Impact Brief

Donor funding cuts impact on global displacement crisis

Executive Summary

The Danish Refugee Council (DRC) forecasts that the recent overseas development funding cuts announced by key donors, notably the US termination of contracts, will have severe humanitarian consequences and lead to an increase in forced displacement.

Earlier this year the US Government issued stop work orders on all of its foreign assistance, followed by contract terminations for the majority of its contracts. The UK, France and Germany are among the other donors who have also significantly reduced their aid budgets.

The US has for many years been the largest international donor. In 2023, the US provided approximately 38% of all global development assistance and 46% of funding to humanitarian response plans and flash appeals. For many countries, including e.g. Colombia, DR Congo and Ukraine, the US has provided the vast majority of funding either for development or humanitarian responses.

Displacement happens through the interaction of a dynamic network of drivers that can either increase or decrease the prospects of people fleeing. These funding cuts will have a direct impact on many of the factors shaping displacement including conflict, human rights, impact of climate change and economic hardship. Development and humanitarian assistance works to reduce the impact of these many drivers of displacement. If not offset by other funding or actions, the cuts will lead to significant increases in displacement.

DRC's current forecast for displacement in 2025 suggests that there will be an increase in 3.95 million people living in displacement by the end of the year. In a worst-case scenario where US funding is completely withdrawn and other projected donor cuts materialize, it will have a severe direct impact on several of the underlying factors shaping displacement, particularly related to peacebuilding. These dynamics could lead to an additional 3.9 million people becoming displaced in 2025. As such, in this scenario, the total number of people living in displacement would increase by 7.85 million in 2025. In a more likely scenario, where US funding is cut by 50% and other donor cuts materialize, the projected additional increase in displacement would be 1.8 million.

The increase in displacement and severe funding cuts will be felt particularly in low-income countries that host the majority of displaced people, and that simultaneously face their own socio-economic and climate-related challenges.

The funding cuts will also have consequences for the ability to reach displaced people and other people with humanitarian needs. In 2025, 309.7 million people are in humanitarian need. Of these, 187 million people are targeted to receive assistance if the appropriate amount of funding is provided. Under normal circumstances, DRC estimates that 137 million would actually be reached, as the total required funding rarely materializes (for example Humanitarian Needs and Response Plans are typically only around 50% funded). In a scenario where all US funding is cut and other donor cuts materialize, the number of people reached would drop by 67 million. This would mean that only 70 of the 309 million in need would receive assistance or about 23%. The most severe impacts will be felt in Sudan, where we estimate 4.3 million fewer people will be

reached. In DR Congo, Ethiopia and Afghanistan it would be close to 2.5 million fewer people reached in each country, while in Yemen it would be 1.7 million. If countries with severe displacement are spared the budget cuts and there is continued support for sectors which work to mitigate the displacement risk factors, then these projected numbers will be reduced.

Furthermore, if other donors step up and fill the gaps, then the impacts will be less severe. Some countries like Denmark, Italy, Japan and Korea are projected to provide increased assistance this year. This also underscores the importance of donors supporting efforts which contribute to limiting forced displacement worldwide.

Content

Background

On Friday 24, 2025, the US State Department issued a 'stop-work' order for all existing foreign assistance and paused new aid pending a 90-day review period. On 25 February 25, the US administration decided to terminate 90% of the USAID programmes. On March 10, it was announced that the Trump administration officially canceled 83% of U.S. foreign aid contracts – around 5200 contracts out of 6200.[1] On April 17, it was announced that the initial 90-day review had been extended for another 30 days.[2] A recent overview of the terminated contracts suggests that while 83% of the contracts have been terminated, approximately 50% of the funding remains in the contracts that have not been terminated.[3]

Other major donors have also announced funding cuts, although to a lesser extent and in a more phased manner. While these cuts are less clear than the US, the Donor Tracker by Seek Development has made some credible estimates[4] of what the cuts will amount to in 2025:

- Germany: Roughly 24% decrease
- France: Roughly 17% decrease
- UK: Roughly 11% decrease
- Other[5]: Roughly 12% decrease

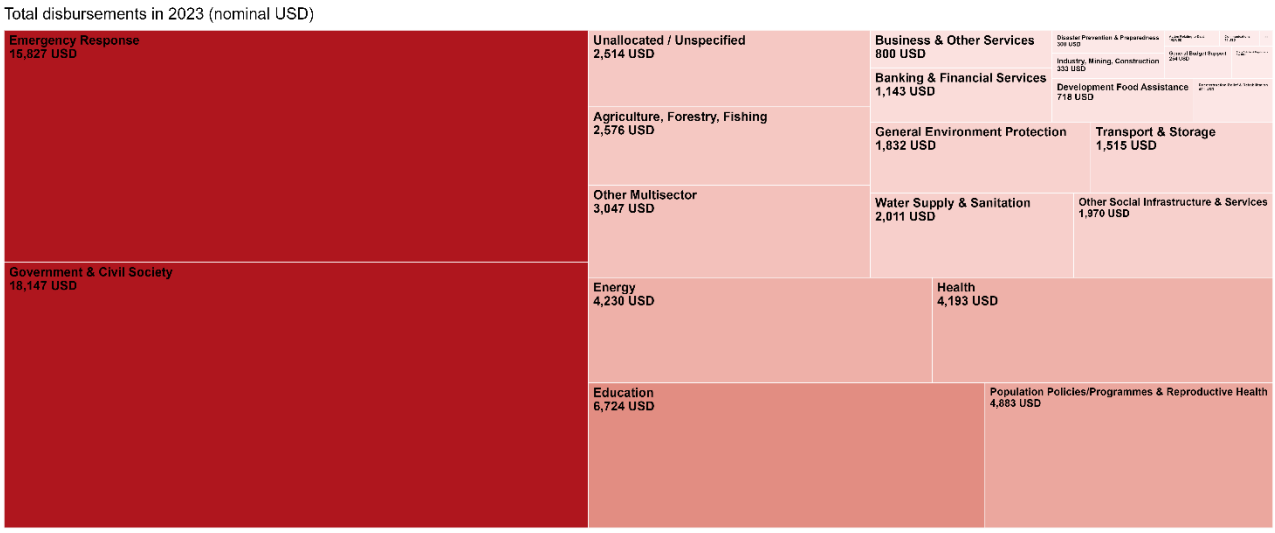
The overview by Donor Tracker also shows that some countries like Denmark, Italy, Japan and Korea are projected to provide increased assistance this year compared to 2023.

As the biggest donors cut funding, this will have severe consequences. This report aims to provide an overview of the key impacts of the funding cuts to development and humanitarian assistance.

Where did the funding go?

The major donors included in this analysis disbursed approximately $75 billion in ODA in 2023, according to OECD data. US alone disbursed $35 billion in ODA thus accounting for 47%. The largest amount of funding was provided to emergency response, while the second largest was provided to government and civil society, including peace, conflict and security funding. These two sectors combined accounted for almost 2/3 of the US ODA in 2023 and approximately 45% of the funding from all major donors. The significant amount of US funding provided to these sectors also meant that the US contributed by far the biggest share of the funding within these sectors; for emergency response US funding accounted for 66% of all DAC funding to this sector, while for government and civil society it accounted for 58%. In the sector of population Policies/Programmes & Reproductive Health US funding accounted for 82% of all DAC funding.

