



**DevelopmentAid
Dialogues**

Season 2. Episode 9: Unveiling the Aid Cuts: Between Chaos and Power Shifts | Rethinking the Aid Model with Katri Bertram

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Hisham Allam: Hello everyone. Welcome to DevelopmentAid Dialogues, where we explore the forces shaping international aid and development. I'm your host, Hisham Allam. Foreign aid budgets are being slashed worldwide as western governments from Washington, Berlin shift their focus toward defense and domestic priorities. The US has halted nearly all critical aid programs while European nations are making deep cuts of their own. The Netherlands had reduced its aid budget by 30%. Belgium and France have followed suit slashing aid by 25% and 30% respectively. More dramatically, the UK has cut foreign aid by 40% a move Prime Minister Keir Starmer called extremely difficult and painful, but this cut doesn't just affect diplomacy and development. They are already disturbing lives, saving global health programs from malnutrition and maternal care to disease prevention and outbreak response. The ripple effects of these decisions are being felt across the world.

Clinics are closing, essential medicines are stuck in supply chains, and millions are at risk of losing access to critical care with donor priorities shifting all this pushes global health efforts toward more sustainable, locally driven models, or are we seeing a broad redefinition of donor nation's role in global cooperation?

And in the face of shrinking donor commitment, who will take responsibility for global health. To help us unpack these pressing issues I'm joined by Katri Bertram, a global health and development expert with two decades of experience in spanning international organizations, NGOs and government institutions.

She's currently the International Director of Impact and Advocacy at Light for the World, focusing on disability inclusion and eye health. Her career includes roles at the German Federal Ministry of Health, the World Bank, and Save the Children. Katri welcome to DevelopmentAid Dialogues.

Katri Bertram: Hi Hisham. Thanks so much for having me.

Hisham Allam: Katri with several European countries scaling back their foreign aid commitment, do you see this as a temporary adjustment or economic pressure or is it part of a broader ideological shift where donor nations are fundamentally redefining the role in global development.

Katri Bertram: I think it's good to be really explicit upfront.



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We're not seeing minor adjustments to foreign aid at the moment. We're seeing real slashing of aid budgets sometimes full termination. So, I think it's, it's really good to state that explicitly. You mentioned some of the percentages of what's being cut. These are fundamental sentence 30, 40% of aid budgets.

And just to put this in concrete numbers as well. In the UK we've seen cuts of, or announcements of 6 billion British pounds, the Netherlands - 8 billion euros. And of course, the biggest of all the one where most of attention is the U.S. with 60 billion US dollars being cut.

These are really fundamental changes and a huge challenge to our development sector and our work. But what I think is sometimes missing from the debate is that these cuts didn't just start with Trump's presidency or even the covid pandemic or Russia's invasion of the Ukraine. We've seen this shift happen for at least a decade in Europe specifically.

And what my experience working here, I'm based in Berlin and Germany has been that in 2015 with the wars in Syria and Yemen and the huge refugee and migration wave that came to Europe really changed something fundamentally, the way we spoke about development aid. The domestic politics at the time was really shifting towards the far right with refugees and migrants being perceived as a threat. And I think over the last decade what we've seen is that domestic narrative, which has been increasingly taken up by not only the far right, but some of the even center right or center parties has flown over into the development context, and we're seeing that very strongly at the moment in the way politicians are speaking about development assistance. It's somehow a threat. The people we are working with are threats and dangers. It's very similar to what was started in the domestic politics narrative and that shift in 2015. So, I think it's very important to reflect. It's been a shift that's been coming, what we're now seeing as the cliff.

Hisham Allam: So, it was obvious that this step is coming.

Katri Bertram: I wouldn't say it was obvious. I think in all of history there are many ways, things, can turn out in the end. I think there were a lot of warning signals that we as a development sector ignored and also specifically in global health, which is where I'm specialized in working on. We had a long debate even over the last couple of years, so during the COVID pandemic in particular of whether politics should be something we engage in.

And much of the community, especially in health, which is very medically and scientifically driven, said that we should focus on facts and evidence in the science politics does not effective us and our work. And I think that has fundamentally changed. That's been the real wakeup call that all of us have had now, is that politics affect everything that we do.

We should have, in retrospect, engaged with the shifts in narrative in politics far before now.

