approach for all contexts. Those countries that have been deprioritised for humanitarian appeals as part of the Humanitarian Reset risk having no planning framework while protracted crisis are dealt with in the same way as acute crisis based on a one-year cycle of potentially unending assistance. It may make sense to have different types of appeal documents depending on the how far a crisis has evolved with a clear exit strategy and benchmarks identified to transition them.

The role of humanitarians in addressing root causes will need to be resolved. Placing people at the centre, a key feature of the Humanitarian Reset, would entail very different priorities that are likely to focus on addressing longer-term and structural issues. However, humanitarians are unlikely to be able to meet this demand themselves in the new financial reality and may need to play a much stronger role in advocating for others, including governments, to take on responsibility for addressing the root causes of crises. This could include adopting differentiated approaches and financing strategies for different types of crises, with political and financial agreements negotiated for protracted refugee hosting settings, for chronic protracted crises, for acute conflict situations, and for disasters, where risks can be modelled and prepared for in advance.²⁰ However, mobilising political and financing support beyond humanitarian aid is likely to become even more challenging.

Nexus funding strategies and financing that bridge the gap between humanitarian, development and peace funding have not materialised. A key recommendation from the HLP to reduce the funding gap was to shrink the level of humanitarian needs by addressing the underlying vulnerability of crisis affected populations by making it a shared responsibility with development and peace actors. There has been a decline over the past decade in development and peace funding compared to humanitarian funding in extremely fragile settings (Obrecht & Pearson, 2025). Humanitarian assistance overtook development assistance for the first time in 2023 as the dominant source of funding in protracted crisis (ALNAP, 2025). Despite having committed to nexus funding strategies, donor funding in fragile contexts is incoherent²¹: humanitarian funding has increasingly gone to protracted crisis to address structural problems, the countries with the highest levels of poverty receive the smallest amounts of development aid per capita, while peace funding is rarely able to address the root causes of conflict (Rieger, 2023). Even when working in the same contexts, the motivations,

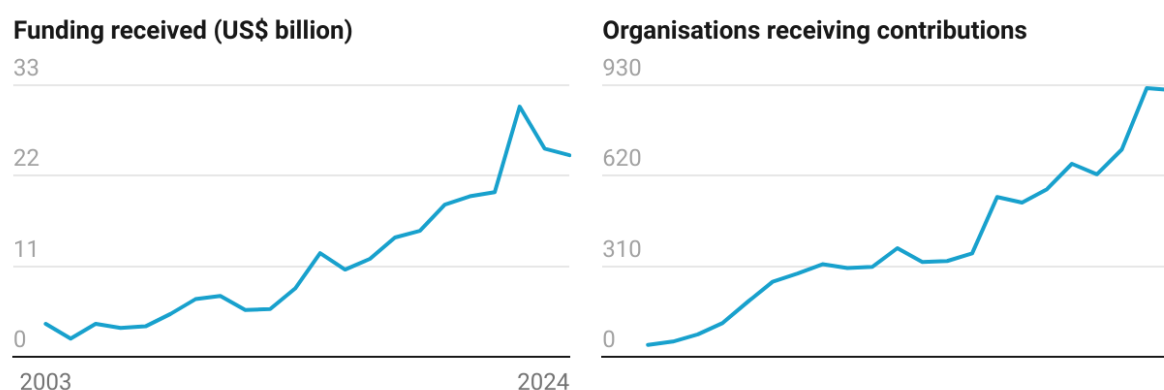
priorities, planning frameworks, and timeframes of development actors often diverge widely from those of humanitarians. Donors are now signalling their intentions to shift away from pro-poor development investments towards more transactional aid that is likely to prioritise more stable and middle-income countries which can offer more reliable returns on investment.²²

There is a nexus fatigue and a need to rethink the approach. Recent reviews have shown that while the nexus approach remains of great importance there is a major implementation gap in the commitments that have been made to bring the approach to scale (IASC, 2024). The assumptions on which the nexus approach was built are arguably no longer valid and a re-evaluation of the concept is overdue. Humanitarian, development, peace and climate challenges in fragile contexts are increasing indistinguishable and a more holistic approach to crisis response is needed. The problem is not the lack of links between the different silos in the aid architecture, but the silos themselves and simply trying to promote greater coordination between them has not led to transformative change (Lilly, 2024b). Either it needs to be accepted that humanitarian, development and peace have fundamentally different approaches which cannot be reconciled, or a more radical approach is required.

3.2 Financial dependency and vulnerability

A long funding boom enabled dramatic growth in the scope and scale of international humanitarian action. The supply of money has grown at an astonishing rate. Total International Humanitarian Aid (IHA), inside and outside of UN-led appeals as well as from private sources, doubled between 2011 and 2017 and continued to grow steadily to a peak in 2023 (ALNAP 2025). The footprint of the international humanitarian system has as a result grown dramatically²³, with more organisations (see Figure 1), operating in more countries.²⁴ UN agencies have grown into multi-billion-dollar enterprises²⁵ with the largest three (WFP, UNHCR and UNICEF) collectively receiving more than half the total funding each year (ALNAP 2022). International organisations have also acquired a growing role and influence, as funding intermediaries, in effect acting as donor, issuing grants for last mile delivery of humanitarian services.

Figure 1. Funding contributions to the GHO 2003-2024



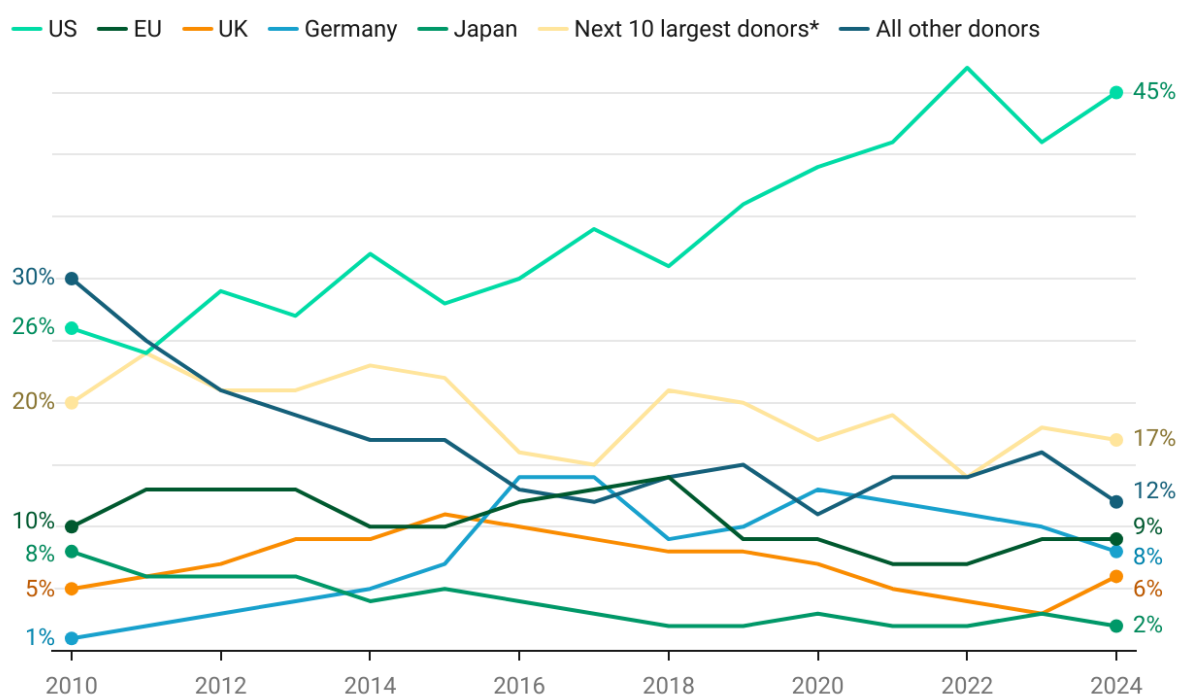
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Source: UN OCHA Financial Tracking Service (FTS). Note that these figures do not include the wider universe of actors operating outside of the UN-led appeals process, including much of the funding of the Red Cross/Crescent movement, faith-based organisations and major international NGOs including Médecins Sans Frontières, who often mobilise substantial private financing.