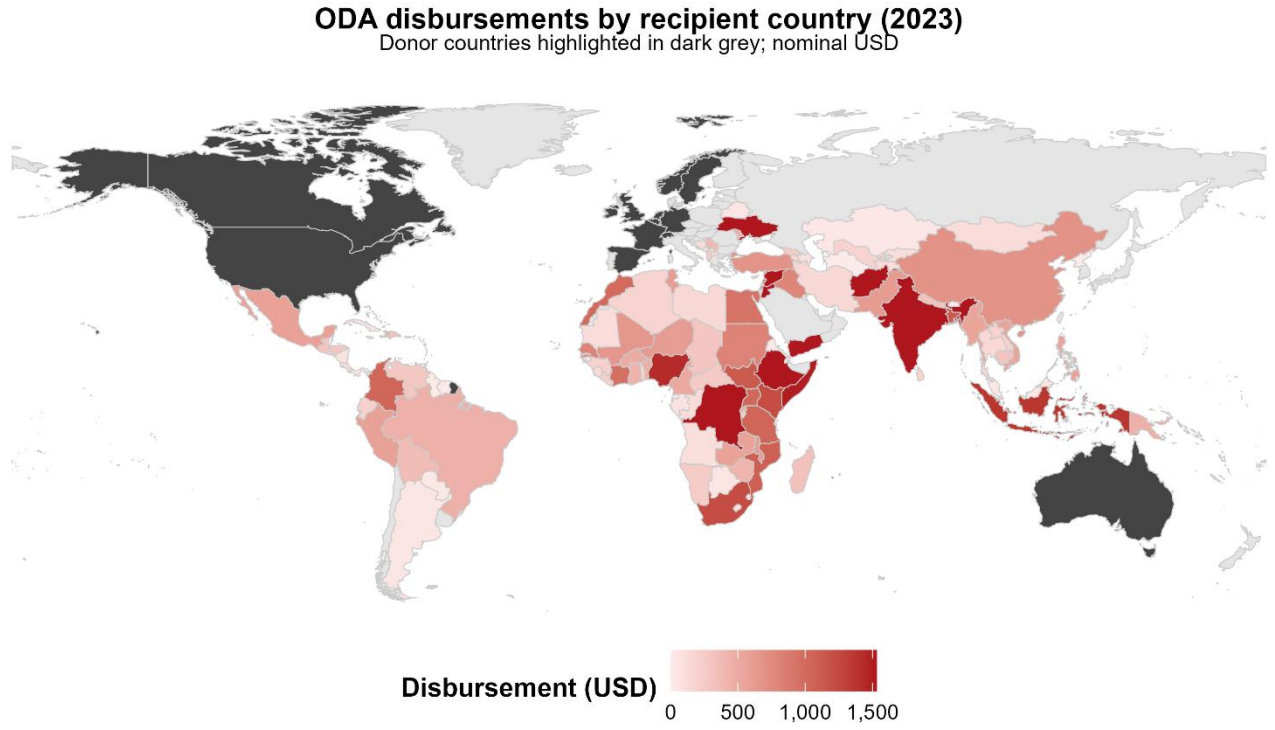
[1] NPR (2025): Rubio announces that 83% of USAID contracts will be canceled. Available at npr.org
[2] Devex (2025): Trump administration extends foreign aid review for another 30 days. Available at devex.com
[3] Politico (2025): Documents reveal scope of Trump's foreign aid cuts. Available at politico.com
[4] Estimates are available here: https://donortracker.org/publications/budget-cuts-tracker
[5] Australia, Belgium, Canada, Ireland, Netherlands, Norway, Spain, Sweden and Switzerland.



1. ODA from the major donors 2023 broken down by sector (source: OECD Data Explorer)

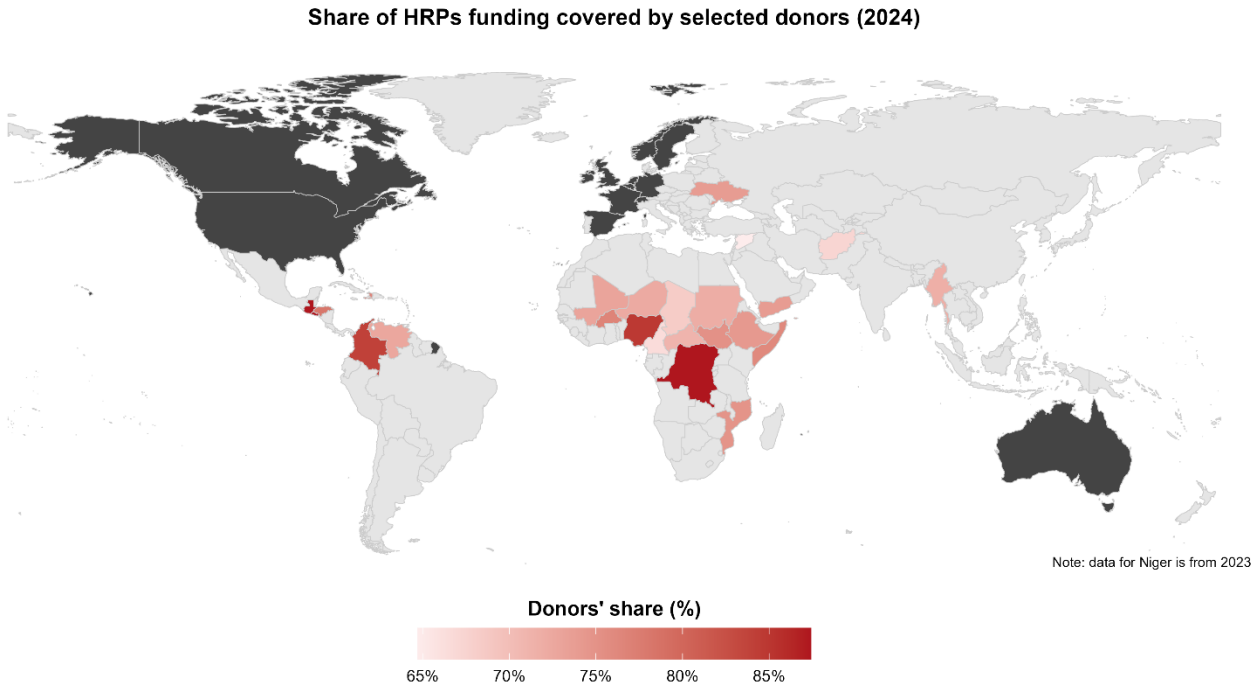
The donor funding had a global footprint. Ukraine received by far the largest amount of ODA of any country – approximately $17 in total, including $11 billion from US alone in 2023. Ethiopia received the second highest amount – $2.7 billion with $1.6 billion from US, while Syria came third with $2.2 billion. Other countries such as Jordan, Afghanistan, DR Congo, Somalia, Nigeria and Yemen also received substantial amounts of ODA.

Some countries had a higher dependency on US ODA funding than others. Countries such as Colombia, Venezuela, Zimbabwe, Ukraine, Honduras, Guatemala, Nigeria and Kenya received approximately 2/3 or more of their development assistance from US.



2: ODA from major donors 2023 brown down by country (source: OECD Data Explorer)

When it comes specifically to funding for humanitarian response, the US was also by far the largest donor. In 2024, US provided almost $11 billion in funding for humanitarian response plans and flash appeals under the Global Humanitarian Overview – this amounts to 46% of the total funding provided. The second larS funding as with ODA funding. Countries such as DR Congo, Colombia and Central American countries had a particularly high dependence on US funding. For DR Congo and Colombia, US provided approximately 2/3 of the humanitarian funding in 2024, while for El Salvador and Guatemala US provided more than 80% of the funding.



