

New and important research findings about global health financing

by Ian Anderson

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The Vanuatu health ministry receives IT hardware from UNICEF, March 2025

Photo Credit: [Facebook/Health Promotions Vanuatu](#)

Four important reports were published in July that shed new light on trends in international development assistance for health (DAH) — bilateral and multilateral aid financing specifically to the health sectors of developing countries. These reports are particularly timely and relevant given the sharp cuts to DAH this year from several developed country donors. This article identifies the key findings from these latest reports.

The recent report by the Institute for Health Metrics and Evaluation (IHME), [Financing Global Health 2025: Cuts in Aid and Future Outlook](#), is a good place to start in understanding the latest trends. That report says:

“In 2025, IHME’s preliminary estimates indicate that DAH has fallen to levels not seen for over 15 years, to US\$39.1 billion. DAH dropped by more than one-fifth between 2024 and 2025. For perspective, DAH is now less than half the size it was during the pandemic’s peak in 2021, when the world rallied to help countries during the global health emergency. ... Forecasts indicate that development assistance for health is likely to decline even more over the next five years, to reach US\$36.2 billion in 2030. As many development partners cut their spending, there is a need for new approaches”.

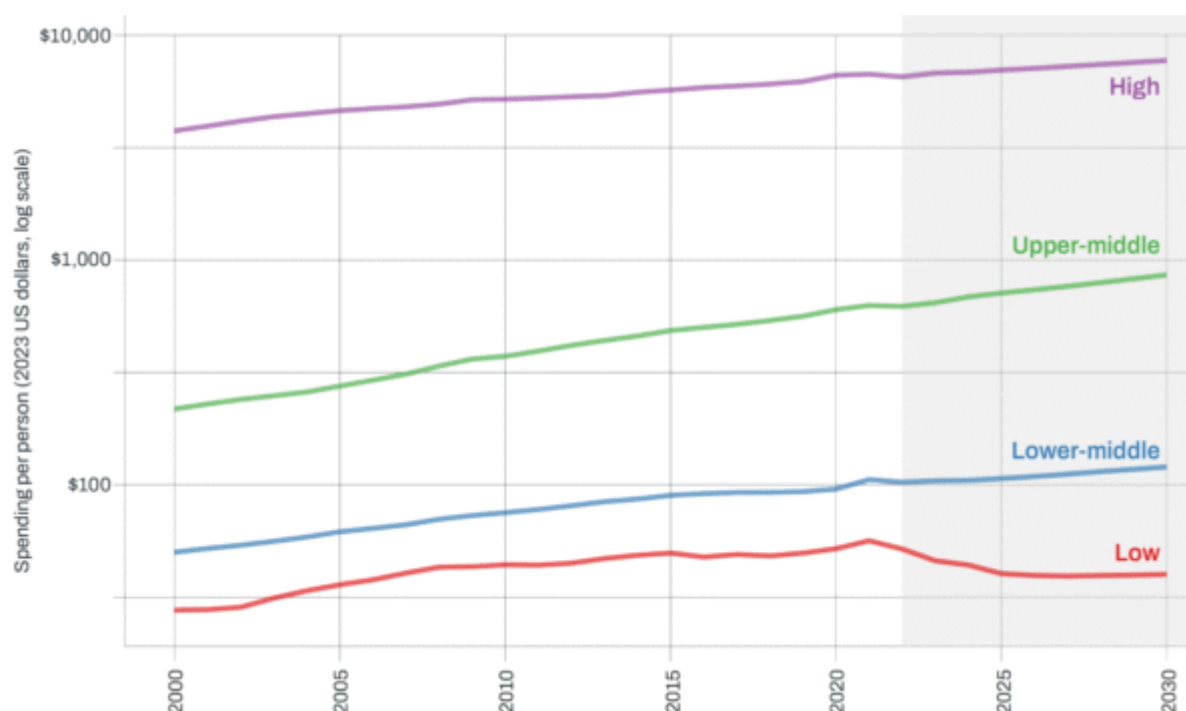
The report notes several countries had reduced DAH in 2025: “cuts from the US government alone have been the largest in volume terms, with US DAH dropping by more than US\$9 billion in 2025 (a 67% decline), followed by cuts from the UK (US\$796.1 million, a 39% decline), France (US\$555.1 million, a 33% decline), and Germany (US\$304.5 million, a 12% decline).”