The discretionary competitive funding model imports a high degree of unpredictability and competition. The principled imperative to fund impartially based on needs within a voluntary funding system imports perpetual unpredictability, with funding to chronic protracted crises, including refugee protection and hosting, constantly at risk of being re-directed to more 'acute' needs elsewhere and leaving other crisis neglected. Crisis-specific pledging conferences have proved an unreliable way to mobilise resources as they prioritise the larger high-profile contexts and leave others overlooked. Alternative funding models framing humanitarian aid as a public good to be funded through replenishments and assessed contributions have been proposed, but have not gained traction (Saez et al, 2021).

Dependency on key donors has grown to become a major system level risk which has been revealed in the current cuts. The increased funding for the response to Covid-19 and Ukraine war was an unexpected windfall and masked an overall longer-term decline in humanitarian funding from traditional donors and a dangerous and growing reliance on a small number of key donors in recent years especially the US (ALNAP 2022). In 2024, the US provided 45% of funds within the GHO, an increase from 30% in 2016 (see figure 2).

Figure 2: Percentage contributions to the GHO from major donors 2010-2024



Created with Datawrapper

Source: UN OCHA FTS

Throughout the long funding boom, little progress has been made to diversify the funding base, leaving the system dangerously exposed. Attempts to diversify the funders of humanitarian aid to non-traditional donors, such as from the Gulf and other states, have yielded limited success.²⁶ Private giving plays an important role in financing humanitarian action, providing 18% of total IHA between 2019 and 2023 (Development Initiatives, 2024). Certain organisations and causes have succeeded in mobilising or sustaining substantial private revenues²⁷, but the outlook for future private giving is uncertain, with indications that public generosity has declined since a peak in 2022.²⁸ Private humanitarian financing reflects this trend, falling from US\$11 billion in 2022, to US\$ 8 billion in 2023 and US\$ 7 billion in 2024 (ALNAP 2025). Humanitarian and multi-mandated agencies are positioning themselves to access climate finance.²⁹ However, most climate finance flows to governments and development partners for mitigation and adaptation activities which are outside of the programming repertoire of humanitarian organisations and not suited to their approach to programming (Knox Clarke, 2021).

Humanitarian innovative financing mechanisms have shown potential but not changed the underlying way in which humanitarian action is funded. These mechanisms and instruments use humanitarian grant funding to act as a catalyst to mobilise finance from development banks, private investors, the insurance industry and climate finance (ODI, 2024).³⁰ Uptake and use cases however remain limited³¹, as noted in the Grand Bargain's 2024 Strategic

Dialogue on innovative financing (Grand Bargain, 2024). Investment bonds for example target longer-term developmental programming (Ecorys, 2022) while disaster insurance to date, typically targets particular categories and layers of modellable risks³². Innovative financing mechanisms are often complex and costly to set up and require long-term organisational commitment (Meenan, 2022; Ecorys, 2022).³³ Moreover, impact bonds and blended finance, while innovative, often prioritise investor returns and predefined metrics over community needs, creating a mismatch with humanitarian realities. Their complexity and transaction costs can also limit scalability in crisis contexts.

Anticipatory action, while promising efficiency savings, and the potential to transform operating and funding models,³⁴ has proved challenging to bring to scale. The Grand Bargain and other initiatives have championed anticipatory action as a way to finance the response to crisis before they occur to mitigate their impact. Notably, in 2024, the Grand Bargain launched a Caucus to address challenges in bringing anticipatory action to scale. However, while donors have proved willing to fund pilots, they are less willing to provide funding to sustain anticipatory action frameworks once they are established (REAP 2025). Funding for anticipatory action overall remains below 1% of humanitarian financing (Plichta & Poole, 2024) and has stalled in 2024 (ALNAP 2025). As competition for funding increases, donors may struggle to prioritise approaches to crises that have not yet, and might not happen, over those which are already acute, making it even more challenging to bring anticipatory action to scale.

Financial fluency beyond ODA remains limited. There are diverse capital flows that already support crisis-affected communities, often at far greater scale and responsiveness than the humanitarian system understands. For example, faith-based capital such as *Zakat* alone are estimated at \$550 billion annually³⁵, while waqf, tithes, daan, dasvandh, and other religious giving contribute billions more through culturally embedded, trust-based channels. Total remittance flows globally are estimated to have reached US\$647 billion in 2022.³⁶ Remittances are often the fastest, most proximate form of funding crisis response. Yet this capital remains invisible in system-level humanitarian planning, viewed as “outside the system” rather than as a core element of crisis resilience. Rather than absorbing these funds into traditional pipelines, there are opportunities to develop partnership models that respect governance and practice norms and existing delivery structures.

Beyond faith and diaspora contributions, the humanitarian system should engage with a wider set of non-traditional financial actors, including treasuries, insurance pools, microfinance platforms, and regional development banks. Debt swaps for example, while often slow and complex to negotiate, could be used more widely to support humanitarian objectives. For example, the World Food Programme (WFP) has helped to broker agreements with creditors to waive or restructure debts, freeing up funds for client governments to invest in development programmes.³⁷ Humanitarian actors could play a critical role in advocating for and brokering debt swaps that centre the needs of affected communities, shaping the design of such

mechanisms, and ensuring they are accountable, transparent, and aligned with humanitarian principles.³⁸

Humanitarian pooled funds can only be a partial solution to the current funding challenges. OCHA managed pooled funds have proved effective in incentivising more coordinated humanitarian action and filling critical funding gaps at both the global level through the Central Emergency Response Fund (CERF) and country level through the Country Based Pooled Funds (CBPFs) (Featherstone, Andy et al, 2019). The CBPFs have also unexpectedly, provided a more level playing field for local and national NGOs to compete for funding and have become recognised as a key tool for donors to fulfil their Grand Bargain commitments to channel funds to local actors “as directly as possible”.³⁹ Following the funding cuts there has been strong calls for the increased financing through UN pooled funds. However, in 2024, only 6% (US \$1.7 billion) of public donor funding was provided to UN pooled funds - little change from previous years (ALNAP, 2025). This proportion is unlikely to change unless donors channel more of their funding to them which, up until now, they have been unwilling to do as they favour the increased control and visibility that comes from direct funding. There are also an increasing number of NGO-led financing mechanisms which may have comparative advantages in supporting local and national actors.⁴⁰ With less overall funding the proliferation of all types of pooled funds may be hard to sustain as their decreased size will bring into question the economic rationale of them when the transaction costs for managing them becoming prohibitively high.

3.3 Competition, fragmentation and bureaucratisation

Competition for funding promotes self-interest, duplication and disincentives to cede power. The humanitarian system is not a true market where actors respond to market demands, rather it functions more like a patronage system, with organisations competing for access to influence and funds from donors. Unequal power structures and skewed economic incentives have acted as a serious brake in many reform processes (Lilly, 2025). High levels of financial uncertainty combined with management incentives that reward growth also foster a competitive environment prone to “turf wars” and duplication (Bennett 2018; HLP HF 2016). There have been limited efforts to address these economic interests within the humanitarian system and yet they lie at heart of many of its structural problems.