3: Major donors share of funding to Humanitarian Response Plans 2024 (source: OCHA FTS)

Current status of humanitarian funding

As of June 18, $5.68 billion had been provided in humanitarian funding towards the coordinated humanitarian response plans under the Global Humanitarian Overview. This amounts to 13% of the total appeal $44.18 billion. The funding provided has largely gone to the crises in Ukraine ($816 million), Occupied Palestinian Territories ($666 million) and Sudan ($601 million).[6]

Compared to 2024, the funding shortfalls are already visible. At this time last year (June 13, 2024), $8.33 billion had been provided in humanitarian funding towards the coordinated humanitarian response plans under the Global Humanitarian Overview. This means that the total amount of humanitarian funding is already $2.76 billion lower than last year, representing a 33% decrease in total funding. The most significant decreases in funding from bilateral fundings are from the US that has provided $1.2 billion in funding so far this year, while they had provided $2.7 billion at the same time last year. This corresponds to a 56% decrease. EU funding has decreased by 33%, while Germany and UK has reduced funding by 21% and 14% respectively.[7]

[6] OCHA (nd): Financial Tracking Service: Coordinated Plans 2025. Available at unocha.org

[7] The cuts in humanitarian funding made so far by US, Germany and UK are thus close to the assumptions on the total funding cuts to development assistance used in the scenario analysis

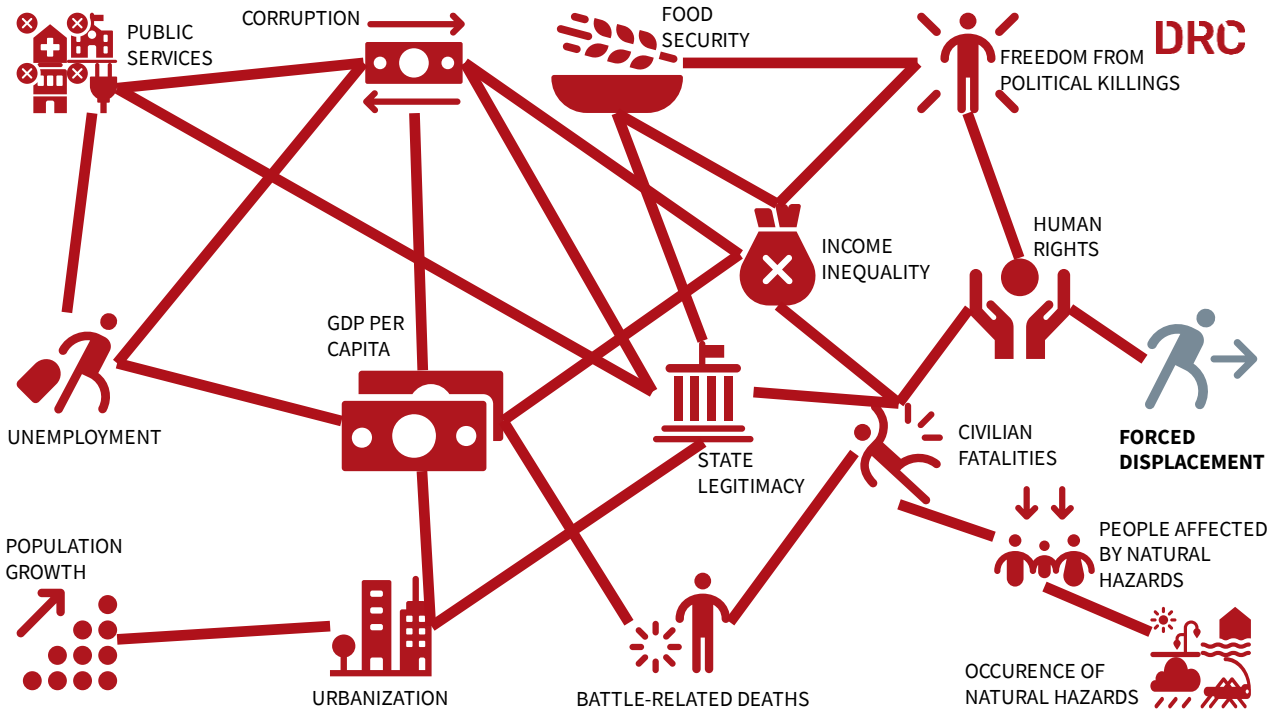
In 2024, there was only one humanitarian response plan appeal that was less than 10% funded at this time of year (Venezuela). This year its six (Venezuela, Haiti, Honduras, Mali, El Salvador and Chad). The decreases in humanitarian funding are particularly visible in DR Congo, where $300 million less funding has been provided this year compared to last year, despite the significant increase in violence, displacement and humanitarian needs. Similarly, in Yemen funding has decreased by $324 million. In both countries, these decreases mean that they have received less than half of the funding compared to the same time last year. For Yemen, the humanitarian response plan is only 11% funded compared to 22% last year.

Key Findings

Potential impact on displacement

Displacement often happens in a network where different factors shape the conditions of individuals that in the face of adverse conditions decide to flee in search of safety and protection.

To better understand the complex network of factors leading to displacement, DRC and IBM have developed a Bayesian network analysis. The network was initially developed through expert interviews and workshops and after this validated based on 25 years of historical data from 28 countries that all have a history of displacement.



4: Network of displacement drivers

The pathways from donor funding cuts to displacement are described in more detail in the assessment methodology. Given the prominence of the donors, in particular US, as global development and humanitarian actors, almost every single driver in the network will be impacted by the funding cuts either in the short or medium term; some to a larger degree than others. And the network also underscores that a number of mutually reinforcing dynamic feedback loops can occur in the process which can magnify the impacts on displacement.

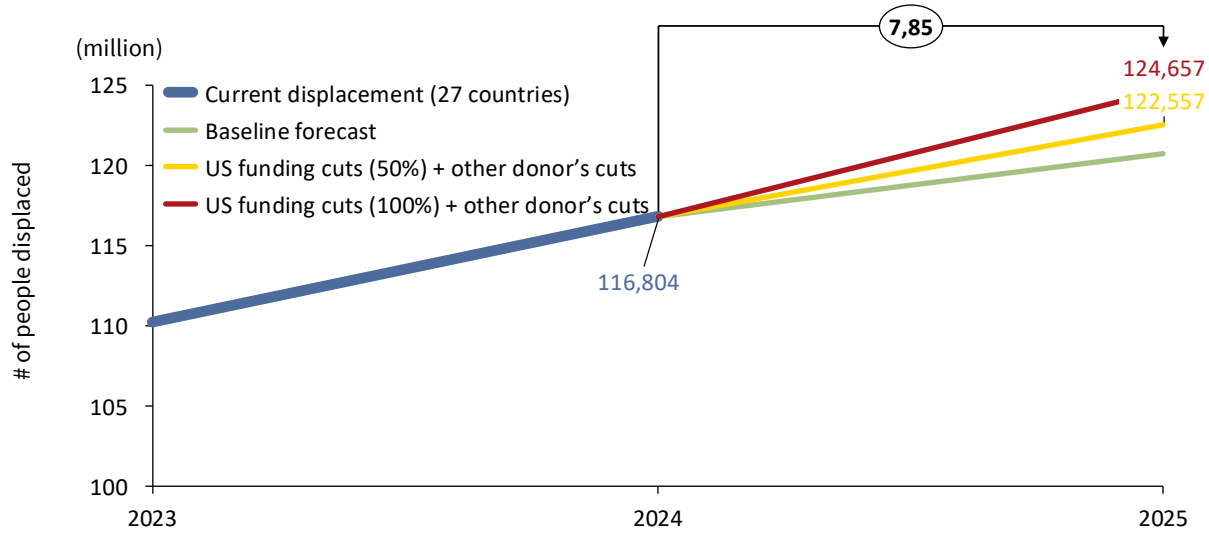
The most direct impact is the potential decreased funding for peacebuilding. In 2023, USAID contributed approximately 60% of all funding to peacebuilding. Our analysis has found that, over the past two decades, in conflict and displacement-affected countries, low levels of development assistance and a minimal share directed towards peacebuilding correlated with an average 134% increase in displacement the following year. Conversely, when robust engagement through

development assistance was combined with achieving a peace agreement, displacement increased by only 31% on average the following year. These effects are a result of the direct link between peacebuilding and violence. As an example, one study has found that an increase in peacebuilding assistance of $1m leads to a reduction of between 6.78 and 8.32 battle deaths.[8] This would mean that we should expect the network of drivers of displacement to be directly impacted, as conflict is likely to increase as a result of the funding cuts which will results in increased civilian fatalities and increased number of battle-related deaths. This can then have spillover effects on economic growth, state legitimacy and human rights abuses that in turn could also impact on displacement dynamics.

