



STATEMENT

Budget cuts are at the expense of people affected by hunger

With the 2025 draft budget, the German government is undermining efforts to overcome hunger and malnutrition in the world.

Berlin, September 9, 2024

In the struggle for scarce budget resources, the development policy and aid-related activities of the Federal Foreign Office (FFO) and the Federal Ministry for Economic Cooperation and Development (BMZ) are clearly at a disadvantage. The government's draft for the 2025 federal budget foresees unprecedented cuts in humanitarian aid (-53%) and development cooperation (-8%). These cuts will help to ensure that the budget remains within the permitted debt ceiling on the one hand and, on the other, remains within the set financial framework without utilizing an emergency clause. Nevertheless, the extraordinary expenditure in connection with the war of aggression against Ukraine, which largely originates from the budgets of the two ministries, must continue to be incurred. The ever louder calls for development cooperation to be aligned with German economic interests can also lead to budget consolidation being achieved largely at the expense of overcoming hunger, poverty and inequality.

At the same time, the number of people affected by hunger is increasing¹ and the world is not on track to

achieve the global Sustainable Development Goals (SDGs). It cannot be the aspiration of a “progress coalition” to distance itself from the vision of a world without poverty and hunger.

Cutting humanitarian aid puts lives at risk

More people are displaced now than at any other time since the beginning of the century. The United Nations estimates that around 299 million people will be dependent on humanitarian aid in 2024. Nevertheless, fewer people could be reached in 2023 than in 2022 - the number fell from 157 to 143 million. In countries such as Sudan, South Sudan, Burkina Faso and Yemen, people are at risk of starvation because food aid is cut due to a lack of funding². Halving the German funds for humanitarian aid in this situation sends out a signal of withdrawal in times of great need.

It is important to emphasize that the majority of people currently in need of humanitarian aid live in so-called protracted crises. This means that an increasing majority of those in need (83%) live in countries for which the United

Nations has issued an appeal for aid for at least five consecutive yearsⁱⁱⁱ. **The idea that humanitarian aid is only a short-term response to unpredictable crises is therefore wrong.** Political commitment to resolving ongoing conflicts and strengthening the responsibility of national governments towards their people is of crucial importance. At the same time, however, humanitarian and development measures need to be implemented interconnectedly in order to strengthen the resilience of the population. Yet, the corresponding budget item in the BMZ budget - 'Crisis management, reconstruction and infrastructure' - is being massively cut for the second year in a row (by 16% in 2024 and 38% in 2025).

The idea that additional funds could be made available at short notice in the event of a major crisis also misses the point of using the funds as effectively and efficiently as possible. A humanitarian crisis always sets people back in their development, as those affected are often forced to sacrifice their livelihoods. They consume or sell their productive assets (e.g. their livestock) and cut back on food, education and healthcare. At the same time, preventable diseases spread more frequently, the banking system tends to falter, bringing the economy to a standstill. Another serious factor is that disrupting farming means crops fail. This jeopardizes food security in the short, medium and long term. **To reduce losses, humanitarian aid is currently moving towards anticipatory approaches. By using forecasting models and taking precautions against foreseeable shocks, damage - and therefore costs - can be minimized in advance^{iv}.** In 2022, as part of the G7, Germany has committed to allocating 5% of its humanitarian aid spending to these anticipatory measures. With the planned cuts to the Federal Foreign Office's budget, this contribution and the intended benefits are dwindling. Overall, the more predictable and planable available funds are, the more efficient and sustainable humanitarian aid can be.

In addition, the modern approach to humanitarian aid emphasizes localization, which makes it possible to use local capacities and knowledge in the crisis response. However, unplanned one-off disbursements are counterproductive when it comes to strengthening the structures of local partners. Furthermore, rapid processing entails additional costs. In addition, the criteria for the unplanned humanitarian funds are not publicly available. There is also a risk that the allocation of funds would be highly dependent on public attention. Many so-called forgotten crises fail to get the media attention they need to generate private donations, so public funding is paramount.

The international humanitarian system and democratic international forums are being weakened

According to OCHA, Germany provided 11% of global humanitarian aid in 2023^v. The repeated cuts in humanitarian aid funding in 2024 and 2025 will leave a large gap

that is unlikely to be filled from other sources. **Germany's unilateral withdrawal will further exacerbate the problem of a small donor base for humanitarian aid.** In fact, such an approach could undermine Germany's international engagement and trigger a domino effect. The humanitarian system is based on a broad consensus, functions through established institutions and has well-developed processes^{vi}. It would be wrong to view humanitarian aid merely as a question of goodwill and therefore as an arbitrary or dispensable expense. Rather, it is a structured response through established channels to realize fundamental human rights and global sustainability goals to which the international community has committed itself.