Limits to the uptake and transformative impacts of multi-purpose cash assistance demonstrate the enduring power of competitive dynamics. Cash assistance is the most well-cited innovation in the humanitarian system in the last decade that has the potential to improve cost efficiency, reduce duplication, and deliver more effective and dignified assistance.⁴¹ Cash and voucher-based assistance has grown rapidly, from less than 1% of the total response 15 years ago (Byrant and Leen 2024), to 23% of total humanitarian assistance in 2023 (Development Initiatives, 2024). In 2022, the Grand Bargain clarified the coordination

arrangements for cash coordination which were endorsed by the IASC. However, the disruptive potential of multipurpose cash has often been met with fierce agency pushback (Bryant and Leen, 2024) and despite substantial investments in harmonisation and coordination, increases in the volume of cash programming have not been matched by a shift from sectoral towards multipurpose cash (CALP, 2023) and duplication remains common.⁴² Funding for cash and voucher-based assistance fell as a proportion of total IHA in 2024 (ALNAP, 2025).

Reforms that have targeted the excessive bureaucratisation in the system have had limited success. The humanitarian system has become consumed by inefficient processes rather than focussed on operational responses to people in need.⁴³ Reforms have focussed on technical fixes that do not address the drivers of bureaucratisation, with marginal overall impacts on improved efficiency.⁴⁴ For example, the Grand Bargain commitments targeting reducing reporting burdens have delivered modest net reduction and the assumed efficiency gains of reporting to the International Aid Transparency Initiative (IATI) proved flawed (Metcalf-Hough et al 2023)⁴⁵. More recently, at the end of 2024, the ERC commissioned a rapid review on improving efficiency in the humanitarian system.⁴⁶ The recommendations included modest changes while the more radical proposals from former ERC Jan Egeland, such as to reduce the proliferation of Inter-Agency Standing Committee (IASC) bodies, were consigned to shaded boxes.

There are few incentives and checks to promote cost-efficiency in the humanitarian response. There is little analysis of system or organisational-level cost efficiency in the planning and delivery of humanitarian assistance. Cost efficiency is not an explicit part of the humanitarian appeal process and there is no system-wide measure for 'value for money' (Lilly, 2024). Evidence on the cost-efficiency gains of delivery modalities is typically produced by interest groups advocating for them and are rarely challenged. Tools exist, however, that could facilitate agency level scrutiny of costs, including Dioptre, a web-based cost analysis tool developed by a group of international NGOs, that allows analysis of cost-efficiency of activities compared to system wide benchmarks.⁴⁷ Funding cuts have focussed attention on the need to find more cost efficient ways of providing assistance and these kinds of tools could be more systematically used and others adopted at the system level.

Enforced rationalisation in the humanitarian system now underway comes with significant risks. With significantly less funding the humanitarian system requires radical simplification of structures, processes and procedures. Rather than pursuing an evidence-informed and strategic approach to achieving cost efficiency or cost effectiveness, humanitarian organisations are now in a process of enforced cost-cutting. As part of the UN80 initiative launched by the UN Secretary-General in March 2025, UN entities have been instructed to relocate staff from New York and Geneva to other less costly duty stations while proposals are being discussed for restructuring the UN with the potential merger of different UN entities.⁴⁸ The merger of INGOs is also potentially on the cards as certain organisations

struggle financially. While this may deliver cost savings, there is a risk that consolidation and mergers reinforce the dominant position of certain agencies, and sees the loss of critical functions, external challenge functions and diversity in the system.

Innovations are not brought to scale because of underlying structural impediments to change in the humanitarian system. Innovation has not been the target of formal reforms, however, aid agencies have made institutional investments in this function within their organisations. Arguably, though the humanitarian system is not designed to innovate and there have been few paradigm shifts in the way humanitarian aid is delivered (Curion, 2019). Bringing innovation to scale is a perennial problem of the humanitarian system (Düchting, 2025, Townsend, 2025). According to the ELRHA, the humanitarian system spent just 0.2 % of the humanitarian assistance budget on research and innovation between 2017 and 2021 (Issa and Camburn, 2022). Regardless of what new approaches have been adopted they have not been enough to radically improve the effectiveness and efficiency of humanitarian assistance. With decreased funding there is a risk that innovation becomes further sidelined.

Realising the possible efficiency gains of Artificial Intelligence (AI) comes with potentially significant risks, costs and deepening inequalities. There are a range of potential applications of AI to enhance humanitarian response, including in information management, forecasting, scenario planning, and supply chain management. A handful of large international humanitarian organisations are already in advanced stages of piloting a range of AI models and tools. However, there are clear risks associated with AI in managing data safeguards, anticipating and responding to emerging ethical and protection risks. Before pilots are brought to scale, AI will also require substantial upfront investments in data organisation, staff with technical expertise, technical infrastructure, as well as potentially considerable ongoing costs in model monitoring and upgrades. The digital divide between large organisations, which have already pulled ahead in developing their AI capabilities, and smaller organisations, including local and national NGOs, will rapidly expand, unless care is taken to ensure that tools are developed for the common benefit of all actors in the system.

3.4 Reproduction of centres of power

Power in the international humanitarian system is highly centralised which inhibits structural reforms. The humanitarian 'centre' is made up a small set of major donors, a coordination model dominated by UN-led mechanisms, and a normative framework rooted in a set of principles, a multilateral consensus and related institutional 'mandates' which confer legitimacy and licence to operate. While the Red Cross and Red Crescent Movement and MSF are independent observers in these structures, they still function within this overall machinery of the aid system. Accountability is directed upwards to donors, and power is reproduced through controlling access to funds, which flow through large agencies that have privileged

access to decision-making spaces. Access is conditional on compliance with a range of principles,⁴⁹ norms, bureaucratic conditions, institutional forms, and quality standards. The number and diversity of humanitarian actors has grown but the system remains dominated by a small set of actors whose position is fundamentally in-tact despite successive rounds of reform (Davey et al 2024). Unless these power structures are dismantled by providing a more level playing field then efforts to change the humanitarian operating model will continue to fail.

Despite strong commitments the humanitarian system has been unprepared to localise humanitarian action. The radically inclusive consultation process that preceded the 2016 World Humanitarian Summit (WHS) provided a platform for those typically excluded from policy and decision-making dialogue and saw “localisation” catapulted to the top of the Summit agenda.⁵⁰ Localisation found expression in the Grand Bargain commitments and significant work on the issue by the platform may be credited with facilitating a normative shift (Metcalf-Hough et al 2019; ICVA 2025). Achieving measurable change against policy commitments, however, has been slow (Barbelet et al, 2021). Notably, the proportion of humanitarian funding provided ‘as directly as possible’ to local and national had only risen from 3.7 % in 2019 to 6.8 % in 2023 against an agreed target of 25% (ALNAP 2025). Worryingly, direct and indirect funding to local and national actors fell in 2024 to just 5.5% of total IHA (ibid).

Local and national NGOs decry a lack of progress towards genuine equitable partnerships. They describe an increase in participation in coordination and decision-making platforms as not being accompanied by a substantial increase in influence. Local and national actors were the first to be hit, and hardest, by the US and other funding cuts in 2025, reflecting their continued contingent and marginal status within the humanitarian system. Efforts to improve funding and coordination for local actors have not addressed the underlying power structures and economic incentives that underpin the humanitarian system (Khoury & Scott, 2024; Foroughi & Kelly, 2024). Research has shown that local actors could deliver humanitarian programmes 32% more cost efficiently than international agencies, representing potential annual savings of up to \$4.3 billion (Cabot Venton, 2022). Donor and intermediary concerns about fiduciary risk, and divergent views and practices on principled responses however continue to inhibit the scale up of funding to local and national actors (Atam 2023; ICVA, 2025). The reality is that the UN agencies and INGOs that are being asked to pass on more funding to local and national NGOs are the same organisations competing against them for funding (Lilly, 2025). This competition will likely now increase as funding contracts acting as a further brake on localisation efforts.