Hisham Allam: How, how do you get engaged from your opinion?

Katri Bertram: I think from a global health or development, advocacy view, the benefit of advocacy is that you engage with political decision makers in your daily work.



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So, one thing is to be attuned to how are discussions happening? What are people talking about? Where are political and budget priorities? And as health and development advocates, a lot of our work is to create a case for keeping health or development on the agenda. For making sure there is a focus on the issues we want to see.

And then also, of course, the budgets to match it. I think where we made a mistake over the last decade is that we did not recognize, even though we were hearing these changes happen, we did not recognize that we have to change something too. And so, there was a disconnect in my experience over these past decade.

Hisham Allam: Sorry for interruption, but what do you mean by “we” - “we didn't recognize” who are “we”?

Katri Bertram: “We” - and I include myself in this category. I mean the development and health community and in particular the advocacy community who engages in their daily work with policy makers trying to influence change.

Hisham Allam: So, with the major donor government slashing their official development assistance budgets, how do you see this impacting frontline health and humanitarian efforts?

Are we looking at a decline in essential services, or could this force a shift toward the more sustainable, locally driven solutions?

Katri Bertram: We're seeing an immediate effect, and I think this isn't fully recognized by everybody. There's a bit of an assumption that development aid is something that happens slowly and it takes years to reach countries and communities.

But the immediate cuts that are happening right now are really translating into quite a few lost lives. Service interruptions. And system breakdowns. And this has been captured quite well in quite a few studies and publications that have been released recently. So, for example, the Center for global Development just published a set of data looking at the USAID cuts, specifically showing that every single day, 4,000 people are dying from HIV/AIDS.

That's a huge figure, simply because of the U.S. cuts, and this doesn't include the other development cuts that are happening across Europe and other countries. And the same for humanitarian services - 1,500 people are dying additionally per day simply due these cuts. So, the lives lost are immediate.

I was reading an interview in the health publication stat by a journalist Helen Branswell, who was interviewing the CEO of the largest foundations the Wellcome Trust - John-Arne Røttingen. And he said this very well. He said that we have a problem, if one donor who stops funding can have such an impact on services being terminated on the next day in another country, it shows something. And these are my words that we have a problem with dependency.

So, to your question on could this force a shift to more sustainable, locally driven solutions, I think this is what many of us had been hoping for quite a long time.



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I think there's been a decade long recognition that something is broken in the way we are delivering aid and that in particular the dependency issue hasn't been resolved. We speak a lot about locally owned, sustainable solutions, transitions, graduations. Anchoring services in domestic systems and raising domestic resources but that transition has never really happened. And in part it's also the fault of the development community and the structures that we've set up. We've created incentives that encourage development actors to grow. I've called it an industry at some point. In my analysis to say it becomes a surface solving industry instead of a sector that really tries to ensure that local community national systems are strengthened.

Hisham Allam: Katri, many of these aid cuts are happening at a time when global health challenges ranging from pandemics to underfunded health systems, demand greater, not less investment. How do you see this shift impacting global health outcomes, particularly in low-income countries?

Katri Bertram: What I found interesting in these shifts is that they're not just happening in the aid sector, and I think sometimes our aid bubble is a bit too insular. So, if you follow what's happening in other sectors or in national politics also in many high-income countries these cuts and shifts are happening everywhere. So, it's not just foreign aid that's being affected. What I perceive as a fundamental rolling back of human rights, and also, a fundamental rollback in cuts to social protection systems. And this is in parallel to the cuts that we're seeing in foreign aid. The difference, of course, is that in a high-income country, we might see increases in inequality and some health outcomes come deteriorating it as well. We've seen this for many years, for example, in the U.S. with, people of color having much worse health count outcomes. Maternal mortality for black people being worse than white people. But we're also seeing this in Europe where people with less income suddenly see worsening outcomes because the social security systems are not kicking in the way they used to, but the difference of course to low-income countries, and your question is so important for that reason.

Is that those social and health systems were never very strong in most countries in the first place. And so, what had buffered or protected many people and in particular vulnerable populations through development aid has now dropped off as well. So, the health outcomes are of course, much poorer.

