

Schuman Paper

n°806

14th October 2025

Louis CAUDRON

Can official development assistance be saved?

The general reduction in funding means that we need to redefine our objectives

Official development assistance (ODA) is in trouble. It is in crisis. In the United States, Donald Trump decided, one month after returning to the White House, to [abolish the USAID programme](#), which managed US ODA amounting to \$64 billion in 2023. While the European Union and its Member States remain the [main providers](#) of official development assistance worldwide, the European Commission is planning to reduce the funds allocated to the least developed countries by 35% for the period 2025-2027, compared to the period 2021-2024. There is no indication that the situation will improve in the new multiannual financial framework for 2028-2034 currently being prepared.

A large proportion of these funds has been redirected to Ukraine over the past three years. Some Member States, such as the Netherlands, Germany, Belgium and Sweden, have also [reduced](#) their budgets for this aid. In France, President Emmanuel Macron, who had pledged in 2017 to increase it to 0.55% of GDP, has allowed his budget to be cut by a third in 2025.

More than forty years ago, all countries in the Organisation for Economic Co-operation and Development (OECD) committed to [devoting](#) 0.7% of their GDP to official development assistance. At the time, this was seen as a duty of solidarity and a means of reducing the gap

between developed and developing countries. Only a few countries have honoured the 0.7% of GDP commitment, but donors were at least trying to maintain their aid. Recent cuts show that they no longer believe in it.

The most worrying thing is that these cuts in funding are hardly provoking any response from [public opinion](#). Perceived as a simple 'gift' to developing countries, official development assistance has now been relegated to second place behind new or more urgent funding priorities such as European defence, innovation and climate transition. This indifference could be fatal for official development assistance, while its abolition would seriously damage our relations with the rest of the world. This is particularly true of our [relations with Africa](#), which are so important for our future.

HOW EFFECTIVE IS IT?

Since 1960, development aid has largely focused on Africa. However, it is clear that it has not been the hoped-for driver of development on this continent. Africa is home to the majority of the world's poorest people and has not yet achieved economic take-off. For some politicians, ODA has been ineffective and useless. For others, it [has failed to achieve its objectives](#) due to a lack of sufficient resources. In 2016, for example, French President Nicolas Sarkozy [proposed](#) increasing it to finance a

'gigantic Marshall Plan' for African development, a reference to the [Marshall Plan](#) that led to the recovery of Europe after the Second World War by providing \$13 billion in loans between 1948 and 1952. This is equivalent to \$173 billion today over four years, or \$43 billion per year.

Africa has [received](#) an average of \$50 billion per year, meaning that it has benefited from a continuous Marshall Plan for sixty years. It is difficult to say that this is insufficient.

ODA CANNOT DO EVERYTHING

The importance of official development assistance in financing Africa must be put into perspective. In 2021, [foreign investment in Africa](#) reached \$83 billion and remittances from Africans living abroad reached \$65 billion. With \$50 billion in ODA, approximately \$200 billion was injected into the African continent.

Conversely, the United Nations Conference on Trade and Development (UNCTAD) [estimated](#) tax evasion and illicit financial flows at \$90 billion in 2020. African pension funds and banks invest a large proportion of their funds outside the continent. If we add to this the low level of tax revenue in Africa, which represents only 16% of GDP, compared with 34% in OECD countries (and even 45% in France), it is easy to see why African countries are finding it [difficult to finance](#) themselves.

Official development assistance cannot compensate for the financial resources lost due to misguided economic policies. However, it can at least serve to encourage African governments to adopt economic policies that are more effective and beneficial to their entire population, rather than just a privileged elite.

CHINA HAS SHOWN ANOTHER WAY FORWARD

Another cause of uncertainty since 2000 has been [China's strategy](#) of not providing aid but investing directly in major infrastructure projects, often in

exchange for access to [mineral resources](#). This approach is considered effective and is appreciated by Africans.

Most European agencies that manage ODA claim to be working towards the UN's seventeen [Sustainable Development Goals](#) (SDGs). The multiplicity of these goals makes the outcome unclear to the public: financing a project to achieve SDG 5, 'Gender equality', may seem less concrete, wrongly so, than building a railway line.

THE CLIMATE TRANSITION MUST BE FINANCED BY OTHER FUNDS

The African continent emits [very little greenhouse gas](#) and bears virtually no responsibility for the acceleration of climate change, but it is greatly impacted by its effects. To compensate for these injustices, developed countries have created the [Green Climate Fund](#), which is theoretically endowed with £100 billion per year. In 2022, the Conference of the Parties (COP) 27 added a [Loss and Damage Fund](#). Official development assistance no longer has to finance the climate transition.