The ‘Participation Revolution’ has been reduced to a technical exercise, neutralising its transformative potential and starving the system of stimulus to adapt. Reform has been driven instead by shame and reputational risks resulting from poor performance and now

enforced by funding cuts. In contrast to a business, humanitarian actors do not have to respond to signals and feedback from clients, since their clients have nowhere else to go. Exclusion of end users from decision making enables the reproduction of a supply-driven model rather than one that responds to expressed needs (Bennett 2016). Accountability to Affected Populations (AAP) has been reduced a technical problem to be solved with frameworks, strategies, working groups and feedback mechanisms.⁵¹ Consultation, however, typically takes place after decisions have been made and feedback is not translated into remedial actions by agencies.⁵² Perception surveys of aid recipients confirm that they are not satisfied with the assistance they receive, which does address their priorities, and they are not informed or able to participate in decisions about how aid is provided to them (Ground Truth Solutions (GTS), 2022; GTS 2025). The system in effect talks largely to itself (Sida et al 2025). The previous ERC launched the Flagship Initiative in 2023 to test new approaches people centred humanitarian action in four pilot countries: Colombia, the Philippines, Niger and South Sudan. The Flagship Initiative has provided important learning about how to conduct participatory consultations with communities and plan responses around them. Even by its own admission, though, it is unclear if the Flagship Approach could be brought to scale, which requires political will and global changes to the way humanitarian aid is provided (Sida et al, 2025).

3.5 Challenges to legitimacy

Growth in the humanitarian system has paradoxically been accompanied by a retreat from presence in places of highest needs and growing challenges to legitimacy. Humanitarian action has been drawn into dangerous places and aid workers have increasingly been targeted by armed actors resulting in growing numbers of aid worker casualties (Humanitarian Outcomes, 2024). At the same time, tolerance of risk among international actors has fallen with international aid workers working behind hard security defences or models,⁵³ with a growing reliance on remote management and transfer of risk to local staff and partners.⁵⁴ The supply-driven system has enabled a retreat to accessible locations where needs are not necessarily highest. This ‘paradox of presence’, namely of remaining present while being physically remote from people (Collinson and Duffield 2013) has lowered feelings of connection, solidarity and limited understanding of the people and environments humanitarians work in and has been accompanied by a shift towards a focus on feeding bureaucratic processes (Sida et al 2025). It has also led to challenges to the legitimacy of international humanitarian actors who may not be meaningfully operationally present in the most difficult places (Healy and Tiller 2014; GTS 2025).

The role of international organisations as funding intermediaries is increasingly open to question as new models and actors emerge at the margins. Increasing reliance on front-line delivery partners and policy commitments to localisation has seen substantial growth in

providing intermediary services as a core business offering of the UN and international NGOs through direct sub-contracting and via pooled funds. This model, designed to manage risk and complexity, has become a barrier: it dilutes accountability, absorbs resources, and disconnects aid from the realities on the ground.

Meanwhile, new actors and models are emerging at the margins. Local and national organisations, despite receiving a fraction of funding, play an outsize role in delivering assistance, especially in insecure contexts like Sudan, Gaza, and Myanmar (GTS, 2025). They mobilise resources through community networks, mutual aid groups, faith-based platforms, and solidarity movements, often filling the gaps left by international agencies. These emerging actors not only deliver aid but challenge the system by blending humanitarian assistance with resistance, solidarity, and community organising (Ataï, 2023; Slim, 2022). Their rise signals a shift in where legitimacy and capability reside and raises fundamental questions about the future of humanitarian action. Without rethinking its role, the current international humanitarian system risks becoming an inefficient, outdated intermediary⁵⁵, bypassed by more agile, locally driven responses.

4. Plausible futures: Stress testing the system

The patterns emerging from the sections above point to a stark reality: the humanitarian system is being pulled in multiple directions, caught between rising needs and diminishing resources, between promises of reform and structural inertia, between a declared ambition to localise and the reproduction of global power hierarchies. This raises a fundamental question: What happens when the shocks intensify, the assumptions underpinning the system break down, and the future unfolds differently than expected?

The following section applies a stress testing lens, a method borrowed from other complex systems, to explore how the humanitarian system might respond under the evident and growing pressure, and to examine whether the current core architecture of the humanitarian system, despite reforms in motion, can withstand what's coming. This includes influences on how legitimacy, coordination and financing are structured today, even as change unfolds¹.

4.1 What is stress testing, and why now?

In this moment of flux, we need tools that help us examine not just *what might happen*, but *what might break*. Stress testing provides such a tool. Stress testing differs from forecasting (see Table 1). It simulates plausible but disruptive shocks to identify vulnerabilities, surface untested assumptions and expose the consequences of unpreparedness (Anticipation Hub, 2025). It evaluates how systems respond to potential shocks, exposes the consequences of unpreparedness, and offers a structured way to rehearse the future, before it arrives. In a context where the future is not a continuation of the present, stress testing helps us ask better questions: not just 'What might happen?', but 'What are we unprepared for?' and '*What if the system is wrong about what it thinks it can count on?*'

Table 1: Stress testing vs forecasting

	Forecasting	Stress Testing
Purpose	Predict what is likely to happen	Test what breaks under pressure
Assumptions	Continuity, extrapolation of trends	Disruption, emergence, shock scenarios
Focus	Most probable outcomes	Plausible but disruptive conditions
Use Case	Planning, projections	Resilience assessment, redesign triggers
Core Question	"What will happen?"	"What are we unprepared for?"

Stress testing has been used in finance to test banks against economic shocks, in climate policy to assess vulnerability to extreme weather and in security to prepare for cascading crises. In

¹ "Architecture" here refers to the dominant structures and norms currently shaping humanitarian legitimacy, coordination, financing, and access.

the humanitarian sector, where complexity, uncertainty, and institutional inertia are all increasing, it remains underutilised.

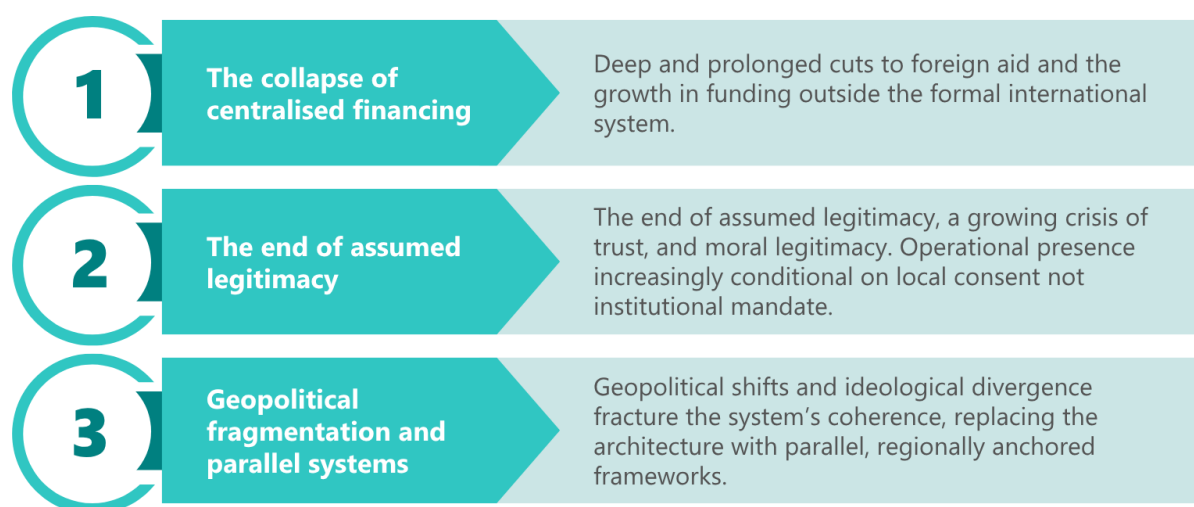
Stress testing has been used here to:

- Surface unexamined assumptions that hold the system together;
- Explore how different parts of the system might respond to plausible disruptions;
- Reveal points of rigidity, potential adaptation, and necessary transformation.