Another key impact is on food security given the significance of major donor's funding in this sector. As mentioned above, US funding covered around 66% of emergency response funding in 2023 and 46% of humanitarian response plan (HRP) funding in 2024. Germany was the third largest contributor to the HRPs with 8.3%. Previous DRC analysis of funding and displacement trends across over 189 HRPs have found that when response plans were under two-thirds funded, the subsequent year saw, on average, a 39% increase in the cumulative number of displaced individuals. Conversely, if plans were funded by more than two-thirds, the average increase in displacement was only 8%. While multiple factors may contribute to this trend, insufficient humanitarian funding hampers the ability of the humanitarian community to respond adequately, alleviate suffering, ensure protection for vulnerable groups, implement early action and prevention activities, and enhance the resilience of communities. As visible from the network analysis food insecurity is a driver of displacement which is related to income inequality, political killings and state legitimacy. In particular, the latter could be impacted by the decrease in humanitarian funding due to the cuts by US and other donors.

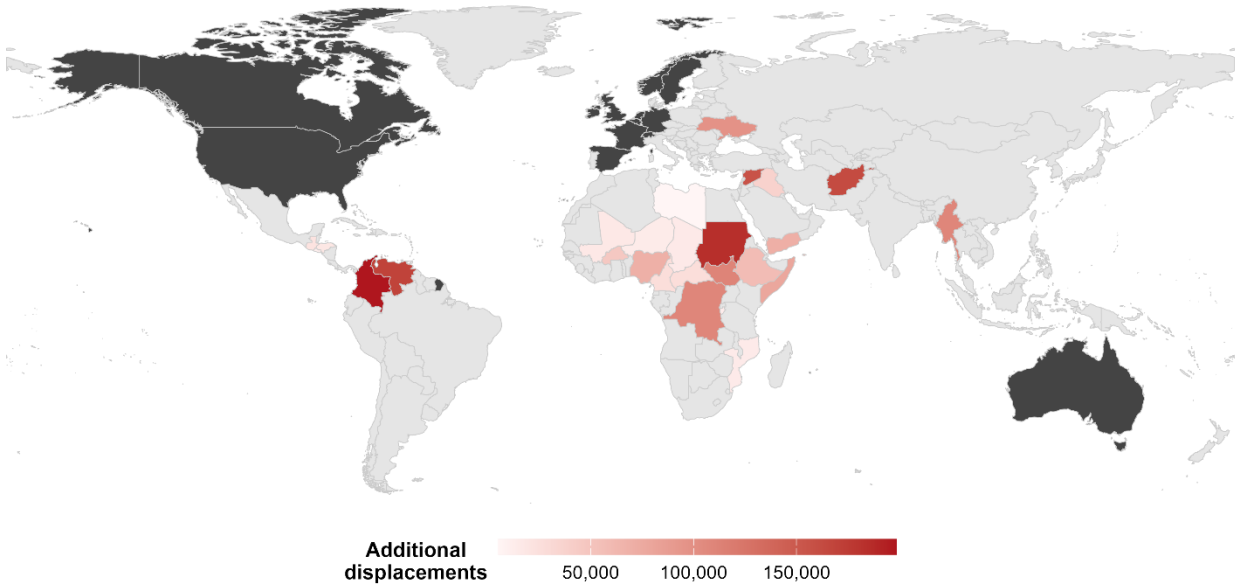
Using these insights, DRC has modelled the potential impacts of the major donor's funding cuts for peacebuilding and humanitarian aid, in particular food assistance, which could result in increased displacement. The DRC Foresight Model – a machine learning model to predict displacement – forecasts that the total number of people displaced is going to increase by 3.95 million in 2025. The Foresight model forecasts that in a scenario where significant levels of funding for peacebuilding and humanitarian assistance, in particular food aid, are suspended, an additional 3.9 million could be displaced in 2025 alone. As such, the total increase in displacement in 2025 would be 7.85 million people. In a scenario where the funding is cut by 50%, the additional number of displaced people would be approximately 1.8m.

[8] Neil T. N. Ferguson and Topher L. McDougal (2018): On the Return on Investment of Security Sector Assistance and Peacebuilding Assistance



5: Scenario-based forecasts based on potential funding cuts

The impacts are not evenly distributed across countries given the various degrees of dependency on funding. The most impacted countries are likely to be Afghanistan, Colombia, Sudan, Syria and Venezuela with more than 150,000 additional people displaced in a scenario, where US funding is cut by 50%. In Sudan and Venezuela, it comes on top of displacement crises already forecasted to significantly deteriorate. In Venezuela, the baseline forecast suggests a 415k increase in the number of displaced people; in Sudan, the baseline forecast suggests a 1.2m increase in the number of displaced people.



6: Additional displacement by country in scenario-based forecasts based on potential funding cuts

It is important to note that these forecasts tend to be conservative and thus underestimate the level of displacement that actually occurs.

Based on the modelling, a counterfactual scenario can also show how the donor funding every year has contributed to limit displacement. In 2023, the total number of people living in displacement increased by 9.5 million people. In a counterfactual scenario, where a 50% US funding cut along with other donor cuts had been implemented in 2023, the number of displaced people would have likely increased by 11 million instead. This underscores the immense value that development and humanitarian have had and continue to have in decreasing the number of people having to flee their homes.

Impact on people reached

The suspension of U.S.-funded humanitarian work alone has had immediate and severe consequences with long-term effects. As a result, over two million people are at risk of losing access to essential and life-saving services provided by DRC alone. For example, in Nigeria thousands of children and their families will soon lose the daily treatment they rely on for acute malnutrition and overall food assistance provided by DRC. In Afghanistan, DRC had to stop water supply projects in several provinces, impacting thousands. In Yemen, DRC was forced to halt its support to life-saving medical assistance for conflict-affected individuals across 26 contracted health facilities in Yemen. **The funding freeze has already proved fatal.** In Sana'a, one patient—injured by a landmine explosion in Al-Jawf—tragically passed away due to delays in securing funds for specialized surgery. The patient's family tried to raise the money needed for his surgery and expensive treatments by selling some of their possessions and taking on debt, but it was not enough. With limited financial means and the aid freeze in place, the patient tragically lost his life. Had the aid freeze not been in place, DRC could have covered the costs for this case, allowing the hospital to provide life-saving treatment, and the patient might still be alive. In Iraq, Regrettably, due to the sudden Stop Work Order, legal support services for this family were abruptly suspended. Without this assistance, the two returnee sisters remain unable to secure the necessary documentation, leaving their legal status unresolved and preventing them from accessing vital support and benefits offered to returnees as formal compensation for the harm suffered. The older sister's fragile health situation, compounded by her disability, adds another layer of urgency to their case. Yet, without continuous legal guidance and advocacy, they cannot move forward.