German development finance is used in cooperation with partner countries to strengthen the protection of public goods such as climate, global prosperity and natural resources in line with the 2030 Agenda. In addition to the vision of common political goals, such as making supply chains sustainable, the provision of corresponding funds is also part of a fair partnership between North and South.

An example is the transformation of food systems for the benefit of people, the planet and a decent standard of living. In 2020, Germany, together with many other governments, committed to accelerating and deepening this transformation. However, according to current plans, the 'Special Initiative for the Transformation of Agricultural and Food Systems' in the BMZ budget will be reduced to the 2019 level. These funds are used, for example, to protect fertile soils around the world from erosion, to promote climate-related innovations in agriculture, or to support agricultural businesses that are part of supply chains that are important for Germany.

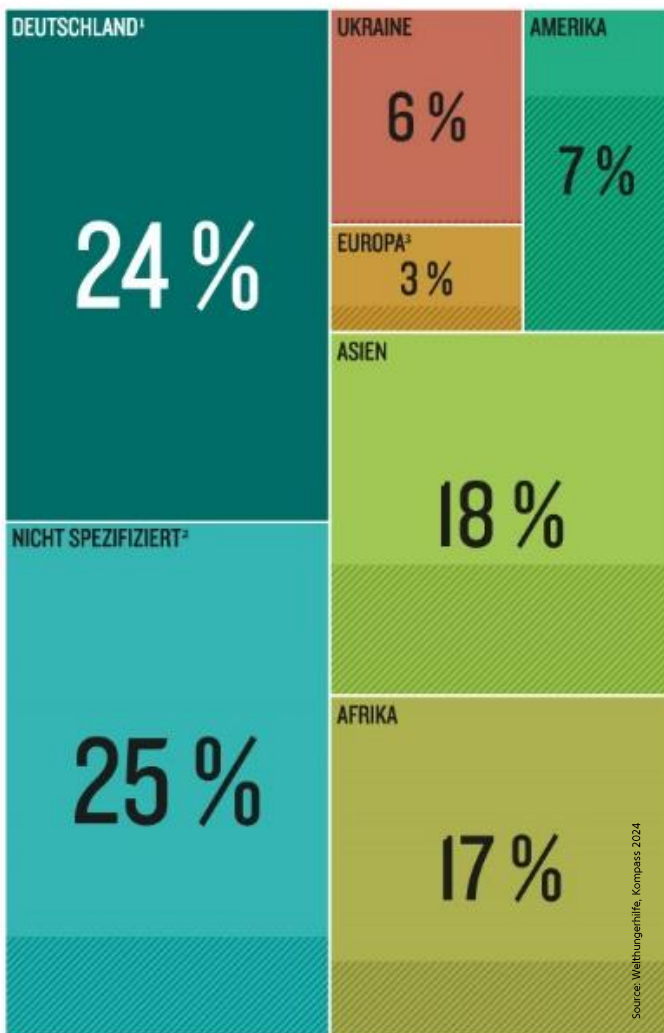
Despite claims to the contrary, development cooperation is not unsuccessful or helpless in tackling hunger and malnutrition. Numerous research points to a range of measures that can significantly and sustainably reduce hunger and malnutrition, particularly in the areas of agriculture, infrastructure, education and social security^{vii}. In settings where private capital can hardly bear the costs of research and innovation or the risk of possible failure, development cooperation offers the opportunity to initiate many of these measures. For example, Welthungerhilfe invests in the development of biological pesticides or digital platforms that bring together supply and demand for agricultural equipment. Development cooperation can contribute to the development of missing infrastructure, facilitate knowledge transfer and thus enable producers in the global South to integrate into global value chains. **However, it is limited by the level of funding, which has never been commensurate with the goals and has often fallen short of pledges^{viii}.**

Global spending on official development assistance (ODA) has never approached the 0.7% of gross national income

(GNI) that was considered necessary in the 1970s to gradually close the economic development gap. In fact, global ODA in 2023 was 0.37% of the economic output of OECD countries^x. Germany has only achieved the 0.7% target five times in the history of development cooperation, and it has never fulfilled its commitment to the Least Developed Countries (LDCs) to invest 0.2% of GNI in their economic development. In addition, the ODA figures are distorted by the large spending within the donor countries themselves, in particular costs of hosting refugees. In 2023, 24% of German ODA was spent within Germany^x. **It is time to reform ODA statistics** to reflect the true dimensions of financial flows between the global North and the global South and adjust them accordingly.