4.2 The stress testing framework

The focus of this stress test is not a single institution, process or reform agenda. It is the humanitarian system's core architecture²; its ability to uphold legitimacy, mobilise funding, enable coordination, and secure access under radically different future conditions. These are the load-bearing elements of the system. If they fracture or no longer hold, the system cannot function as intended.

Rather than projecting from a single theory of change, three distinct plausible trajectories have been developed.



Each tests a different foundational pillar of the current humanitarian system: its financial architecture, its operational legitimacy and its multilateral coherence. In the real world, these may unfold in tandem. Each scenario challenges the system's default logic and asks: *If this pressure were to intensify, what would break? What would adapt? What would emerge instead?*

² This includes the multilateral appeal framework, cluster coordination model, compliance-driven funding flows, legacy mandates of UN agencies and institutional norms that underpin the system's operational legitimacy and access.

These trajectories emerged from:

- Observed pattern shifts such as funding volatility, multipolar power centres, and legitimacy crises.
- Interview and workshop insights that flagged growing tensions within and beyond the system.
- Exploratory analysis designed to stretch thinking and highlight adaptations already taking root at the margins ("strategic probes").

The first trajectory tests the humanitarian system's dependence on a narrow donor base and its limited ability to adapt to alternative financing ecosystems. As global crises accelerate, the formal appeal architecture, built for procedural consensus and donor-driven mobilisation, risks becoming obsolete. Future humanitarian financing will likely be more distributed, trust-based, and locally intermediated, raising fundamental questions about the relevance and resilience of centralised funding models. The system must reimagine both how it is financed and how legitimacy and accountability are understood.

Trajectory two highlights a growing disconnect between the current formal humanitarian coordination models and the expectations of local actors. As legitimacy becomes increasingly conditional, earned through trust, relevance and shared governance, the system's reliance on inherited mandates and centralised authority is called into question. Navigating this shift requires a transformation in how legitimacy, consent, and power are understood and operationalised.

Trajectory three illustrates how the current global humanitarian system must confront the realities of geopolitical decentralisation and the rise of regionally governed national and local actors. As coherence gives way to diversity, the challenge is no longer preventing fragmentation but building systems that can operate across it through interoperability, federated legitimacy, and negotiated norms.

Trajectory 1: The collapse of centralised financing

Political shifts and major fiscal and economic crises in key donor countries triggers deep and prolonged cuts to discretionary foreign aid. Annual appeals are massively scaled back and remain underfunded by half for the years to come taking humanitarian funding back to levels of 10 years ago. There is no return to previous levels of aid for the foreseeable future. The funder base is not diversified, and bilateral funding is increasingly preferred to multilateral forms of funding. Other sources of funding such as philanthropy, civic networks, and remittances take on larger roles but remain limited. The proportion of funding outside the formal international aid system increases which as a result becomes more fragmented and contested in terms of its overall purpose and mission.

Humanitarian financing is increasingly driven by a patchwork of non-traditional actors:

- Diaspora collectives crowdfunding part of their remittances into a rapid response pooled fund.
- Faith-based response funds increasing in size
- Blockchain-native humanitarian mutuals, using crypto tokens to fund and track aid
- Sovereign regional funds from Turkey, ASEAN, and Gulf states.

WHAT BREAKS?	WHAT ADAPTS?	SO WHAT?
Centralised coordination systems that rely on financial predictability.	Interfacing with alternative capital sources (e.g. remittances, religious giving, digital currencies).	Central funding architecture is no longer reliable; traditional appeals risks obsolescence.
Pooling of funds that relies on a critical mass of funding.	Agile, low-cost intermediary models.	Institutions that cannot adapt to plural funding landscapes will lose relevance.
Humanitarian financing structurally unprepared to interface with new flows.	Legitimacy strategies that build trust and credibility with affected communities, institutions and the public.	Legacy debates on quality funding may become irrelevant if donors exit entirely.
Agencies reliant on indirect cost recovery for survival.	Governance models that are next, plural, and capable of co-existing with sovereign and civic mechanisms.	
Accountability structures built on bilateral compliance frameworks not in relation to communities.		

Key questions raised:

- Can pooled funding be reinvented for a decentralised, digital and values-based era?
- What does accountability look like when it is rooted in relational legitimacy, not contractual compliance?
- What role can multilateral agencies play when they are no longer primary financial conduits?

Trajectory 2: The end of assumed legitimacy

This trajectory highlights a growing crisis of trust and moral legitimacy especially at the delivery level, where operational presence is increasingly conditional on local consent rather than institutional mandate. The humanitarian system faces not just a financing crisis but a crisis of moral and operational legitimacy. In multiple countries and crisis contexts, international agencies are no longer seen as neutral, impartial, or necessary and they have even less presence in different crises around the world.

The shift began in Afghanistan, Myanmar and the Sahel as national and local actors increasingly questioned the outsized role of UN coordination structures and international aid models, especially in contexts where they delivered little and demanded much. Then came public pushback in the form of open letters from local coalitions, boycotts of cluster meetings, and regional authorities refusing access to large INGOs without local co-leads.

In different contexts local civil society platforms, supported by diaspora networks and regional universities, launch alternative coordination hubs that reject traditional cluster formats in favour of collective design forums rooted in cultural proximity and affected community consent. The response is faster, more trusted, and less extractive and expensive. INGOs are invited to participate only after signing a charter of co-responsibility and community review.

UN agencies still operate, but their authority is contingent, negotiated, and often challenged. In a world where trust is scarce, social license to operate has become the new visa.

WHAT BREAKS?	WHAT ADAPTS?	SO WHAT?
Assumed legitimacy of internationally-led coordination.	Access models where consent is earned through proximity, trust and cultural legitimacy.	Coordination legitimacy is no longer presumed and must be constantly earned.
Transactional localisation focused on presence not ownership.	Co-governance with local institutions.	Power must be redistributed through co-leadership, not symbolic participation.
Access taken for granted.	Ethical frameworks reflecting relational legitimacy not institutional mandates.	Operational presence depends on social licence not just legal and assumed mandates.
Upwards-facing accountability that crowds out community feedback.	Co-created, transparent, enduring downwards facing accountability mechanisms.	
Selectively invoked humanitarian principles.		

Key questions raised

- Who gets to define legitimacy and on what basis?
- Can humanitarian principles still hold weight without operational consent?
- How does the system regain trust where neutrality and impartiality have eroded?
- What would it take to embed consent and co-decision-making into the coordination architecture?

Trajectory 3: Geopolitical Fragmentation and Parallel Systems

This trajectory explores how geopolitical shifts and ideological divergence fracture the system's coherence, replacing global humanitarian architecture with parallel, regionally anchored frameworks. The global humanitarian system no longer operates under a unified, coherent and singular architecture. The world has fractured along economic, ideological, and geopolitical lines and the humanitarian sector has followed this trend and further fragmented and become multi-centred.

The African Union, Gulf Cooperation Council, ASEAN, and the Organisation of American States now operate – albeit with nascent capacity - regionally governed humanitarian response systems which include:

- Crisis funding mechanisms and regional pooled financing
- Coordination platforms housed in regional political bodies
- Locally embedded ethics frameworks and crisis response mechanisms

The UN remains a reference point, but not the central hub of humanitarian action. Different humanitarian frameworks and systems emerge based on regional organisations, national authorities but increasingly local and community actors as well as religious bodies guided by a faith-based transnational platform rooted in zakat logistics.

Donors have adapted and increasingly rely on bilateral arrangements and there is no single global inter-agency appeal but rather multiple agency specific and local appeals. In its place, there are distributed, often ideologically divergent frameworks. Interoperability is no longer assumed, and standards vary.

