



Season 2. Episode 2: International Development Crisis: How Budget Cuts are Reshaping Humanitarian Efforts | A dialogue with Isam Khatib

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Hisham Allam

Hello, everyone. Welcome to DevelopmentAid Dialogues, here we explore the heart of humanitarian aid, most critical topics. I'm your host Hisham Allam. Today, we are addressing the growing trend of governments cutting development aid budgets and its potential impact on humanitarian organizations and vulnerable communities.

Joining me is Isam Khatib, an expert in foreign policy strategies, international development, and human rights advocacy, with a focus on the Middle East and North Africa region. He holds a Master's in Sustainable Development from the University of Sussex in the UK, and has worked with agencies like USAID, GIZ, AFD, and CEDA.

Isam's expertise lies in bridging development aid with policy frameworks to address complex regional challenges and foster sustainable solutions. Stay tuned as we examine the far-reaching consequences of aid cuts and strategies to address them with insights from Isam Khatib. Isam, welcome to DevelopmentAid Dialogues.

Isam Khatib

Thank you so much, Hisham. Thank you for hosting me and choosing this very critical topic. And this again, very critical timing in the whole development sector.

Hisham Allam

I'd like to start with the most recent updates about Netherlands. How will the Netherlands 2.4 billion aid budget cuts over three years affected sustainability of ongoing development projects, particularly in the global South.

Isam khatib

I would say to estimate the impact we need to understand what is the size of the Netherlands within the international humanitarian system. So, in 2023-2024 Netherlands made like around 1.7% of the total worldwide humanitarian budget according to the UN OCHA, and from almost like 500 million dollars in 2024 the size of the suggested budget is enormous. Because we're not talking about budget that was 100 billion then we will cut it by 200, by two, by 2.4. We are talking about already limited budgets that will be again decreased according to the statement of the ministers. They're saying that of these budgets, they will cut the partnership budgets with non-governmental organizations from 1.4 billion dollars in the three years, 2023, 2024, 2025 to become 400 billion. It's one of 1.4. So just to see how huge the size of this cut is. Its



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impact is not going to be like, yes, maybe a little less service here and there, or a little less engagement here and there. It's almost about cutting, I wouldn't say stopping, but like it's almost finishing or, let's say, hugely limiting. Exactly. The Netherlands engagement in the international development sector. It's part of a huge trend that started in 2022.

Hisham Allam

Sorry for interruption, but I think the US started with Trump at his first administration, when he caught, supplies to the UNRWA, for example.

Isam Khatib

Exactly. I mean it started as let's say cases for example for Trump. He decided to stop funding the whole UN so it's not only the humanitarians or the international development sector. But for Trump it was something I would say more ideology, but like, yes, exactly more than let's say in a decision based on, yes, we will reduce one. No, it's no UN. Nothing related to the UN. This is how I saw it. But again, just to show, as it was part of a trend, in 2022, the unmet humanitarian needs were like 40% of the total needs in the world.

According, again, to the UN OCHA, in 2024, this increased to 70%. And not because the needs increased actually the needs decreased by 10%. So it's the shortage of the say the decreasing funding coming from different Governments had led to this leap in the unmet humanitarian needs. So Netherlands comes now, but before it came the UK, Germany, Switzerland, France, so they're not the first but the complexity. I think maybe we'll discuss it later. It's the accumulative impact that it did have. It's not a standalone action taken by Netherland because they had one guy who decided to do something. No, it's not like a Trump case in 2020, 18, 20 19. Here it's trend. It's I would say an approach that is being adopted by different governments.

Hisham Allam

They are following the trend. In the time of a tsunami wave of cutting aids from Europe or from the West in general?

Isam Khatib

I think so.

Hisham Allam

Minister Clever, the Minister of Foreign Trade and Development Cooperation of the Netherlands, emphasized reducing NGOs dependency on the government funding. It is realistic and what alternative funding sources can NGOs explore?



