

# Donor funding allocations in the short-term following the shift in US government funding

## Context

The US government contributed roughly 47 percent of funding to consolidated humanitarian appeals in 2024. In light of the significant adjustments to US government funding and shift in priorities, donors must take the new funding environment into account when determining where and how to allocate/re-allocate funding in the short term. Unless donors take a coordinated approach to this, some sectors and country responses will remain disproportionately affected by the US adjustments and other funding cuts, exacerbating existing neglect.

To cope with the US funding adjustments, OCHA-coordinated responses have been forced to make difficult choices about how to reprioritise activities within Humanitarian Response Plans (HRPs). This effort aimed to adjust responses to focus on 1) geographic areas with the highest severity of needs and 2) life-saving activities (including protection) — typically Strategic Objectives 1 and 2 in HRPs.<sup>1</sup>

Without aligning short-term funding allocations to this reprioritisation effort, the significant shortage of funding within the system would mean that some people with the highest severity of needs would not receive assistance.

## Scope

This note is purposefully narrow in scope and does not aim to outline all initiatives that NRC believes humanitarian donors should undertake at this moment of reset and reform (e.g., advocacy with the US government to maintain funding levels, engagement with development and climate finance actors, humanitarian diplomacy initiatives, etc.). Rather, it aims to outline where, what, and how donors should make funding allocation decisions in the short-term and within the context of the IASC's reprioritisation. NRC will share recommendations for broader reform initiatives, including how to connect to/influence efforts outside of the humanitarian ecosystem, in the coming weeks.

Furthermore, the focus of this note is primarily on responses falling under the IASC and coordinated by OCHA, i.e., non-refugee responses. However, there are intersections and overlaps with refugee responses and further discussions need to take place to ensure coherence.

## NRC position on donor funding allocations in the short-term

In line with NRC's reprioritisation recommendations (see attached), NRC encourages donors to consider the following when allocating, or re-allocating, humanitarian funding in the short-term:

### ***On where donors should channel their funding:***

- For immediate funding allocations or re-allocations, donors should prioritise support to countries with the most severe needs, as per the reprioritised HRPs, coupled with the countries facing the largest funding gaps following US funding reductions.

---

<sup>1</sup> The reprioritised response plans are gradually becoming available on [HumanitarianAction.info](https://www.humanitarianaction.info).

- As an initial indication of where funding gaps may become particularly acute, see below Appendix 1: countries where US government funding represented more than 50% of appeal funding (2024). It is worth noting, however, that some crises already faced larger funding gaps than others.
- Furthermore, US government funding cuts are not happening equally across every country. Therefore, donors should also consider where the US has disproportionately withdrawn support, notably Afghanistan and Yemen (as of late April).

***On what sectors and activities donors should support with their funding:***

- Donors should allocate funding based on the reprioritised sectoral activities within the reprioritised response plans. The specific activities that are prioritised will vary from country to country depending on the most appropriate response modality for a given context.
  - Some sectors are likely to be disproportionately affected by the US funding adjustments. As such, other donors may need to adjust their level of support to different sectors. See below Appendix 2: US government support as a proportion of all funding received by each sector within coordinated response plans (2024).
  - Furthermore, donors should look to coordinate support to critical shared services and data gathering and analysis initiatives that are foundational to the sector as a whole, and in many cases rely disproportionately on US government support.












***On how donors should channel their funding:***

- Donor funding should enable sustainable, solutions-focused response modalities wherever possible. Reprioritising should not mean we deliver more bad aid with less money.
  - Responding to the most acute needs does not mean reverting to basic “truck and chuck” modalities. Donors must continue to support activities that are sustainable, market-based, promote self-reliance and create a pathway to solutions for displaced populations. In doing so, they reduce the need for repeated cycles of humanitarian assistance, thereby supporting greater cost effectiveness and value-for-money. Working with and through local systems and partners can be a key part of enhancing sustainability, as can adopting more climate-sensitive approaches.
- Where relevant, donors should support cash-based interventions. Cash provides immediate access to life-saving goods and services, helps people meet multiple urgent needs, and protects people from immediate harm. Cash is also highly cost effective, and evidence shows that people overwhelmingly prefer cash and voucher assistance as a means of support.
- Donors should channel their funds to the best-placed actor—building on the complementarity of LNNGOs, INGOs, and UN agencies to deliver against their unique value proposition.

**Other considerations**

- Donor coordination at both global and country level will be crucial in this new environment to ensure certain country responses or sectors are not left behind. It is important that donors work together to see how they can complement one another’s investments to ensure funding reaches the people and places where it is most needed.
- Humanitarian donor agencies should also urgently engage with their development-agency counterparts to identify where development partners can come online to fill relevant development-related gaps in locations where humanitarian partners are drawing down.

## Appendix 1: Countries where US government funding represents more than 50% of appeal funding (2024)<sup>2</sup>

Countries	Total US Country Appeal Funding	Total Country Appeal Funding	US as % of Total Country Appeal Funding
 DR Congo	920.13M	1.31B	70%
 Colombia	133.87M	196.34M	68%
 Haiti	190.6M	293.2M	65%
 Mozambique	98.54M	164.9M	60%
 Burkina Faso	249.74M	424.48M	59%
 Nigeria	316.11M	538.42M	59%
 South Sudan	688.98M	1.21B	57%
 Venezuela	94.46M	169.03M	56%
 Bangladesh	301.45M	548.91M	55%
 Mali	140.05M	272.84M	51%
 Chad	318.44M	626.96M	51%
 Yemen	723.05M	1.44B	50%
 Cameroon	84M	167.35M	50%

*Flash Appeals, Regional Plans, and HRP with requirements below \$300 million are not included.*

<sup>2</sup> FTS, 27 January 2025

## **Appendix 2: US government support as a percentage of all sectoral funding received within 2024 response plans<sup>3</sup>**

---

<sup>3</sup> FTS, 09 April 2025

