



Cross border giving and Official Development Assistance (ODA)

On January 24, 2025, Secretary of State Marco Rubio announced a 90-day halt on most existing foreign aid grants, effective immediately¹. This suspension exceeds the scope of President Donald Trump's executive orders, impacting non-profit organizations². With the USA as the largest actual funder in Official Development Assistance (ODA) this will have sincere consequences for people, program and organizations depending on the funds (see [here](#) for a compact overview of ODA created by Organization for Economic Cooperation and Development).

The recent halt on foreign aid grants by the United States is not done in isolation. It comes alongside a declining funding trend by other major donor countries including Sweden, United Kingdom, Germany, France and the Netherlands – representing top 10 ODA funders³:

United Kingdom

Labour's government maintained the 0.5% of Gross National Income (GNI) target for ODA until 2030, rejecting the pre-election goal of restoring the 0.7% target. This resulted in a cut of nearly £700 million from the ODA budget.

France

President Emmanuel Macron's initial aim to legally enshrine the 0.7% GNI ODA target by 2025 was scrapped due to France's €3.2 trillion public deficit. The 2025 budget includes a €1 billion cut to public spending, with ODA impacted disproportionately. This is the third ODA cut in two years. Cuts will significantly affect Africa, traditionally a priority for French aid.

Germany

Plans to slash €4.8 billion from development and humanitarian spending include nearly €1 billion from the Federal Ministry for Economic Cooperation and Development (BMZ) in 2025 and halving humanitarian aid.

Sweden

ODA allocation will drop from SEK56 billion (US\$5.4 billion) in 2023-2025 to SEK53 billion (US\$5.1 billion) annually for 2026-2028, a decrease of SEK3 billion (US\$291 million) per year⁴.

Netherlands

¹ <https://www.politico.com/news/2025/01/24/state-department-foreign-aid-pause-00200510>

² <https://www.councilofnonprofits.org/files/media/documents/2025/chart-executive-orders.pdf>

³ <https://www.globalcitizen.org/en/content/the-global-safety-net-frays-european-countries-cut>

³ <https://www.devex.com/news/the-netherlands-is-cutting-billions-from-aid-what-happens-next-107691>

⁴ <https://www.globalcitizen.org/en/content/the-global-safety-net-frays-european-countries-cut>



donors⁵.

A new right-wing coalition plans to reduce ODA by: €300 million in 2025; €500 million in 2026; and, €2.4 billion annually from 2027. ODA as a percentage of GNI will fall from 0.66% in 2023 to approximately 0.46% by 2027, affecting the Netherlands' ranking as one of the world's top

⁵ <https://www.devex.com/news/the-netherlands-is-cutting-billions-from-aid-what-happens-next-107691>

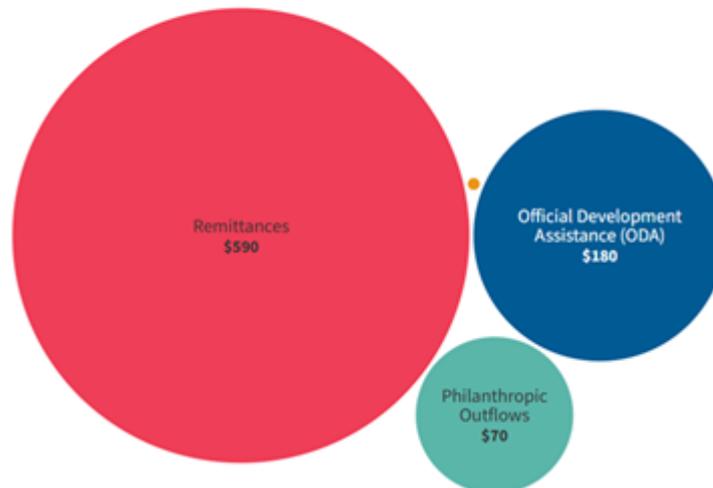
What does this mean?

Traditionally, ODA has been a cornerstone of cross-border giving, accounting for 21% of the total global flow of funds across borders.

In comparison, cross-border philanthropy accounts for 8%⁶.

This is not to say there is a lack of generosity, as seen at the level of cross border remittances – and the increase in global generosity we see in-country and locally.

Total Cross-Border Resources from 47 Economies by Flow, 2020
(in billions of inflation-adjusted 2020 US dollars)



Source: [Indiana University Lilly Family School of Philanthropy](#)

These figures highlight the reliance on ODA for large-scale development initiatives and civil society support across the globe. Imagine a 20% decline in ODA (based on 2023 figures), which equates to approximate a \$50 billion loss annually, jeopardizing critical health programs, education initiatives, and environmental efforts. It will be challenging for cross border philanthropy funds to cover this, seeing its existing size.

Just to put in perspective, the UK's decline in health programs alone meant 180,000 deaths per year as outlined by the Center for Global Development. Imagine the combine decline in funding⁷.

The path forward calls for three pivotal strategies:

1. **Don't remain silent and advocate governments**
2. **Embrace localized fundraising and demand enabling environments to decolonize and diversify aid systems**
3. **Philanthropists around the world, this is your time to step up**

Join the debate on the Global Community Platform, and share your stories, your solutions and call to actions, find and share fundraising sources and share and find innovative solutions and best practices

⁶ [Indiana University Lilly Family School of Philanthropy](#)

⁷ <https://www.cgdev.org/blog/how-many-lives-will-uks-aid-budget-reduction-really-cost>



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