Among intermediaries, the report expects NGOs and foundations to bear the brunt of aid cuts, amounting to around US\$2.5 billion in 2023 dollars, or over 20% of past funding. That is because the USA, which traditionally funded around one-quarter of all DAH, often used NGOs and foundations to disburse US funds. Other agencies

expecting to receive major cuts in funding are UN funds and programs and the World Health Organization (cuts in 2025 of around 18% for both); the Global Fund (around 15%) and Gavi, the Vaccine Alliance (around 5%).

The IHME report expects existing inequity in health spending between countries to increase as a result of aid cuts. It notes that in 2025 health spending in high-income countries was 299 times greater than in low-income countries. IHME forecasts that even in five years' time health spending in low income countries will be just US\$40 per person per year (Figure 1).

Figure 1: Total health spending per person by World Bank income group, 2000–2030



Source: *Financing Global Health 2025: Cuts in Aid and Future Outlook*. Note: Total health spending per person is measured in 2023 real US dollars, with 2023-2030 estimates forecast on the basis of retrospective estimates ending in 2022. The y-axis reports values on a log base-10 scale due to the dramatic difference in group spending.

A second **important and timely report** about DAH was published in *The Lancet* journal. The article evaluates the impact of two decades of DAH by the US Agency for International Development (USAID) in 133 countries and territories and then makes projections with respect to the effects of recent USAID defunding on mortality up to 2030.

The key findings are as follows. USAID has been the largest bilateral funding agency for humanitarian and development aid worldwide. This has covered a wide range of activities. For example, the article states that “Between 2017 and 2020, [USAID] responded to more than 240 natural disasters and crises worldwide; in 2016 alone, the organisation provided food assistance to more than 53 million people across 47 countries.” The article also notes that: “A substantial part of

(USAID) influence (on health, and mortality reduction) stems from improvements in the social determinants of health, particularly among the poorest populations. In particular, USAID's support for poverty alleviation, education, and water and sanitation — among many others — might have had a substantial effect on health outcomes....”

The article goes to some length to explain the various technical aspects of how the researchers measured and assessed the actual impact of US aid flows on health. Fortunately, the article then also provides a more straightforward and accessible set of results, as follows:

“Our findings show that USAID-supported efforts have helped to prevent more than 91 million deaths across all age groups, including 30 million deaths among children. High levels of USAID funding were associated with a 15% reduction in all-age and all-cause mortality, a 65% reduction in mortality from HIV/AIDS, a 51% reduction from malaria, and a 50% reduction from neglected tropical diseases. Substantial decreases were also observed in mortality from tuberculosis, nutritional deficiencies, diarrhoeal diseases, lower respiratory infections, and maternal and perinatal conditions. By age group, the most pronounced reductions were seen in children younger than 5 years (32%).”

However, then come the projections for the future:

“According to the forecasting models, the current steep funding cuts — coupled with the potential dissolution of the agency — could lead to more than 14 million additional deaths by 2030, averaging more than 2.4 million deaths per year. These deaths include 4.5 million among children younger than 5 years, or more than 700,000 deaths annually.”

A third important and timely report about DAH was also published in *The Lancet*. The key finding of the article, “[Tracking development assistance for health, 1990–2030](#)“, is that “major reductions in DAH, particularly from historically leading donors, threaten to widen health disparities unless mitigated by increased domestic resource mobilisation or alternative financing mechanisms. This study highlights the urgent need for greater efficiency, strategic reprioritisation and strengthened fiscal resilience in recipient countries to safeguard the substantial global health gains of the previous three decades”. In that context, it notes that “government tax revenues in many low income countries are less than 15% tax to GDP ratio, an estimated level necessary for governments to have enough fiscal space to allocate resources for health and other social sectors”.

It is worth mentioning that the research for that substantial report in *The Lancet* was

supported by the Gates Foundation. A quick search finds that the Gates Foundation has provided over US\$450,000, just to *The Lancet* alone, so that researchers can generate a better evidence base for policy and spending decisions. Gates also pledges to dispense US\$200 billion by 2045 including to help eradicate polio and malaria. Gates himself **notes the contrast** between his own approach to aid and development and that of another one of the richest men in the world, Elon Musk.

A fourth article, “**Global, regional, and national health-care inefficiency and associated factors in 201 countries, 1995–2022**“, published in *The Lancet*, also estimates inefficiencies in health spending. Among its many important findings, the research concludes that: Nauru was one of three countries globally with the least efficient health spending; that China had zero inefficiency in health spending in 2022, and that fragmented aid funding can increase inefficiency.

*This article is part of a **three-part series**. The second part reports on recent findings published on **the growth of non-communicable diseases** and the third **focuses on diabetes** as a public health — and international development — challenge.*

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Link:

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