WHAT BREAKS?	WHAT ADAPTS?	SO WHAT?
Multilateral humanitarianism dependent on geopolitical cohesion.	Interoperability frameworks that allow systems to coordinate without being identical.	Coherence is no longer the starting points - coordination must now operate across a pluralistic, contested space.
Assumed universality and acceptance of humanitarian policies, frameworks and standards.	Federated models with decentralised legitimacy and plural accountability.	Global humanitarian governance becomes one node among many, not the centre.
Centralised governance structures and reform initiatives.	Tools for translation across languages, standards, ethics and political contexts.	Norms and standards must be resilient enough to flex across geographies, ideologies and value.
Coordination infrastructure unable to reconcile alternative systems, norms and rules.	Recognition that universality must be negotiated not presumed.	
Organisations unable to adapt to changing cultural and strategic conditions.		

Key questions raised

- How can coordination evolve when legitimacy is dispersed across overlapping ecosystems?
- What does effective humanitarian action look like when financing and authority no longer flow through traditional hubs?
- How can relevance and trust be rebuilt when institutional mandates no longer guarantee access or influence?

4.3 Cross-trajectory insights and system implications

Across all three trajectories, a clear pattern emerges: the traditional architecture of the humanitarian system, what we might call its centre, is placed under growing pressure. This centre comprises a small set of major donors, a clustered coordination model dominated by UN-led mechanisms, and a normative framework rooted in multilateral consensus and institutional legitimacy. That architecture is increasingly outpaced by new actors, funding flows, and delivery models that operate outside its boundaries. What results is a more plural, fragmented, and contested humanitarian space, in which the foundational assumptions of the past decade, including predictable donor support, centralised coordination, and normative coherence can no longer be taken for granted.

While each trajectory is anchored in a distinct disruption, whether fiscal, geopolitical, or societal, what becomes clear is that they do not test isolated functions. Instead, they place pressure on the system's structural foundations: how authority is conferred, how legitimacy is sustained, how coordination is governed, and how access is negotiated. Taken together, they signal the need for a reconfiguration of the system's underlying architecture, not just its operational mechanisms.

Table 5: Systemic stressors across the three trajectories

Systemic Stressor	Trajectory 1: Collapse of centralised financing	Trajectory 2: End of assumed legitimacy	Trajectory 3: Fragmented multilateralism
Donor dominance weakens	Formal appeals shrink; alternative funding models emerge	Traditional donors lose influence as local funding sources gain traction	Funding becomes bilateral, regional, or ideologically fragmented
Multilateralism in flux	UN-led pooled funding declines; fiscal reliance undermines influence	UN sidelined by regional blocs and bilateral aid	Regional blocs and non-aligned actors develop parallel systems
Power decentralisation	New capital sources (diaspora, philanthropy)	Faith networks, regional bodies step up	Local actors assert governance roles
From assumed access to negotiated consent	Less funding = less leverage	Negotiation becomes more fragmented	Access dependent on trust, not mandates
Rise of informal architecture	Community platforms take on delivery functions	Non-state actors fill institutional gaps	Local networks become primary responders
From mandate to earned legitimacy	Community platforms take on delivery functions	Global mandates challenged by new players	Consent and trust become basis for legitimacy

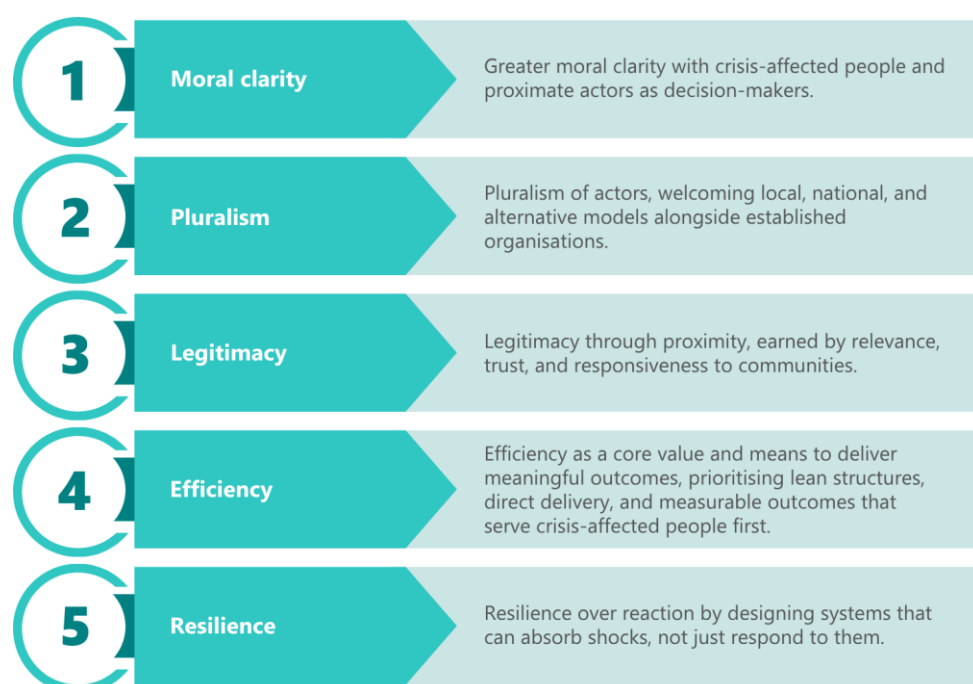
5. Reckoning and renewal: A future-ready humanitarian system

The reckoning: What we must confront

The humanitarian system was designed for a different era; a world of greater geopolitical stability, linear crises, and steady, discretionary funding. That world no longer exists. Crises today are overlapping, protracted, and political. Decades of growth in the international humanitarian system have also seen a loss of clarity of purpose. The system's legitimacy is also eroding, among the people it is intended to serve, those working within the system itself, and among wider citizenries and governments. A return to a situation of plentiful humanitarian funding should not be expected. Massively reduced funding will put extreme strain on the system and if a major new system-level crisis occurred tomorrow, it is unlikely that the current system would be able to respond.

Reform efforts have focused on technical adjustments without addressing the underlying political structures or economic incentives, assuming the system's core logic was sound. It is not. The system has become supply-driven, over-complex, slow and bureaucratic and often disconnected from the needs of the people it serves. During this period of structural reckoning, there is an opportunity for a fundamental redesign of purpose, structure, and legitimacy that allows the system to meet the realities of a changing world. The Humanitarian Reset and Grand Bargain commitments, however, are insufficient for addressing the scale of the reform that needs to take place.

First principles. A renewed system must be built on clear, shared principles:



The emerging horizon: Pathways for action

The humanitarian system faces a choice: adapt to the realities of today's crises or risk becoming irrelevant. The question is not whether humanitarianism will continue, but how it will be defined, who will lead it, and whether it will serve the people it exists to support. This vision demands a new architecture that is more plural, more accountable, more demand-driven, more resilient, and more aligned with the realities of today's crises.

Reconceptualising humanitarian action: The system must achieve clarity of purpose. It must identify its comparative advantages and limits to guide the choices it now faces, including reconciling divergent views on the scope of ambition from providing immediate relief to delivering long-term transformative outcomes. A clarified purpose requires new ways of working including a major shift towards supporting local actors and systems, discipline in setting and working towards clear exit strategies, and a much stronger role for humanitarians as advocates, brokers and facilitators, working closely with governments and development, climate, peace and private sector actors to address not just the symptoms but the drivers of humanitarian crises.

Differentiated models of humanitarian aid: The humanitarian system needs to shift away from one-size-fits-all templates, where all crises compete for a limited pot of funding, toward differentiated models tailored to specific crisis contexts. This requires distinguishing crisis types to identify caseloads that should reasonably fall within the scope of humanitarian responsibilities, identifying which policy, coordination, planning and financing frameworks are appropriate and convening relevant actors including governments, regional bodies, and civic institutions to negotiate coherent packages of support.

