

Consequences of the US budget cuts and the dissolution of USAID: An analysis and recommendations for action for stakeholders in international development cooperation

Executive Summary

May 2025

Impact of US budget cuts on global health cooperation

This two-page summary provides a problem analysis of the U.S. cuts in global health and derives concrete recommendations for action for medical actors. The focus is on analyzing the direct effects on health-specific development cooperation.

On January 20, 2025, the U.S. government under President Trump ordered a 90-day [review of all foreign aid programs](#), which [initially paused](#) all U.S. development cooperation – especially through USAID – [and then massively cut](#). As a result of these measures, [millions of people](#) around the world have lost access to vital assistance. Until then, the USA had been the [largest single donor](#) in global development cooperation, which is now leading to an international financing crisis. In addition, a 180-day [audit of international organizations](#) has been ordered, which leads to [considerable financing uncertainties](#) for UN institutions such as WHO, UNICEF or UNAIDS.

The cuts have [a drastic impact](#) on global health. To date, USAID has provided [nearly 41%](#) of DAC countries' health-related assistance, saving [over 3 million](#) lives annually. Now there is a threat of massive setbacks: In the HIV/AIDS sector, the discontinuation of the PEPFAR program could [cause up to 10 million](#) additional infections and several million deaths by 2030. [Clinics have been closed, medicines are lacking](#), and vulnerable groups – for example in [Africa](#), [Latin America and the Caribbean](#) – have been severely affected. The fight against tuberculosis is also at risk: projects have already been [cancelled worldwide](#) and the [risk of multidrug-resistant forms of TB](#) is increasing rapidly.

The fight against malaria has also been [severely affected](#): [early warning systems are collapsing](#) and, according to the WHO, more than [100,000 additional deaths](#) are at risk this year. Maternal and child health and sexual and reproductive health [are particularly affected](#) by the discontinuation of USAID programs, which is accompanied by an increase in [maternal and child mortality](#). The global supply of vaccinations is also at risk: the global vaccine alliance Gavi is losing key US funding commitments, which could exclude up to [75 million children](#) from vaccinations.

Additionally, the cuts are exacerbating malnutrition and undernutrition worldwide. [Millions of children](#) are losing access to food, medical care and school programs. The World Food Programme (WFP) was forced to reduce its [budget by half](#) and warns of [millions of starvation deaths](#). In regions such as [East Africa and the Sahel](#), children, pregnant women and breastfeeding women are particularly affected.

The drastic cuts in U.S. development cooperation threaten decades of progress in global health care and jeopardize key United Nations development goals. Without countermeasures, [millions of additional deaths](#), [new pandemics](#) and a dramatic regression in global health protection threaten.

Two project managers in Cameroon:

"We had to lay off almost 20 staff members who were employed in an HIV project funded by the USA!"

Recommendations for action for actors in medical development cooperation

In view of global crises such as financing bottlenecks in the health sector, smaller actors in development cooperation are also capable of acting. The current situation represents a humanitarian catastrophe that can be responded to with existing concepts and instruments. The effects of such crises follow a pattern: first, those directly affected are at risk (e.g. HIV patients without medication), later medium- and long-term complications such as the spread of infection and the collapse of preventive care systems occur.

A proven approach to systematic response is the **Public Health Action Cycle** with four steps:

1. **Problem identification:** The situation on the ground must be analyzed together with local partners – for example, on the question of whether acute emergency aid or reconstruction is already necessary. The collection of basic data on the affected population, risk factors and existing gaps in care is central. Tools such as [Problem Tree](#), [Ishikawa Diagram](#) or systems such as [HeRAMS](#) and [SARA](#) help with situation analysis.
2. **Strategy formulation:** Interventions must be oriented towards local needs and coordinated with existing resources and skills. Central principles are context sensitivity, prevention, coordination and the do-no-harm approach. Proposals include the establishment of solidarity funds, the strengthening of local structures (e.g. through training or drug production), political advocacy and new partnerships in the Global South.
3. **Implementation and action:** In project implementation, standards such as the [Sphere Standards](#) or the [Core Humanitarian Standards](#) help to maintain quality and ethical principles. The exchange with other stakeholders via platforms such as [Health Clusters](#) is essential. In addition, organizations should also draw public attention to grievances and make the voices from affected regions visible.
4. **Evaluate and assess:** Monitoring and evaluation ensure quality and learning processes. The [OECD criteria](#) (relevance, effectiveness, sustainability, etc.) serve as a basis. The aim is to learn from mistakes and adapt the strategy to changing conditions.

Physician and project lead, appeal for support, Western Democratic Republic of Congo:

'We are facing an emergency situation that is all the more alarming given that this brutal US withdrawal is taking place against the backdrop of a general decline in public funding for humanitarian aid. For this reason, we feel compelled today to make an extraordinary appeal for public generosity: In situations like these, you, the donors, and our partners give us the means to act and ensure that the vital needs of the most vulnerable populations, we mention here HIV-positive and tuberculosis sufferers, are met. Every donation, every gesture of support counts in this race against time.'

Imprint

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V.i.S.d.P.: Michael Kuhnert

Authorship and editing: Laura Liebau, Tilman Rüppel, Kristina Schottmayer

Graphic Design: Laura Liebau, Tilman Rüppel, Kristina Schottmayer

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medmissio – Institute for Global Health
Hermann-Schell-Straße 7
97074 Würzburg
Phone: +0931-80 48 539
Fax +0931-80 48 530
E-mail: gf@medmissio.de
LIGA Bank eG
IBAN DE 58 7509 0300 0003 0065 65
BIC GENO DE F1 M05

Visit our homepage:
www.medmissio.de