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Isam Khatib

If the governments were doing the job properly, we wouldn't need humanitarian intervention from NGOs, so why humanitarian response? Why does it happen? It happens because government cannot respond because government either because of a shortage of actions, expertise, interest, policies, they are not responding well.

And from the other side, governments on the other side of the world, because of different, again, policies, actions, historical context, led to the crisis in those affected countries, so claiming that it's the job of humanitarian organizations to not depend on governments then maybe the government should start doing their jobs and then yeah, maybe we won't even need humanitarian interventions. But like coming to the second part of your questions what other strategies humanitarian organizations could take to find other funding?

First depending on local resources, local social interactions or social support from their local communities. So going local more than international, going to local resources, going to private sector, going to foundations to try to fill this gap that the shortage of government funding would do I mean.

Hisham Allam

They are forcing the NGOs to be independent and to find other resources.

Isam Khatib

I don't know maybe they are trying to push toward for the NGO to be independent but at the end I would understand that if it's not large-scale interventions. Can government be independent without any budgets? How would anyone actually take actions on the large-scale interventions, like, without large budgets?

I would say yes, maybe if I say working with on the civil society, to say social change, I would understand it because it might depend more on the local activism, the grassroots movements. But when it comes to actually providing services, how would the education sector self-fund itself? Massly, I mean not like a private sector. How would help in areas under crisis, it would definitely affect the developer communities

Hisham Allam

Do you think it is going to affect only NGOs or the development sector or also countries that rely heavily on development aid for essential services

Isam Khatib

The impact, I don't think it would be only the NGOs. The main impact would be on the affected communities their lives depend on these interactions. It would be the affected communities, the NGOs, et cetera. And if you look at it on the long term, it would be also the funding states themselves. What supporting affected communities, helping also the governments in the west or in the global north to deal with issues that they find as priorities like immigration or migration



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for example This is also part of this response. So short term would be the affected communities the long term won't be local.

Hisham Allam

Would like to have a life example. You are Syrian living in France, right? Syria now has a new regime. We cannot speak about how it's going to work, but Syria has been laying under years on sanctions. At this stage, they are trying to build a new state and often it relies a lot on international aid. At this time, when main players in the international community cut off the development funds how would this affect the situation in Syria?

Isam Khatib

It's a completely devastated country. 60 to 80 percent of all infrastructure is destroyed. Rebuilding it would require, huge support from different partners, friends, donors, et cetera. So, building this infrastructure, at least, is essential part to rebuild the country, which is achieving stability or sustainable peace cannot be reached without having the proper services, having a proper government structure that would make sure the human rights are respected, the essential services are provided equally to everyone within the country. For now, when it comes to rebuilding the state, Syrians hoping that the way they would have a country, including myself, I would say, having the hope that finally we might have a country to go back to, it would affect, first the people inside Syria. People would again look to leave the country and then 6 million Syrian refugees living abroad. Who are thinking about going back to Syria soon, as when we have a proper country, we'll rethink about it.

Hisham Allam

Let's focus on the ripple effects on the aid sector. Could such decisions from the UK, Germany and the Netherlands set a precedent for other countries, particularly in the EU to scale back their aid budgets. If so, what might be the cumulative impact on global development goals?

Isam Khatib

I think what we are seeing now, it's already an accumulation, which was started before, and the snowball getting larger and larger. So yes, it's not setting, it already set. Again, let's say, an approach that is being adopted by different EU countries. And the idea here, the European Union is the second largest humanitarian donor in the world.

So, budgets, it's made of different EU states so when they cut their own budgets, they are also cutting the budget of the European Union, but in international development. The ripple effect is already there. It already started, but we will see when it will reach all EU States or the European Union.

And again, it hasn't started now, because last year, 2023, Netherlands budget for, within the coordinated fund of the UN, was almost 800 million. For 2024, it's 530. It already decreased, so it's not like it started now, it started a few years ago including Netherlands. It's impact on the long term for sure it's going to be enormous.