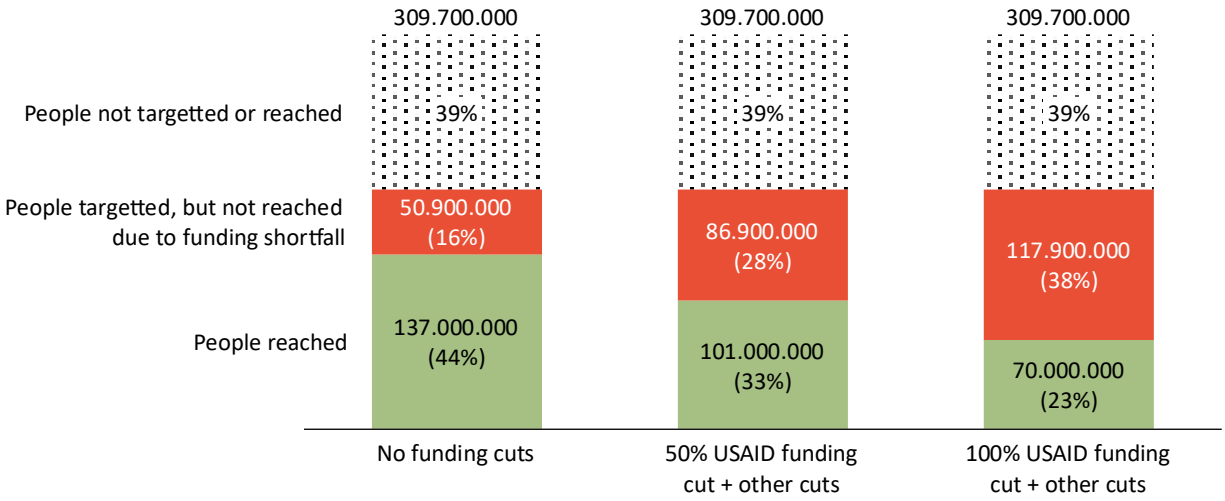
On a global scale, the funding cuts will have severe consequences for the humanitarian system's ability to reach people already displaced. In 2025, 309.7 million people are in humanitarian need.[9] Of these, 187.9 million people are targeted to receive assistance if the appropriate amount of funding is provided. Under normal circumstances, DRC estimates that 137 million would actually be reached of this target, as the total required funding rarely materializes (e.g. HRPs are typically only around 50% funded). In a scenario where a 50% US funding and other donors' funding cuts comes on top of normal funding shortfalls, then we estimate the number of people reached to drop by 36 million. In a scenario where all US funding is cut and other donors' cuts materialize, the number of people reached would drop by 67 million. This would mean that only 70 of the 309 million in need would receive assistance or about 23%. The most severe impacts will be felt in Sudan, where we estimate 4.3 million fewer people will be reached in a scenario with 50% cut in

[9] OCHA: Humanitarian Action. Available at humanitarianaction.info

US funding. In DR Congo, Ethiopia and Afghanistan it would be close to 2.5 million fewer people reached in each country, while in Yemen it would be 1.7 million.

The decrease in people reached can be offset by instead providing a less comprehensive response to the needs of people receiving assistance (e.g. providing food aid for fewer months of the year, small amounts in cash support, etc.). As such, a higher number of people in need can be reached by spreading the resources thin.

The likely outcome will probably be a combination of fewer people reached and those that are reached receiving a less comprehensive response to their humanitarian needs.



7: Number of people likely to be reached with assistance depending on funding cut scenarios

These are impacts that are being witnessed now. In Ethiopia, a consortium of aid agencies in Tigray has had to stop distributions to the over 1 million people it has been responsible for feeding with U.S.-provided grain. The aid cannot be delivered as there is no money to buy fuel, hire trucks and drivers to distribute the grains that are already in warehouses.[10] WFP announced in end of April 2025, that without urgent new funding, 3.6 million of Ethiopia's most vulnerable people will lose access to life-saving food and nutrition assistance in the coming weeks. Furthermore, treatment for 650,000 malnourished women and children will be halted in May and cash and in-kind food assistance for up to one million refugees will stop in June.[11]

In Bangladesh, WFP has announced that monthly food rations provided to 1 million displaced people from Myanmar will be cut in half from USD12.5 to USD6 per person per month due to funding shortfalls. In 2023, when funding constraints forced WFP to reduce the ration to USD8

2023, severe funding constraints forced WFP to reduce rations from US$12 to US$8 per person per month it led to significant increase in child malnutrition which reached 15% as well as sharp

[10] AP News (2025): 'We will just die in silence': US aid cuts hit Ethiopia's fragile Tigray region. Available at apnews.com
[11] WFP (2025): WFP warns of rising hunger and malnutrition in Ethiopia as humanitarian needs outpace resources. Available at wfp.prg

declines in overall food consumption.[12] In Central Sahel and Nigeria, WFP will have to suspend food and nutrition assistance for 2 million crisis-affected people in April 2025 because of lack of funding. This will severely impact on the Sudanese refugees in Chad, Malian refugees in Mauritania, internally displaced persons, and vulnerable food-insecure families in Burkina Faso, Mali, Niger, and Nigeria that rely on this life-saving assistance.[13]

[12] WFP (2025): WFP appeals for urgent funding to prevent ration cuts to over one million Rohingya refugees in Bangladesh. Available at wfp.org

[13] WFP (2025) Millions in Central Sahel and Nigeria at risk of food cuts as the World Food Programme faces severe funding crisis. Available at wfp.org

Assessment Methodology

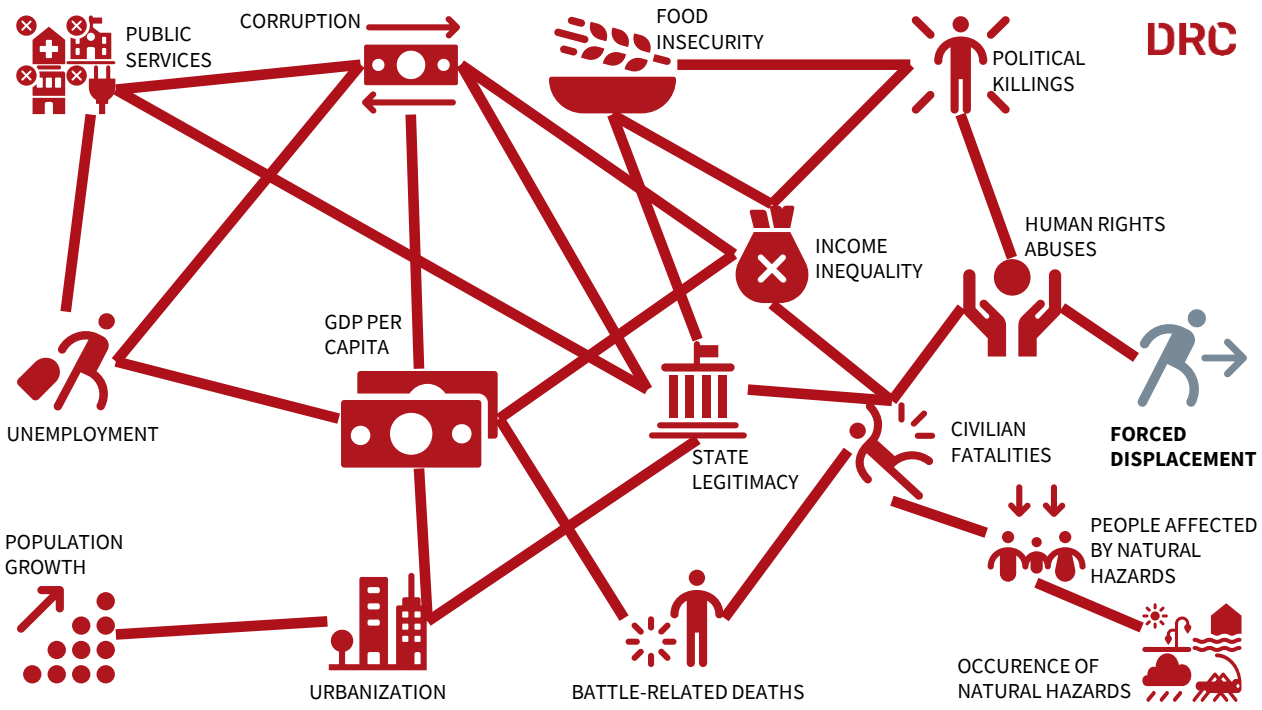
Pathways from funding cuts to displacement