I mentioned some of the figures that we're seeing. Simply thousands, and over a longer term, millions of lives that we'll see lost. And not to mention also the health and wellbeing of people who stay alive. Issues such as diabetes people don't have access to insulin anymore. Cancer they can't get treatment or prevention services, not to mention all the infectious diseases and outbreaks that we'll see, those will impact. People in low-income countries, much more than they do in high income countries where we have more capital as well just to protect ourselves. And there is in some countries still thankfully, a social protection system to provide that network for us.

Hisham Allam: But while Germany and other European donors are restructuring their ODA budgets, what are ripple effects do you, do you foresee for the global stability and health systems?

Katri Bertram: I sometimes think we overestimate the role of aid stability and trade, and national systems of other countries are much more affected by politics, geopolitics military conflicts, climate disasters or even the debt crisis. And so, I think foreign aid can play a certain role to prevent some of the challenges and also



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alleviate the effects. But what will happen? For global peace or trade, for example, there's very little that in my opinion, development or foreign aid can really do to influence that. We often talk about the soft power foreign aid, and it's been much in the news as well with the U.S. cuts, but ultimately some of those hard power issues, the real economic wars, trade wars, Military conflict will have a much bigger impact on the stability. And I think it's also, again, to my point, that the development community needs to engage on issues such as peace and conflict. We need to be a lot more vocal on what that means for a country and their population or climate disasters we've been relatively good over the last years to realize that it's an important area that impacts not only the environment, but also the health and stability of people. But we need to be much less insular, much less vertically organized and see a lot more of that big political picture.

Hisham Allam: But don't you agree that these cuts often coincide with increased defense spending? What does this shift tell us about Western governments evolving priorities and do you see this trend continuing?

Katri Bertram: So, yes, it's correct to say the military increases are coinciding with the development aid cuts at the moment, at least in the European countries.

I don't think this was necessarily the case in the U.S. where that was less of a connection. But even before the necessity to increase military spending took place, development aid budgets in Europe were being cut. There's a correlation, but not necessarily so much a causation in my view.

If you look at the trend of what European donors have been providing in terms of development assistance, we've been seeing those decreases for over a decade now. So, if you compare some of great OECD DAC data showing. US and European donors from 10 years ago. The U.S. was always one of the biggest donors, and by far, so, but European donors such as Netherlands, the UK, the Nordics, they weren't that far behind.

And 10 years later, so even before the current military increases, that situation had changed fundamentally. The U.S. was by far the biggest, and the European donors had already left that space due to some of those political shifts that I spoke about before with the migration and refugee wave.

And the second thing I think that is really important especially in the European space, as if you look at ODA over the last year, so after 2015, most development assistance actually came back to European countries. So, it paid for refugee costs. In Germany, in France, in the UK or COVID response, again, in our countries.

And now more recently, with the Ukrainian refugees - those shifts had happened before. What we're seeing is, of course, the narrative of we had to cut somewhere. Therefore, we cut the development budget. So, for example, the case of the UK that you mentioned in your introduction it's being used a bit for political purposes in a very dangerous way.

And again, this is the domestic political reasoning a bit in the same way that it's happening in the US some of the traditional center left and center right parties have started using the narrative of the far right of development aid being somehow a threat or something bad, and therefore that's the first place we have to cut it.



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And yes, it might have had some good impacts, but it's a bit of a political calculation that is very dangerous because it toys with populist views.

Hisham Allam: So, to wrap up. You mean that the European countries that used to receive refugees decided to cut the aid, the external aid, to focus more on internal aid?

Katri Bertram: The way that the OECD development assistant committee, which calculates ODA lets countries report on ODA is that all in-country refugee costs can be included.

So foreign aid has actually been falling for quite a while, and in most European countries, the share of ODA provided to countries themselves. So, Germany providing ODA has received more ODA for its own costs than it has given to foreign countries. Which I think again, has been very little known. Of course now that the foreign aid part is being cut to.

So, the aid that has been provided to for example the response in Sudan or other humanitarian responses or development cooperation or health programs more broadly that's also being slashed. So, we're seeing an overall reduction in both of those parts of aid, both the one that goes to domestic and the one that goes to other countries.

Hisham Allam: From your experience at Light for the World and other organizations, what strategies can NGOs and health focused institutions adopt to navigate ranking donor funding while still achieving impact?