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Hisham Allam

I'd like to discuss this point more considering what you have said, given the reduced budget, how short organizations and governments periodize and distribution humanitarian emergencies or long-term developmental programs. How would this work?

Isam Khatib

Depending on whose priorities. For the states in most of the cases the priorities is political frankly, it's not only the lives that they are saving. So for the governments it would be which political objective this budget would provide me where would I better be spent. Is it being to be spent in x country to, I don't know, deal with x problem because we have a good relationship, etc.

Or in that country because we have agreements and we want to minimize the backlash on us if we decided to cut. For the government the prioritization would be based on political interest. For NGOs, unfortunately, as always, the first priority would be the lifesaving projects because with the affected communities live depends on those assistance. Health services or shelter or food security. The organization will prioritize first the lifesaving activities, then the essential needs and then would be the long-term development or yearly recovery projects. I think this is what we faced in Syria and this is not the first time we face funding cuts.

Hisham Allam

But this is a punishment for the state or the government or for the people. When all of the eight payers, decided to cut the aids to some nations like Sudan, Syria, Yemen, Afghanistan, because they are not happy with the regimes over there. Who are you punishing? The people that these organizations are serving or the regime itself?

Isam Khatib

As always, it's the community who suffer the most. The lowest socioeconomic classes are the ones who suffers the most. The first thing that will get sacrificed, its women rights child rights, etc. The first thing to be dropped off everyone's priority.

Hisham Allam

Following up on that idea with the rise of right-wing governments, like the one led by great welders, is their approach to aid reduction likely to become a standard policy in Europe?

Isam Khatib

I've been working on a policy memo regarding the migration policies in EU in general. The two topics that usually the extreme or the far right focuses we need this fund inside our borders. The second, it's the immigration or the migration that's coming to them. This is where the extreme right is doing something that just doesn't serve. Here I'm speaking



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completely let's say analysis disregarding my own opinion but like even on their own priorities if you're talking about migrations, what are the main causes of migration?

First, it's conflict war. Second, it's climate change. Third, it's the economic situation. So, if you're going to go and discuss the reasons for these, you would see Europe's or the global north role, even being the largest or the second largest arms exporters who made almost 30 percent of the carbon since 1750 till today. Europe had a role in driving those migration causes. And then, one of the solutions would be is supporting those communities in their own countries so either if it's conflicts, then stop selling them weapons. If it's climate change, then support them to deal with the climate change impact.

If it's economics, then support the local economy to flourish. But then people will stop migrating. The deal with the root causes, not just like block the borders, because you have been blocking the borders for ten years, it didn't work. The solution to say, or one of the solutions would be to increase the international development support.

But what are they doing is that they're decreasing it. So do not expect to solve the problem by cutting the only good thing that you might be doing which is dealing with the root causes of the migration, for example. The whole concept of cutting international development to deal with this problem, it's exactly the opposite.

Hisham Allam

What does this attitude signify for the future of international solidarity?

Isam Khatib

At the end, the international solidarity, I wouldn't see it from only governments. We would get it from the public but not only from governments and actions. I still see how civil society in the global North and global South could work to overcome or try to face or to push back against this mentality or approach.

Hisham Allam

The new Dutch government has cited the state financial constraints as justification for aid cuts. How do you see the balance between national economic priorities and global humanitarian responsibilities evolving under such administrations?

Isam Khatib

This is always one of the reasons that governments say or propose that we need to cut the budgets from international, so that we work on the local level. I'm not saying that the whole humanitarian system, the UN humanitarian system, or even the INGOs are in a perfect state. But we need to revisit the approach, not the budgets.

So, we might be able to achieve much more, using the same budgets. So, what we need to rethink, it's the whole response mechanisms being used to implement humanitarian programs, but not the budget itself. Again, I see they say local priorities, but like at the end on the short term there might be other strategies you might take to increase the efficiency of the international funds they are spending but not just suddenly cut it and expect that it would lead, um pushbacks on the long term.