There are different pathways through which cutting development or humanitarian funding can impact on displacement dynamics. It is important to emphasize that people have agency: they decide whether to flee or not by evaluating how the different factors pose a risk to their safety, assets and well-being. Therefore, two equal situations do not always lead to the same level/scale of displacement.[14]

To better understand the complex network of factors leading to displacement, DRC and IBM have developed a Bayesian network analysis. The network was initially developed through expert interviews and workshops and after this validated based on 25 years of historical data from 28 countries that all have a history of displacement. The network and links between the key elements will be discussed in more detail below.

The network analysis allows us to understand how the complex network that drives displacement works and how the factors interrelate to create displacement risk. Furthermore, a sensitivity analysis has been conducted of 25 of the key variables in the Foresight displacement forecasting model. This analysis gives an indication of the variables that are most influential in predicting the displacement for the coming year. We have investigated the indicators of highest predictive importance by finding those with highest relative influence[15] in a global model covering the 26 countries in the years 2006–2020[16]. The indicators with the highest relative influence account for the highest reduction in the model's accuracy, when included in the model. If all of the 50 inputs (25 indicators + their change over previous year) were equal in relative influence, they would have a relative influence of 2%. The results from the model show that the indicators have far from equal relative influence and much more skewed towards a few indicators.

[14] Bradley, Miriam (2017): *The Impact of Armed Conflict on Displacement*. 10.13140/RG.2.2.33905.94562/1.
[15] Breiman, L. Random Forests. Machine Learning 45, 5–32 (2001). https://doi.org/10.1023/A:1010933404324
[16] Except for South Sudan, where data is only available since 2011. This interval was chosen to be able to get the most complete dataset as possible without having to impute missing data points. To combine across countries, select variables, such as number of conflict events or fatalities, have been adjusted per population. The full list of variables is in the section on the Foresight model.



The most direct clear impact linked with displacement comes from the funding cuts to peacebuilding. Our analysis has found that, over the past two decades, in conflict and displacement-affected countries, low levels of development assistance and a minimal share directed towards peacebuilding correlated with an average 134% increase in displacement the following year. Conversely, when robust engagement through development assistance was combined with achieving a peace agreement, displacement increased by only 31% on average the following year. These effects are a result of the direct link between peacebuilding and violence. One study has found that an increase in peacebuilding assistance of $1m leads to a reduction of between 6.78 and 8.32 battle deaths.[17] Another study has found that ambitious peacekeeping operations policies can reduce the risk of major conflict with about two-thirds relative to a no-peacekeeping operations scenario.[18] This would mean that we should expect the network of drivers of displacement to be directly impacted, as conflict is likely to increase as a result of the funding cuts which will results in increased civilian fatalities and increased number of battle-related deaths. This can then have spillover effects on economic growth, state legitimacy and human rights abuses that in turn could also impact on displacement dynamics.

Another key impact is on food security given the significance of US funding in this sector. US funding covered around 66% of emergency response funding in 2023 and 47% of humanitarian response plan funding in 2024. Previous DRC analysis of funding and displacement trends across over 189 HRPs have found that when response plans were under two-thirds funded, the subsequent year saw, on average, a 39% increase in the cumulative number of displaced individuals. Conversely, if plans were funded by more than two-thirds, the average increase in

[17] Neil T. N. Ferguson and Topher L. McDougal (2018): On the Return on Investment of Security Sector Assistance and Peacebuilding Assistance
[18] Håvard Hegre, Lisa Hultman, and Håvard Mokleiv Nygård (2019): Evaluating the Conflict-Reducing Effect of UN Peacekeeping Operations, The Journal of Politics 2019 81:1, 215-232

displacement was only 8%. While multiple factors may contribute to this trend, insufficient humanitarian funding hampers the ability of the humanitarian community to respond adequately, alleviate suffering, ensure protection for vulnerable groups, implement early action and prevention activities, and enhance the resilience of communities. As visible from the network analysis food insecurity is a driver of displacement which is related to income inequality, political killings and state legitimacy. In particular, the latter could be impacted by the decrease in humanitarian funding due to the US cuts.

While these are the two main factors taken into account in the displacement forecast scenario, additional drivers in the displacement network would likely also be impacted, albeit probably to a lesser extent. US contributed 34% of ODA funding for human rights programming in 2023 and as such this key driver in the network could potentially deteriorate as less funding would be available for human rights advocacy, monitoring, etc. US contributed 65% of the ODA funding to the government and civil society sector, including 94% of the funding to public sector policy and administrative management. This could have a profound direct impact on state legitimacy in many countries and their ability to provide effective, democratic and transparent governance and services to the populations.

The different links in the network are described in more detail below.

In the network analysis it finds that one of the key drivers in displacement is the **human rights** situation. This is not surprising given that one of the criteria for obtaining refugee status is persecution – the severe abuse and denial of the human rights of individuals or groups. A study has similarly found that the Political Terror Scale – a measurement of a country's violation of international human rights standards – was the key variable in explaining asylum applications in the EU.[19] The sensitivity analysis finds that the human rights score has a relative influence of 5.6% when it comes to predicting the coming year's displacement and is ranked seventh among the 50 variables tested.

The results from the network analysis also show a clear link between human rights and violence. Human rights are a driver of conflict and violence in a number of ways, which traditionally has been explained by grievance theory: government violation of citizens' basic human rights creates frustration and anger, which can lead to aggression and violence. A study has shown that countries that respect human rights experience 37% fewer violent protests, 79% fewer terrorist attacks, and 86% fewer civil-war deaths on average. It is in particular violation of physical rights (protections from extrajudicial killing, disappearance, torture, and arbitrary/political detention) that can lead to violence and conflict. Governments who kill their citizens are at greater risk of facing violent protests and civil war. Respect for women's rights is also important as this results in a lower risk of violent protests and terrorist attacks, both of which can lead to civil war. A country that does not respect women's rights is predicted to experience around 17 terrorist attacks per year, while a country that fully respects women's rights is predicted to experience only

[19] Alessandra Conte & Silvia Migali (2019): The role of conflict and organized violence in international forced migration, *Demographic Research,* Volume 41, Article 14, 393–424

two attacks.[20] The relationship between violence and human rights also goes the other way, in that when countries are experiencing instability, human rights often become collateral damage, as security attacks violate basic human rights and other rights, such as freedom of the press, free speech and right to assembly.

