

How African governments responded to the 2025 Aid shock

Issue 3, 15. April 2026 // Author: Dr Biniam Bedasso (Center for Global Development, London), Editor: Dr Julia Kubny, Heide Kühlken

In 2025, US aid disruption and wider donor cuts hit Africa hard. A [tracker](#) of 442 government-involved events (2024-2025) reported in online news outlets and official government or funding organization websites shows how African governments responded in 2025 relative to a 2024 baseline – and where the main risks lie. A broad definition of government response is adopted, allowing room for both direct responses that explicitly target aid cuts and indirect responses that often expand external financing options and focus on longer-term strategic partnerships. Three patterns stand out.

1. Response is lowest where exposure is highest

It is striking that the intensity of government responses is lowest in those countries that are most dependent on development aid. This paradox can be explained mainly by tight fiscal space and weaker planning and implementation capacity. Countries with a stronger revenue base and more robust institutions were much more likely to take concrete (counter-)measures. These were often not only direct interventions but also many indirect responses such as increased cooperation with international financial institutions (IFIs) and macro-financial interventions (for example, improving broader domestic resource mobilization or public financial management reforms). By contrast, in highly dependent contexts, responses have often been confined to diplomatic or rhetorical signals, with no additional financial resources mobilised. This leads to a key implication: donors may need to target transition support more on particularly dependent and capacity-constrained states. For bridge financing, practical support for Public Financial Management, domestic revenue mobilisation, procurement and contracting should be considered.

2. Health dominates direct responses; education and humanitarian aid receive less attention

Direct government responses were concentrated in the health sector, where the risk of disruptions, such as HIV or tuberculosis, were most immediate. In contrast, education and vocational skills in particular receive little attention in public debate or in concrete measures. This increases the risk of creeping human capital depletion. Governments are also comparatively unresponsive to acute humanitarian needs, even in contexts where the emergency is particularly severe. Against this background, it appears to be crucial to protect long-horizon investments – in particular in basic education, vocational training and skills development – in a targeted manner by means of ring-fencing. In addition, explicit sustainability plans should be embedded into the programmes.

3. Little evidence of forward-looking planning for phased cuts

Another key pattern emerges over time: at the beginning of 2025, the abrupt suspension of US funds led to an accumulation of direct countermeasures. This suggests that governments can mobilise quickly when essential services are at stake. In contrast, government responses to European cuts, which are being implemented gradually, have so far been muted. These gradual adjustments, however, entail considerable risks, as without early warnings and concrete transition plans there is a risk of a creeping loss of substance. High-quality, multi-year programmes – for example in the education/vocational training sector – are particularly affected. Hence the need for much more forward-looking planning. Governments and donors need to jointly plan ahead, by providing early warning, aligning with budget cycles, and agreeing

timelines, roles and financing scenarios before funding changes set in.

Conclusion

The 2025 aid shock shows that long-term financing for development via state systems is not only important for the volume of funding, but also for planning certainty and predictability. Early communication on changes in resources and accompanying system strengthening are necessary so that governments can react proactively rather than in crisis mode.

At the same time, it is clear that sectors with long-term benefits – especially education and vocational training – are easily lagging behind during periods of acute crisis resolution. In this context, investment in skills and employment is particularly important in order to cushion the impact of cuts and strengthen resilience to future shocks. Finally, close coordination also among donors is crucial to make transition phases coherent and to limit the negative effects of cuts for partners. ■