Katri Bertram: I think NGOs and many development stakeholders provide real value and I'll list a couple of areas where I think that's really important. But right now, I think the first point is we have to acknowledge that something is fundamentally shifted and that budgets simply will not return to what they are. So, our role as well is to. Better focus, think about what is our real value add in our expertise.

We're doing that in our own organization, and I know many other NGOs and development stakeholders are doing that too. Another aspect is we need to get much better at division of labor. There's still a lot of duplication in this sector. And lack of alignment in particular with what do countries and communities really need.

I think that's one of the essential points that we need to get right. And my pet peeve in the sector is "impact". I think what we haven't been very good on these past many, many decades, is really thinking on are we moving the needle for the communities and the people we work with? Or have we just grown our own sector and industry, and have we become a bit growth obsessed I would call it. I think it's really on us to think about where we can make the most difference? Where, where can we provide the most value add but also not give up. Because the reason why, for example, an NGO like mine exists is we operate in countries where there simply aren't services available, or they're not accessible or many NGOs in the humanitarian space operate because a state has failed or there is a conflict zone or a crisis where nobody else is willing to go in. And so that's also really important.



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Hisham Allam: Who would fill this vacuum?

Katri Bertram: The hope of many people in the development sector, and especially if you speak to countries and communities themselves, is that there is more local and community ownership, and that we finally get to a point where all of us working in the development space see less development aid as what is called the charity model and more of the development cooperation in partnership. So really shifting power. I think that's the only solution at the moment. I don't think we can go back in time and rebuild the development establishments and budgets that we had these past 20, 30 years. I think it has to shift that focus. On where the real decision-making budget, making responsibility, accountability lies, has to be in the countries and the communities themselves.

And our role as a development sector, also as international NGOs, is to support that and, and try to make that happen.

Hisham Allam: But while donors are prioritizing aids that align with their national interests, how can NGOs adjust their strategies to remain effective while also advocating for equitable needs-based funding?

Katri Bertram: I think it's important that we don't only speak about sovereign donors, so countries and governments are having interests. I think this applies for a lot of the development sector, also for corporate foundations. There's usually a self-interest for all funders. And what's really important is to make sure that there is no dependency on the funding and the donor that those interests don't drive what is really needed.

So, there have been lots of attempts at this over the past decades as well to make sure that programming and funding is driven by communities and what the people say they need by the national systems. What we haven't managed as a development sector and in particular in global health is to shift that power and that decision making power and that budget making power to communities and countries.

I would say the power shift is, there's a lovely quote, which is that "Power is not only to give, it's also to take" and what we're seeing in this current crisis is that countries and communities are also becoming a lot more vocal. Taking that responsibility and acknowledging, I think the latest after the COVID pandemic, that the charity model doesn't really work.

Then on the other hand, as I said before, there will always be. A role for development assistance, humanitarian assistance, and also NGOs because there will always be countries that have regions where they simply can't afford to operate, provide services they don't want to. They also might have situations where they stigmatize, exclude certain population groups and that's where foreign assistance and NGOs play, I would say lifesaving role, but also a permanent role.

Hisham Allam: Katri, as a seasoned advocate in global health and development, how do you think the sector should communicate the importance of aid more effectively, path to policy makers and the skeptical domestic audience who may see it as kind of unnecessary expenditure.



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Katri Bertram: I think it's on us as a development and health and advocacy community to make a more realistic case for health.

What I've seen in my career is that there is a lot of communication using what I call silver bullet narratives to say, if you invest in this one product or if you focus on this one disease, you will resolve all other challenges. All women will be empowered. There will be economic prosperity and huge claims.

And I think at some point there's disillusionment that happens even for the people who work in the sector. I definitely experienced this myself to realize the claims ring hollow. The really tricky part, and I think this is where most of our collective efforts as a development and also as a health sector are needed, are to make sure that we don't provide simple solutions for complex problems.

For example, just to give you a concrete case from the health space. Much of the health investment that has happened in the last 20, 30 years has been on infectious diseases, which are really important to focus on. But the funding model that we have at the moment, and the way the health space has been set is to focus only on those infectious diseases.