There are important nuances in understanding the relationship between **violence** and displacement. One study has found that the spread of violence, and in particular whether it targets urban areas, is more important in determining displacement.[21] Civil war on average affects approximately 48% of a country's territory, but the average amount of territory with repeated fighting is 15%. This is important in shaping the opportunities for civilians to find safe havens.[22] Another study has shown that the higher the severity of lethal events in the country of origin, the higher the number of asylum seekers to the EU. [23] This is also corroborated by another study that analyses the elasticities between conflict deaths and refugee outflow. Within-country analysis finds that a doubling of conflict deaths will lead to a 42% increase in refugee outflow on average that year. Analyzing the relationship across rather than within countries, the study finds that there is a constant return to scale: When war intensity (conflict deaths) double, the number of refugees doubles.[24] The sensitivity analysis shows that change in the number of conflict events has a relative influence of 14% when it comes to predicting the coming year's displacement and is ranked first among the variables tested, followed by change in the total number of fatalities (relative influence of 13%) and total number of civilian fatalities (11%). Change in the latter is ranked ninth and has a relative influence of 3%

The type of violence also has an impact on displacement. One study has found that civil war has the largest impact on displacement, followed by genocide/politicide.[25] Another study has found that the dynamics of civil war, while leading to displacement, tends to have a higher share of internally displaced than genocides or state violence targeting civilians. The argument is that insurgents or rebels in civil wars are targeting the government and need the support of the local population and thus seek to provide pockets of safe havens within the country to which populations can flee and seek safety rather than having to cross borders. [26]

The ability to flee and whether individuals cross borders or stay as internally displaced also depends also on the available **economic** means. The network analysis does not find a strong direct relationship between the economic indicators (unemployment, GDP per capita and inequality). Other studies have found that ownership of physical capital reduces the incentive to

[20] Cingranelli, David, Skip Mark, Mark Gibney, Peter Haschke, Reed Wood, & Daniel Arnon (2019): Human Rights Violations and Violent Internal Conflict, *Social Sciences,* 8, no. 2:41. https://doi.org/10.3390/socsci8020041
[21] Melander, Erik & Öberg, Magnus. (2007): The Threat of Violence and Forced Migration: Geographical Scope Trumps Intensity of Fighting. *Civil Wars*. 9. 156-173. 10.1080/13698240701207310.
[22] Clionadh Raleigh (2011): The search for safety: The effects of conflict, poverty and ecological influences on migration in the developing world, *Global Environmental Change*, Volume 21, Supplement 1, Pages S82-S93, ISSN 0959-3780, https://doi.org/10.1016/j.gloenvcha.2011.08.008
[23] Alessandra Conte & Silvia Migali (2019): The role of conflict and organized violence in international forced migration, *Demographic Research,* Volume 41, Article 14, 393–424
[24] James D. Fearon & Andrew Shaver (2021): *Civil War Violence and Refugee Outflows*, Empirical Studies of Conflict Project (ESOC) Working Papers 25, Empirical Studies of Conflict Project.
[25] Clionadh Raleigh (2011): The search for safety: The effects of conflict, poverty and ecological influences on migration in the developing world, *Global Environmental Change*, Volume 21, Supplement 1, Pages S82-S93, ISSN 0959-3780, https://doi.org/10.1016/j.gloenvcha.2011.08.008
[26] Moore, W. H. and Shellman, S. M. (2006): 'Refugee or Internally Displaced Person?: To Where Should One Flee?', *Comparative Political Studies*, 39(5), pp. 599–622. doi: 10.1177/0010414005276457.

flee, as does the level of ability to transfer occupational skills.[27] For example, pastoralists are less likely to leave because transferability of their skills is limited.[28] A study has found that the higher the share of young males aged 15-19 in the country of origin, the higher the number of asylum claims. This is because younger people are more able and willing to leave than older people. [29] Overall economic development also matters. One study has found that when GDP per capita increases in the origin countries, there are fewer asylum applications from that country in the EU.[30] Another study has found that there is a breaking point at around USD 10,000 per capita, at which predicted displacement to the EU starts to decrease. However, the study finds that, overall, socioeconomic conditions are not well-suited to explain temporal changes in asylum flow towards the EU but rather should be seen as shaping the latent migration potential of a given country.[31] Instead, studies should consider the way economics interacts with conflict. As with human rights, the relationship goes both ways. More generally, one study has found that on average a USD 1,000 lower per capita income results in a 41% greater annual risk of civil war onset[32] while another found that a five percentage-point decrease in annual economic growth increases the risk of civil conflict by 12 percentage points.[33] Another argument is that conflict is not as much about economic growth, but rather the type of growth. The traditional economic view of conflict is that it is driven by large inequalities in income and wealth. If growth and economic change are not evenly distributed among the population, this can lead to conflict because it changes the relative income status of different groups.[34] The sensitivity analysis finds that changes in economic inequality is ranked as the fifth most important variable in predicting next year's displacement and has a relative influence of 6%.

However, conflict has an impact on the economy. Several studies have shown that conflict has a negative impact on the economic development of a country, for example as a result of destruction of resources and diversion of public expenditure. One recent study finds that a median-size conflict can lead to a 15% decrease in GDP per capita by 15% and that countries experiencing conflict will have difficulty in dealing with such an economic shock to close the gap caused by the conflict. A median conflict country will be 10% under the economic trajectory it would otherwise have been on had it not experienced conflict.[35]

Conflict and economic performance are bound up with **state legitimacy,** which is another important element in shaping displacement. One study has found that a one-point increase

[27] Pratikshya Bohra-Mishra & Douglas S. Massey (2011): Individual Decisions to Migrate During Civil Conflict, *Demography* 48:401–424 DOI 10.1007/s13524-011-0016-5

[28] Clionadh Raleigh (2011): The search for safety: The effects of conflict, poverty and ecological influences on migration in the developing world, *Global Environmental Change*, Volume 21, Supplement 1, Pages S82-S93, ISSN 0959-3780, https://doi.org/10.1016/j.gloenvcha.2011.08.008

[29] Alessandra Conte & Silvia Migali (2019): The role of conflict and organized violence in international forced migration, *Demographic Research,* Volume 41, Article 14, 393–424

[30] Alessandra Conte & Silvia Migali (2019): The role of conflict and organized violence in international forced migration, *Demographic Research,* Volume 41, Article 14, 393–424

[31] Schutte, S., Vestby, J., Carling, J. et al. (2021): Climatic conditions are weak predictors of asylum migration. *Nat Commun* 12, 2067 https://doi.org/10.1038/s41467-021-22255-4

[32] Fearon, J. D., & Laitin, D. D. (2003): Ethnicity, Insurgency, and Civil War. *The American Political Science Review*, 97(1), 75–90. http://www.jstor.org/stable/3118222

[33] Miguel, E., Satyanath, S., & Sergenti, E. (2004): Economic Shocks and Civil Conflict: An Instrumental Variables Approach. *Journal of Political Economy*, 112(4), 725–753. https://doi.org/10.1086/421174

[34] Debraj Ray & Joan Esteban (2017): Conflict and Development, *Annual Review of Economics*, 9:263–93

[35] Scott Gates, Håvard Hegre, Håvard Mokleiv Nygård & Håvard Strand (2012): Development Consequences of Armed Conflict, *World Development*, Volume 40, Issue 9, 1713–1722, https://doi.org/10.1016/j.worlddev.2012.04.031.

towards democratization reduces the risk of large-scale forced displacement by 10%.[36] Another study has also found a positive correlation between changes in the political structures of a state towards autocracy and the overall number of displaced persons from that country.[37] This can happen in a vicious circle whereby conflict disrupts the economy, in turn limiting the available resources for the government to ensure its capacity and ability to provide public services, which in turn makes it less able to solve the conflict and rebuild the economy, thus further undermining its legitimacy and fueling further conflict and economic decline.[38] The sensitivity analysis finds that the level of public services is ranked as the eighth-most-important variable in predicting the next year's displacement and has a relative influence of 4%.