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On the long term it would have a negative impact as I've just mentioned either on the migration or on the soft power that international development has been always, they tell US aid in the state. It's not like an innate distribution agency It's one of the public diplomacies. So yeah

Hisham Allam

So, on a related note, what innovative strategies can NGOs employ to maintain their operations and support declining government funding?

Isam Khatib

Would say the localization, depending on the local community, depending on the local resources. Rethinking about, building alliances with other NGOs in the global south. Because for some reasons we believe that it's only global north that has the funds, but there are huge resources in the global South, maybe, not just only economic, financial and also human capital that could transform experiences between regions, I'm not saying only about between like, Syria and Iraq I'm thinking about, let's say, Latin America and Africa, and this is something, for example we benefited a lot in Syria, while working on the Argentinian experience with the mispresent there so sharing or building on or learning from other experiences would be essential to how can we continue to work With limited resources. And then the second thing, it's looking for non-governmental funding. Including foundations, public sector, seeing how can we build partnership between the nonprofit sector and the for-profit sector and then continue to lobby, to advocate we should continue not because we want this to fund, to explain the long-term impact of these budget cuts on not only on the, on the affected communities, but also on the donor.

Hisham Allam

To wrap up, you have said that the NGOs should turn this challenge of cutting aid into an opportunity, right?

Isam Khatib

Not taking as an ended challenge. It is a challenge to push back against and also look for opportunities in other ways.

Hisham Allam

Looking at the bigger picture with Trump regaining power, what perils can we draw between his "America first" slogan approach and the Netherlands decision? What would his return mean for us foreign aid policy?

Isam Khatib

I don't know. I think he will take what he did in the last presidency and with turned into trend in the last four or five years. I think he will take this approach. Especially with the cabinet full of businessmen like Elon Musk would be happy about the social welfare or any international humanitarian organized aids. He isn't hiding it. They will take actions and budget



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reductions for USAID similar to what the different Western country has taken the impact here would be enormous. The US make over 40 percent of the international development fund the impact would be catastrophic.

Hisham Allam

If the US the largest aid donor drastically reduces its aid, what would be the global implications for humanitarian and development efforts?

Isam Khatib

If we were in a situation where the U.S. reduce its fund and then somebody else would intervene, maybe we would see how can we limit it, but like it's coming within an era where everyone is reducing their aid. The impact would be on the developing countries. To give an example, in 2024, because of the budget cuts the UN OCHA estimated that 50 to 60% of all, health facilities in Northwest Sierra would be closed by in 2024 if they didn't get the fund. Same applies to the education. It's estimated by the education cluster and that almost like 700 schools would be closed by the end of the year if there's no proper funding provided.

Here I'm just talking about a specific case in a specific country, so you can imagine on the large scale, in different contexts all over the world, what could budget cuts do. In 2013-2014 in Syria, we started to see cases of polio and when polio starts, it doesn't recognize borders. The epidemics that could spread, it's not going to be limited to the countries that are being affected. So unprecedented huge budget cuts would lead to catastrophic situation especially in the crisis countries, and then the impact would not be going to be on its borders unfortunately.

Hisham Allam

Isam as a realistic expert coming from Syria, and living in France, how do you see the situation? Are you optimistic or pessimistic?

Isam Khatib

Till now the trend doesn't look good. It is an increasing, it's not a decreasing, but like again everything might change within one leader deciding and then take the opposite approach. For now I wouldn't say I'm optimistic about this flip but we need to wait and see.

Hisham Allam

That's it for today's episode of DevelopmentAid Dialogues. We have had an in-depth discussion with Isam Khatib exploring the challenges and strategies surrounding the growing trend of development aid cuts, from the impact of humanitarian organizations to broader implications for global solidarity.



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It's clear that sustainable solutions and innovative approaches are more important than ever. Thank you Isam for sharing your expertise and shedding light on this pressing topic. Until next time. I'm Hisham Allam signing off.

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