REDEFINING OBJECTIVES

International relations are currently marked by a challenge to the West and its values. The so-called [BRICS](#) countries, or what is known as the 'Global South', are clearly signalling their intention to challenge the international order established in 1945 by the United States and Europe. In China and Africa, memories of the trauma caused by colonisation in the 19th century are fuelling criticism of the West. In this context, the abolition of official development assistance would appear to be a sign of selfishness on the part of Western countries, fuelling hostility towards developed countries. In Africa, where the West in general and France in particular are the victims of a [smear campaign](#), the abolition of ODA would further damage our relations with this continent.

To maintain ODA, it must be [reformed](#) so that Europeans understand its objectives. This means

redefining its priorities and not assuming that it alone can bring about the [development](#) of less advanced countries. European countries should no longer include expenditure on receiving migrants or supporting projects... in China. The priority must be to help African countries, because the population explosion on that continent will have consequences in Europe; and to intervene in the two areas that can enable Africans to better control their future: training young people and supporting agriculture.

First objective: training young people in Africa

The education of young people is a crucial issue in [Africa](#). Twenty million young people enter the labour market every year. They find it difficult to find jobs because many lack training. [Education](#) systems are unable to keep pace with population growth. In primary schools, classes of 100 pupils are commonplace, and the situation is no better in secondary schools or universities. A large number of poorly educated and [unemployed young people](#) poses a great danger for the future. Terrorist movements and traffickers of all kinds seek to recruit them, and they are also potential candidates for emigration.

However, training is of little interest to foreign investors and does not attract much funding. ODA could easily support existing training centres or create new ones. It could also provide trainers. Prioritising training would be the best way to develop employment in Africa and reduce immigration to Europe.

Second objective: to support African farmers

Half of Africans are farmers, but they have largely been overlooked by economic policies. [Agriculture](#) has been considered less noble than industry or services and has not received the attention – and resources – it deserves. Some governments have even favoured importing [cereals](#) to feed their cities, rather than paying their farmers a fair price. African agriculture is unable to feed its population, and Africa imports tens of millions of tonnes of cereals.

The need to develop agriculture is now recognised in several African countries, but not yet by all.

It is possible to increase agricultural output in Africa without applying the European model of large, motorised farms. Subsidising fertiliser consumption^[1] and encouraging agroecological practices proposed by research institutes would increase yields, while creating millions of agricultural jobs and preserving soil quality.

If official development assistance gave clear priority to funding improvements in the situation of African farmers, this would greatly benefit the image of agriculture in African societies, which would be very positive for the future.

Other objectives to be maintained

Official development assistance is a tool serving foreign policy. European countries should not refrain from using it in accordance with their diplomatic interests or to support European businesses. The priority given to training young people and agriculture in Africa should not prevent the financing of interesting projects in other countries. We must always be able to provide the necessary emergency aid in the event of [disasters](#) such as famines or humanitarian crises. It is important to be able to provide rapid assistance, particularly food aid, to the populations affected.

Another objective should be to effectively support the cooperation activities carried out by [European local authorities](#). These activities have the enormous advantage of directly reaching the populations concerned without going through governments. They help to develop friendly ties between Africans and Europeans. To finance the many projects of local authorities, which are often small in scale, the agencies responsible for managing aid should place their trust in local authorities and finance 50% of their field projects without asking for supporting documents.

Health is another area that ODA cannot ignore. Ongoing research and programmes have saved lives and must be continued.

^[1] According to the [FARM Foundation](#), mineral fertiliser consumption is 15 kg per hectare in Africa, compared to 120 kg in the rest of the world

Can official development assistance be saved?

The general reduction in funding means that we need to redefine our objectives

Africa had a population of 300 million in 1960. It currently has 1.4 billion and the UN forecasts 2.5 billion by 2050. We cannot remain indifferent to this development in a neighbouring continent. It is in Europeans' interests to help Africa manage its population growth by facilitating job creation.

Official development assistance must become, as a matter of priority, 'official development assistance for employment' in Africa. By contributing to the training of young Africans and the promotion of African agriculture, it will regain its effectiveness and visibility and contribute to a better future for Africa and Europe.

Louis Caudron

Former deputy director at the French Ministry of
Cooperation.

You can read all of our publications on our site:

www.robert-schuman.eu/en

Publishing Director: Pascale JOANNIN

ISSN 2402-614X

The opinions expressed in this text are the sole responsibility of the author.

© All rights reserved, Fondation Robert Schuman, 2025

THE FONDATION ROBERT SCHUMAN, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.