The impact of **environmental** factors on the 'displacement DNA' is also important. In the network analysis there is only a slight increase in displacement risk as the number of people affected by natural disasters or the occurrence of natural disasters increases. However, these two elements are found to have a stronger link to conflict where there is an associated higher risk of battle-related deaths and civilian fatalities. Generally, the evidence related to the impacts of the environment and climate change impact on displacement and conflict has been ambiguous and suffers from conceptual issues, lack of strong methodologies and appropriate data. One of the challenges is that the impact of climate change can involve cumulative effects that take several years and tipping points that are difficult to establish; thus, different methods and time-lags are necessary to capture these effects.[39] One recent study has found that climate risk could be used to predict forced displacement, but only after omitting conflict from the model, which seems to confirm the findings of the network analysis: that climate and environmental factors work through conflict to affect displacement. Specific relationships between environmental factors and conflict have been established – for example, increased rainfall decreases the likelihood of civil conflict in Africa. Others have found a relationship between natural disasters and violent civil conflicts for the period 1950–2000. [40] Others argue that the way to understand the link between displacement and climate change / environmental factors is to see it as a factor shaping the ability of communities and individuals to cope in the face of instability. As highlighted earlier, most often people live for many years in unstable environments and only as a last resort decide to leave. But if a natural hazard hits, such as below-average rainfall or the flooding of farmland, livelihoods are destroyed, food insecurity increases and markets are disrupted. Such events can also erode the coping capacity of communities so that people have to flee.[41] The sensitivity analysis finds that the prevalence of undernourishment is ranked as the fourth-most-important variable in predicting next year's displacement and has a relative influence of 7%

[36]Murat Bayar & Mustafa M. Aral (30 October 2019): *An Analysis of Large-Scale Forced Migration in Africa*, International Journal of Environmental Research and Public Health

[37] Clionadh Raleigh (2011): The search for safety: The effects of conflict, poverty and ecological influences on migration in the developing world, *Global Environmental Change*, Volume 21, Supplement 1, Pages S82–S93, ISSN 0959-3780, https://doi.org/10.1016/j.gloenvcha.2011.08.008

[38] Debraj Ray & Joan Esteban (2017): Conflict and Development, *Annual Review of Economics*, 9:263–93

[39] Murat Bayar & Mustafa M. Aral (30 October 2019): *An Analysis of Large-Scale Forced Migration in Africa*, International Journal of Environmental Research and Public Health

[40] Murat Bayar & Mustafa M. Aral (30 October 2019): *An Analysis of Large-Scale Forced Migration in Africa*, International Journal of Environmental Research and Public Health

[41] Schutte, S., Vestby, J., Carling, J. et al. (2021): Climatic conditions are weak predictors of asylum migration. *Nat Commun* 12, 2067 https://doi.org/10.1038/s41467-021-22255-4

The numbers for total displacement appear to have had a structure such that rises have a duration of two years, after which the numbers drop again.

The ten variables with the highest relative influence on displacement the next year are summarized in the table below.

Variable	Relative Influence	Source
Change in conflict events	14.1%	Pettersson, Therese, Shawn Davis, Amber Deniz, Garoun Engström, Nanar Hawach, Stina Högbladh, Margareta Sollenberg & Magnus Öberg (2021). Organized violence 1989–2020, with a special emphasis on Syria. Journal of Peace Research 58(4).
Change in total conflict fatalities	12.9%	Pettersson, Therese, Shawn Davis, Amber Deniz, Garoun Engström, Nanar Hawach, Stina Högbladh, Margareta Sollenberg & Magnus Öberg (2021). Organized violence 1989-2020, with a special emphasis on Syria. Journal of Peace Research 58(4).
Civilian fatalities	11.2%	Pettersson, Therese, Shawn Davis, Amber Deniz, Garoun Engström, Nanar Hawach, Stina Högbladh, Margareta Sollenberg & Magnus Öberg (2021). Organized violence 1989-2020, with a special emphasis on Syria. Journal of Peace Research 58(4).
Change in prevalence of undernourishment	7.4%	FAO
Change in economic inequality	6.3%	Fragile State Index
Previous change in total displacement	5.8%	DRC calculations combining IDMC and UNHCR data
Human Rights Score	5.6%	Fariss, Christopher; Michael Kenwick; Kevin Reuning, 2020, 'Latent Human Rights Protection Scores Version 4', https://doi.org/10.7910/DVN/RQ85GK, Harvard DataverseHarvard Dataverse
Public services	3.9%	Fragile State Index
Change in civilian fatalities	3.1%	Pettersson, Therese, Shawn Davis, Amber Deniz, Garoun Engström, Nanar Hawach, Stina Högbladh, Margareta Sollenberg & Magnus Öberg (2021). Organized violence 1989-2020, with a special emphasis on Syria. Journal of Peace Research 58(4).
Number of internally displaced people	2.8%	IDMC

Calculating impact on the number of people reached and potential increased displacement

Number of people reached

Analysis is done using data on people targeted and reached (source: Humanitarian Action) and funding targets and actuals (source: OCHA FTS) from humanitarian plans from 2020 onwards to fit a regression model and estimate how changes in funding affect the proportion of people reached. On the basis of the model, a baseline is estimated for the number of people that would be reached if historical funding levels continued. Based on the specific country's historical donor's funding share we simulate the funding cuts by reducing the projected funding and as a result the fewer people reached compared to the baseline.

Scenarios of displacement

The displacement scenarios have been developed based on a simplified forecasting model to account for the effect of changes in US funding and other donor's funding on displacement. The model uses historical data on displacement, conflict events, food insecurity prevalence, and the number of people affected by natural disasters.

The forecasts were developed through several steps:

- We draw on academic literature on relationship between peacebuilding funding and violence, and relationship between food aid and conflict and food insecurity
- We translate those finding into “per million dollars” elasticities, i.e., how much conflict rises when peacebuilding funds are cut by $1 million, and how much conflict and food insecurity rise when food development assistance is reduced by the same amount
- For every donor, we look at the ODA funding for peacebuilding and food development assistance for 2023, apply the projected cuts and turn the lost dollars into the corresponding increases in conflict and food insecurity
- We feed these adjusted values to our simplified model and compare the results to a baseline scenario in which the conflict and food insecurity parameters are not adjusted (a “no-cuts” scenario), thereby estimating the number of additional people displaced resulting from the development aid cuts.

Assumptions

For both analyses, the findings rest on key assumptions:

1. The funding cuts will materialize
2. The funding cuts are evenly distributed
3. Every donor’s aid has the same per-dollar impact.
4. The funding cuts are not offset by other donors.

Founded in 1956, the Danish Refugee Council (DRC) is Denmark's largest international NGO, with a specific expertise in forced displacement. DRC is present in close to 40 countries and employs
9,000 staff globally.

DRC advocates for the rights of and solutions for displacement-affected communities, and provides assistance during all stages of displacement: In acute crisis, in exile, when settling and integrating in a new place, or upon return. DRC supports displaced persons in becoming self-reliant and included into hosting societies. DRC works with civil society and responsible authorities to promote protection of rights and inclusion.

Our 7,500 volunteers in Denmark make an invaluable difference in integration activities throughout
the country.

DRC's code of conduct sits at the core of our organizational mission, and DRC aims at the highest ethical and professional standards. DRC has been certified as meeting the highest quality standards according to the Core Humanitarian Standard on Quality and Accountability.

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