Therefore, issues such as cancer, diabetes, neglected diseases, health workers, health systems - no one has really addressed them and tried to figure out how does this really fit together. It's been a very, very small space that has been trying to address those complex challenges. And at some point, and this is really important, I think, for the question that you pose on, how do you convince a domestic audience, we know living in whatever location we are, whatever country we are that we operate within those systems, that it's all complex. If somebody would come to me in Berlin in Germany and say, this one pill will solve all of your challenges that you have, accessing a doctor and making sure that your insurance is covered and that your services are available when you need them, I wouldn't believe them.

And so, I think we need to shift that thinking to the development space as well. And understand and really address that complexity. Very practically, that means, for example, for health advocates, we cannot speak about health if we don't speak about health workers and try to address those challenges as well.

We cannot speak about health if we do not talk about health systems and national plans. And we've been very, very vertical narrow in our focus and I think that has really backfired on us.

Hisham Allam: I totally agree. We often talk about decolonizing development, shifting power from Global North to the Global South.

But with donor nations retreating, could this actually accelerate power shifts and local ownership in global health and development programs? Or are we at risk of leaving a vacuum that could worsen inequalities?

Katri Bertram: I think this is one of the trickiest questions we face at the moment. Will the reductions, the real slashing or ending of aid be an opportunity to build local, country-led global, south-led systems as well. And there's a lot of writing and a lot of analysis on this at the moment. And it's a bit of a contested space



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because I've written about this recently. It feels like it's a dilemma. If you advocate and support development aid, does that mean you don't want to shift power?

If you advocate or support the shift for more local and country led systems, does that mean you are supporting these huge cuts at the moment, and the way I've resolved this for myself and I've seen some other colleagues come to the same conclusion, is that we have to continue to try to shift power.

I think it is necessary. The model is simply unsustainable. We have a dependency that has really been laid bare at the moment, but we have to do it intentionally and we have to do it in collaboration. So, what's happening right now is, I think, the worst case. We are dropping one system without any support and design or support with the partners for what comes after. And so, we are leaving a void. The numbers show it, the lives lost show it, and we're, we're leaving absolute chaos behind. And so, what we need to do as a community very quickly is first of all, acknowledge that these cuts are not temporary or minor. There's something that is really shifting fundamentally. It's the beginning of a new era. So, we have to start building forward very, very quickly. What the development community and many of the advocates are still doing is, in my view, perhaps I would even call it dangerous. They are trying to go back in time and we risk the opportunity of running deeper into that void and working with nothing and leaving our partners with nothing too.

Hisham Allam: Katri, my final and usual question, how can humanitarian sector and organization resist further foreign aid cuts and to protect what's left?

Katri Bertram: I have some very simple mantras that I feel like I have been repeating for many years now. The first is: Stay attuned to what is happening in the world.

So again, get out of your bubble get out of your vertical, whatever issue it is that you're working on, and stay attuned to those big trends and shifts and read the room. The second one is - Don't remain silent! I think people have to speak out. There's a huge fear culture at the moment because people are worried about their jobs, their reputation, often at the moment, even about their security, and that requires a lot of courage at the moment. I've thought about this for myself as well. I'm seeing my colleagues in the US they're, they're scared. They write about it as well. They're scared for their safety. It's not even just their careers and their income at the moment.

So be courageous. I think we have to learn from a lot of history resistance history. How do we fight in a situation for the values we believe in and for our missions? And I think the final point is we need to question our own dependencies and think about again, my pet peeve word impact.

Are we really true to our mission or are we trying to serve our donors? And my question is always asking yourself why are you doing this work? And that's the question I'd like to end with.

Hisham Allam: Thank you, Katri. This has been an insightful discussion. You have helped us unpack not just the consequences of aid cuts, but also the broader shifts in power dynamics, global health, and the future of development cooperation.



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To our listeners: what do you think, are we witnessing the end of an era of foreign aid or is this just an opportunity to rethink how development assistance should be structured? Join the conversation by sharing your thoughts with us on social media or in the comments. And if you found today's discussion valuable, make sure to follow DevelopmentAid Dialogues so you never miss an episode.

Help keep these critical conversations going by sharing this podcast with your network. Until next time, stay informed, stay engaged, and let's continue working toward a more sustainable and equitable world. I'm Hisham Allam. Signing off. Goodbye.