In high-risk conflict and other settings where international agencies face severe access constraints, local actors should play a central role, with direct financing and programme arrangements that reflect their proximity to affected populations. For risks that can be modelled and anticipated, upstream investments in risk reduction and adaptation, combined with contingent and trigger-based financing mechanisms should be activated when agreed thresholds are met.

Rebuilding legitimate leadership: Power must be shared, not concentrated. This requires term limits, rotating and joint governance structures, and independent mechanisms that enable challenge from the margins. Leadership must be earned through accountability, moral courage, and responsiveness, not assumed by mandate, or exercised through bureaucratic power and control of resources. Community-led networks, mutual aid systems, and local capacities should be recognised and invested in as core parts of crisis response, not treated as peripheral, co-opted or stifled. The system needs a place where diverse actors can come together to test, refine, and scale. Current governance structures in the humanitarian system

are deficient, and an inclusive global platform is needed that serves as a space for experimentation, co-creation, and challenge, not just stewardship.

Alternative funding models: Funding levels are unlikely to return any time soon, and existing funding mechanisms and tools will not bridge the gap. Therefore, while efforts to attract more funds should continue to be pursued, alternative funding models both inside and outside the current system need to be found. There must be acceptance that additional funding should not necessarily flow through the current international humanitarian system, but rather the objective should be to mobilise resources for crisis response through the wider humanitarian ecosystem. This will require developing greater 'financial fluency' beyond ODA, and humanitarians adopting a role as broker and network connectors to mobilise resources in service of crisis-affected people.

Radical simplification: The system's fragmented layers of coordination, planning, compliance, and competition have become a barrier to action and need radical simplification. A future-ready system must have fewer layers, clearer roles, and a shift toward decentralised, locally driven models of response, where legitimacy comes from proximity, effectiveness, and trust, not from formal mandates or institutional status. Cost efficiency and effectiveness must become part of the DNA of humanitarian operating systems. With potentially half the funding there should be substantial structural reductions with an independent functional review undertaken on what needs to be retained and what can be dropped to achieve the greatest impact for people in crises with the diminished resources available.

A focus on performance and results: The system must move from a culture of resource competition to one where outcomes are the measure of success. Resources should flow to those who deliver measurable impact—on efficiency, relevance, and the priorities of affected communities—not to those who best maintain the status quo. Reducing the funding gap should no longer be seen as the metric of success but rather how results can be achieved for crisis-affected populations. Independent challenge functions will be critical in shifting accountability to align with the priorities and needs of crisis-affected people. Greater independent scrutiny of system performance is needed, especially from crisis-affected people themselves, to identify what is and is not working, and to safeguard space for alternative models.

Acronyms

AI	Artificial Intelligence
ERC	Emergency Relief Coordinator
GHO	Global Humanitarian Overview
HLP	High-Level Panel on Humanitarian Financing
HPC	Humanitarian Programme Cycle
IASC	Inter-Agency Standing Committee
IHA	International Humanitarian Aid
IHL	International Humanitarian Law
IFI	International Financial Institutions
INGO	International non-governmental organisations
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
PIN	People in need
UN	United Nations
UAE	United Arab Emirates
WHS	World Humanitarian Summit

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Endnotes

¹ Workshop outcomes available at: https://interagencystandingcommittee.org/sites/default/files/2025-06/Workshop%20on%20Humanitarian%20Reforms_A4.pdf

² Conflict events nearly doubled from 104,371 in 2020 to nearly 200,000 in 2024 with a conservative estimate of 233,000 deaths in 2024. Political violence has been increasingly rapidly, with the number of events growing by roughly 25% each year between 2020 and 2024 ACLED, (2024).

³ The Internal Displacement Monitoring Centre (IDMC) (2025) estimate there were a 'record breaking' 83.4 million people forcibly displaced by conflict and/or natural disasters in 2024, double the number recorded a decade earlier.

⁴ The number of people assessed by the UN as in need of urgent food and livelihood assistance rose by 5% to reach 295 million people in 53 countries in 2024, the sixth consecutive annual increase (Food Security Information Network (FSIN) Secretariat & Global Network Against Food Crises (GNAFC) 2025).

⁵ The UN's latest report on progress against the Sustainable Development Goals assesses progress as "severely off track" (UN 2024).

⁶ 2024 was the year the average global temperature breached the threshold of 1.5 °C above pre-industrial levels.

⁷ Including, that global public debt is now projected to rise by an additional 2.8% in 2025, surpassing the previous pandemic peak, at 100% of GDP (IMF 2025).

⁸ The World Bank recognises climate change as a fundamental risk to poverty and inequality reduction (World Bank 2024)

⁹ In high income countries fiscal stimulus packages have also led to an unintended concentration of wealth among asset owners (Kreke 2022).

¹⁰ More than 60 countries held elections in 2024. Some right-wing populist parties won, notably in the US, Italy, and the Netherlands. But in many countries, they increased their share of the vote and are now an established part of the political landscape.

¹¹ Based on current growth forecasts, extreme poverty levels are not expected to improve much between 2030 and 2050 (World Bank 2025).

¹² Estimated at 38% of the value of FY24-25 obligations (Sandfleur & Kenny 2025). However the completeness of the list of cancelled contracts issued by the US government is open to question and the value may be significantly higher.

¹³ In contrast with wide ranging cuts across former priorities, the new budget proposal includes a substantial increase in funding for the US International Development Finance Corporation to create a US\$ 3 billion revolving fund prioritising advancing US national security and foreign policy interests (Collinson & Hurley, 2025).

¹⁴ Following military coups in Mali, Burkina Faso and Niger, French troops, diplomatic relations and development assistance were rejected and ejected. Chad, Senegal, and now Cote d'Ivoire have followed suit in requesting the withdrawal of French forces.

¹⁵ Khalil and Lavaud (2025) argue for example that Security Council "permanent members have compounded the erosion of the Council's credibility by committing some of the most consequential violations of the UN Charter, including the invasions of Iraq and Ukraine, as well as by misusing their vetoes."

¹⁶ Groupings of low- and middle-income countries have led action to reform the international financial institutions including through the Group of Twenty (G20), the Bridgetown Initiative, and the Vulnerable Twenty Group of Ministers of Finance of the Climate Vulnerable Forum (V20) Accra-Marrakech Agenda.

¹⁷ Slim (2023) differentiates between life-saving and life-making needs, “those things we need to create a happy and prosperous life in which we thrive and flourish across a wide range of human goods that may be beneficial rather than essential.”

¹⁸ The introduction of the Joint and Intersectoral Analysis Framework (JIAF) 2 has significantly improved the way in which humanitarian needs are measured and analysed. Following two years of this approach, the Global Humanitarian Overview (GHO) for 2025 projected 305.1 million people in need and targeted 189.5 million of those for assistance, which requires \$47 billion – far less than the \$56 billion required at the end of 2023 (OCHA, 2024). For more details on JIAF see OCHA’s website at <https://www.unocha.org/publications/report/world/joint-and-intersectoral-analysis-framework-jiaf-2-technical-manual-july-2024>

¹⁹ The re-prioritised GHO published 10th June 2025 identified 114 million people as ‘urgently prioritized’ <https://humanitarianaction.info/document/hyper-prioritized-global-humanitarian-overview-2025-cruel-math-aid-cuts#page-title>

²⁰ Poole et al (2020) argue the need for crisis-tailored financing packages targeting different segments of risks arising from predictable, modellable and unknown risks, underpinned by risk-conscious development investments.

²¹ In 2019, the OECD DAC donors adopted a recommendation committing themselves to developing nexus funding strategies to ensure a more coherent approach to humanitarian, development and peace funding, but their own review on progress in 2022 reported limited progress towards the development of such strategies (OECD, 2022).

²² Under the EU’s new aid strategy, it will prioritise countries based on shared interests and priorities and scale back funding from ‘less performant countries’ (Chadwick 2014). The EU’s aid has already dramatically increased its use of loans as opposed to grants, and while EU aid overall increased by 67% between 2018 and 2023, EU aid to least developed countries fell by 9% in the same period (Perez et al 2025). Allocations from the Global Gateway have been criticized for prioritizing business interests of European countries over development objectives (Gerasimcikova & Sial, 2024).