Geographical distribution of bilateral ODA flows from Germany in 2022

Disbursements; Source: OECD-DAC (CRS)



Inaction leads to mounting costs

We are already in a situation where we are facing rising costs for humanitarian action due to the long-term neglect of funding for development and climate action. The G7 committed to lifting 500 million people out of hunger in Elmau in 2015, and reaffirmed this commitment in

2022. In 2020, the estimated cost of implementing this commitment globally was around USD 12 billion per year by 2030; **in 2024, the estimated cost rose to around USD 27 billion per year, due in large part to underinvestment in food security in recent years**^{xi}.

In particular, measures to adapt agriculture to climate change are time sensitive. Early prevention of soil erosion and biodiversity loss is essential, as once damage has occurred, it is almost impossible to reverse. If both processes continue unchecked, not only will farmers lose their livelihoods in many places, but there are also large risks to crossing the planetary boundaries (limits to stability of the global ecosystem). On the other hand, agriculture can act as a carbon sink and thus provide a major additional benefit for mitigating climate change. Another aspect of the urgent need for climate adaptation is investment in research and innovation in the field of resistant plants and adapted agricultural practices that lead to higher production on less land - these investments pay off several times over, but on average take more than a decade of research to bear fruit^{xii}.

A delay in the fight against hunger and malnutrition not only makes it more expensive to achieve the goals, but also causes high hidden costs. These costs are due to productivity losses and healthcare costs. Around 150 million children worldwide are affected by stunted growth due to malnutrition^{xiii}, which will affect their educational attainment and income over the course of their lives. **Every year that children are undernourished robs them of their future opportunities - and the world of its economic and knowledge potential.** Scientific studies estimate these hidden costs at USD 10-12 trillion per year^{xiv}.

Added to this are political stability and human security. **There is evidence that inadequate support to local communities during crises exacerbates social tensions, conflicts over land and limited resources**^{xv}. For example, inadequate response to the needs of refugees from Sudan and local communities in the Central African Republic, Chad and Ethiopia increases the risk of regional destabilization.

Political demands:

The German Bundestag should work to ensure that in the FFO budget:

- Funding for humanitarian aid is increased at least to the 2024 level (2.2 billion euros).
- The provision of sufficient and predictable funds for anticipatory humanitarian measures is ensured. The Federal Government should at least fulfil its voluntary commitment to provide 5% of humanitarian aid funds for anticipatory humanitarian measures and to maintain this expenditure at least at the 2024 level. Furthermore, the 5% target should be continuously increased.
- When budgeting humanitarian aid measures (including

budgeting commitment appropriations), it is taken into account that long-term commitment is required in long-term crises and that the localization of humanitarian aid can only be promoted through predictable funding.

- Funding for crisis prevention should be maintained at least at the 2024 level (400 million).

The German Bundestag should work to ensure that in the BMZ budget:

- The budget item for “Crisis management, reconstruction and infrastructure” is increased to 1.2 billion euros.
- Funding for development-related projects by private German organizations is maintained at least at the level of 2024 (227 million euros).

- Funding for the special initiative “Transformation of Agricultural and Food Systems” is maintained at least at the level of 2024 (420 million euros).
- Set policy priorities to ensure that investment in rural development, agriculture and food security is no less than €3.5 billion in the overall budget of the Ministry.

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ⁱ FAO ; IFAD ; UNICEF ; WFP ; WHO, 2024: [The State of Food Security and Nutrition in the World 2024](#)

ⁱⁱ OCHA, 2024: [Global Humanitarian Overview 2024, Mid-Year Update](#)

ⁱⁱⁱ Development Initiatives, 2023: [Global Humanitarian Assistance Report 2023](#)

^{iv} WFP, 2024: [Global Report on Food Crises 2024](#)

^v OCHA, 2024: [Financial Tracking Service](#)

^{vi} Sonja Hövelmann, 2021: [Introduction to the international humanitarian system](#)

^{vii} ZEF, 2024: [Cost of Ending Hunger – Consequences of Complacency, and Financial Needs for SDG2 Achievement](#)

^{viii} UNCTAD, 2023: [The Least Developed Countries Report 2023](#)

^{ix} OECD, 2024: [International aid rises in 2023 with increased support to Ukraine and humanitarian needs](#)

^x WHH, 2024: [Kompass 2024: zur Wirklichkeit der deutschen Entwicklungspolitik](#)

^{xi} ZEF, 2024: [Cost of Ending Hunger – Consequences of Complacency, and Financial Needs for SDG2 Achievement](#)

^{xii} Nature: [Agricultural R&D is on the move](#)

^{xiii} UNICEF & WHO, 2023: [Levels and trends in child malnutrition: UNICEF / WHO / World Bank Group Joint Child Malnutrition Estimates: Key findings of the 2023 edition](#)

^{xiv} ZEF, 2024: [Cost of Ending Hunger – Consequences of Complacency, and Financial Needs for SDG2 Achievement](#)

^{xv} FAO, 2024: [The State of Food Security and Nutrition in the World 2024](#)