²³ ALNAP (2022) assessed that the number of organizations has increased by 10% over the preceding decade and the number of humanitarian workers in crisis contexts had grown by 40% since 2013.

²⁴ In 2024, there were 50 coordinated funding appeals. See: <https://fts.unocha.org/plans/overview/2024> (accessed 20/05/2025).

²⁵ WFP received a historic peak in contributions at USD 14.1 billion in 2022 (WFP 2023).

²⁶ Mike Pearson, ‘New money? What the numbers say about ‘non-traditional’ aid donors’, the New Humanitarian, 30 April 2025

²⁷ In 2023, MSF received EUR 2.4 billion from 7.3 million individual donors plus private institutions. See: <https://www.msf.org/reports-and-finances>. UNRWA received £232 million from private sources between October 2023 and March 2025, whereas previously it had mainly been reliant on government funding.

²⁸ Development Initiatives (2024) recorded a decline from US\$ 10.2 billion in 2022 to US\$ 7.1 billion in 2023. The Gallup World Poll (Gallup 2025) indicates a decline in global private giving in 2024.

²⁹ For example, OCHA has opened a Climate Account to its CERF for donors to contribute climate finance but it has received just \$18 million to date. A number of organisations delivering humanitarian programmes have received accreditation from the Green Climate Fund including ACTED, FAO, Save the Children Australia, UNICEF and WFP

³⁰ See Grand Bargain Strategic Dialogue on Innovative Financing Summary Note – 24 June 2024 HIF is defined by the Grand Bargain as ‘connecting or blending humanitarian capacity and funding (grants) with [...] capacity and financing (capital) from public, development and private actors, to achieve additionality for populations or communities affected by fragility’

³¹ For example, the DG ECHO Pilot Initiative on Blended Finance for Humanitarian Aid has financed projects to date for a total of €5.9m over the 2021 to 2024 period which represents just 0.12% of ECHO’s total budget of €1.65b per year.

³² Meenan (2022) notes for example that “the situations where parametric trigger design is easy, don’t necessarily align with contexts where humanitarian actors have an obvious responding role or associated funding requirement.”

³³ Evaluation of the ICRC Humanitarian impact Bond notes for example that the bond delivered some efficiency gains but did not deliver improved outcomes and these efficiencies could have been achieved with more structured programming approaches, they were not dependent on the impact bond itself. The evaluation also noted that the bond was complex to design, costly to set up and struggled to attract outcome funders (Ecorys 2022).

³⁴ Anticipatory action should be integrated into government systems as part of a comprehensive package of disaster management, including surveillance, preparedness and disaster risk reduction. Humanitarians, on short-term unpredictable funding cycles, have often however, failed to work effectively with governments and development actors to anchor anticipatory action into systems (Scott 2023).

³⁵ Development Initiatives, 'Global Humanitarian Assistance Report 2021', available at <https://www.developmentaid.org/api/frontend/cms/file/2022/04/Global-Humanitarian-Assistance-Report-2021.pdf>

³⁶ See World Bank website for more information on remittances <https://www.worldbank.org/en/topic/migration/brief/remittances-knomad>

³⁷ This includes debt swaps between Russia and Mozambique (Jerving 2017) and Germany and Egypt (WFP 2020).

³⁸ ICRC and IRC have both researched and advocated for a much wider application of debt swaps for humanitarian purposes. See: ICRC 2023 and Airbel Impact Lab 2024.

³⁹ In 2024, CBPFs allocated 32% of their funding to local and national NGOs (US\$ 330 million). See: <https://cbpf.data.unocha.org> accessed 22/05/2025.

⁴⁰ Niklas Rieger and Fran Girling-Morris, Out of the ordinary: New approaches to financing NGO-led crisis response mechanisms, Norwegian Refugee Council and Development Initiatives, June 2024

⁴¹ The 2015 High Level Panel on Humanitarian Cash (ODI 2015) envisaged cash as the main budget line in humanitarian appeals, complemented by support services, which would enable greater transparency, innovation and efficiency.

⁴² "Deduplication" tools have now emerged to identify and prevent duplication of transfers across different organisations. In 2024, WFP's "building blocks" deduplication platform scans the registries of 65 partners and is reported to have saved US\$67 million. <https://innovation.wfp.org/project/building-blocks>

⁴³ Egeland, then Eminent Person for the Grand Bargain, describes in the preface of the Grand Bargain Annual Independent Report what he observes as a growing tendency of the system change slowly and incrementally, resisting change by deferring decisions for wider consultation (Metcalf-Hough et al 2023). The 2011 Transformative Agenda reforms also noted with concern that the cluster system, introduced in the 2005 reforms, had in fact led to become "overly process driven" and was now "perceived to potentially undermine rather than enable delivery" (IASC, undated).

⁴⁴ See 'Catalogue of quality funding practices to the humanitarian response', NRC and Development Initiatives, 2024

⁴⁵ While organisations complied with commitments to report to the IATI standard, there is no authentic demand or efficiency application for this information.

⁴⁶ The ERC requested Jan Egeland (NRC) and Joyce Msuya (OCHA) to lead a process to develop proposals for a simplified and more efficient humanitarian system, including reformed IASC structures and coordination mechanisms, strengthened humanitarian leadership, a simplified HPC and reduced administrative process. See OCHA's website for the full list of proposals at <https://www.unocha.org/publications/report/world/simplified-and-more-efficient-humanitarian-system>

⁴⁷ See: <https://www.dioptratool.org/what-does-dioptra-do>

⁴⁸ For more details see the UN80 website at <https://www.un.org/en/un80-initiative-what-it-%E2%80%93-and-why-it-matters-world>

⁴⁹ Bennett (2016) describes for example how "humanitarian exceptionalism has served to sideline those outside the system who may not subscribe to all of the principles" which in turn leads humanitarians to "overlook capacity, funds, understanding and expertise from others who may not be card-carrying humanitarians, but may be better placed to help."

⁵⁰ The consultation process was rolled out over two years before the World Humanitarian Summit in 2016 and consulted 23,000 people, largely from the Global South. This political listening exercise transformed policy discourse and demonstrated the power of a new "architecture of listening" (Kelly et al 2023).

⁵¹ Despite years of policy commitments and investments, the latest Grand Bargain annual independent report concluded that "there is as yet no evidence of a substantive shift in practice on the ground to deliver 'an

accountable humanitarian response where decision-making power is in the hands of those affected by crisis’.” (Metcalf-Hough et al 2023).

⁵² In 2017, the Grand Bargain Participation Revolution co-convenors took the decision with signatories, to use the workstream as a forum for “information-sharing and learning exchange”. This was assessed to have “reduced momentum towards *actioning* the commitments at institutional level.” (Metcalf-Hough et al 2019).

⁵³ Duffield (2012) first described the phenomenon of ‘bunkerisation’ which can be traced to the 19 August 2003 Canal Hotel bombing targeting UN staff which killed 22 people. Rising insurance premiums and the shift towards using professional, often military security officers within humanitarian organisations following this attack contributed in part to the preference for increasing use of hard defences. The 2024 Inter Agency Humanitarian Evaluation (IAHE) of Afghanistan (IASC 2024) illustrates that ‘many of those consulted believed the response significantly ‘bunkered’ and concentrated around government-controlled urban centres.’

⁵⁴ Operational response has increasingly been carried out by national staff, who make up 90% of the workforce in crisis responses (ALNAP 2022).

⁵⁵ Many international NGOs already understand that their role in the future is likely to decline, that they are struggling to respond effectively to major crises, and to adapt to the need to work in equitable partnerships with local actors (Aaronson & Thompson 2023).