

The Impact of Aid Cuts on Conflict Sensitivity

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Executive Summary

This brief examines the multifaceted impact of aid reductions on conflict sensitivity in fragile and conflict-affected states. As international donors increasingly face budgetary constraints and shifting priorities, significant reductions in foreign assistance have emerged as a concerning trend. This analysis demonstrates that aid cuts fundamentally undermine conflict sensitivity efforts by limiting resources for proper conflict analysis, reducing operational flexibility, pressuring organisations to prioritise visibility over harm prevention, and weakening local partnerships essential for sustainable peace. The report concludes with practical recommendations for donors, implementing partners, and policymakers to mitigate these negative consequences.

Introduction

Conflict sensitivity refers to the ability of organisations working in conflict-affected areas to understand the conflict context, anticipate how their interventions might interact with these dynamics, and take steps to minimize harm while maximizing positive contributions to peace. This approach has become a cornerstone of effective international assistance in fragile states. However, recent trends in international aid, characterised by significant budget reductions across multiple donor countries, threaten to undermine these carefully developed practices.

Key Impacts of Aid Cuts on Conflict Sensitivity

1. Reduced Capacity for Conflict Analysis

Proper conflict analysis forms the foundation of any conflict-sensitive approach. Aid cuts impact this critical process in several ways:

- **Elimination of Specialist Positions:** Organisations facing budget constraints often eliminate dedicated conflict advisors or peace and development specialists first, viewing them as "non-essential" compared to direct programming staff.
- **Limited Resources for Assessment:** Comprehensive conflict assessments require time, expertise, and logistical support—all of which become luxury items under constrained budgets.
- **Decreased Monitoring Frequency:** Regular monitoring of changing conflict dynamics becomes less frequent, leading to outdated analysis and increasing the risk of unintended consequences.

When organisations lack the resources to understand the complex conflict dynamics in which they operate, even well-intentioned programmes risk exacerbating tensions or creating new grievances among affected populations.

2. Operational Compromises

Aid reductions force operational compromises that directly undermine conflict-sensitive implementation:

- **Geographic Concentration:** Organisations often respond to cuts by concentrating activities in more accessible areas, potentially creating perceptions of favouritism toward certain communities or regions.
- **Shortened Timeframes:** Peace-building and social cohesion initiatives require sustained engagement over time. Shortened project prcycles due to funding constraints limit the ability to build trust and address root causes of conflict.
- **Reduced Staff Presence:** Field staff reductions diminish organisations' ability to monitor local dynamics, build relationships with communities, and adapt programming based on emerging needs or tensions.

These operational constraints fundamentally compromise the adaptability and contextual awareness that conflict sensitivity requires.

3. Distorted Programming Priorities

When resources become scarce, programming priorities shift in ways that can undermine conflict sensitivity:

- **Emphasis on Quick, Visible Results:** Donors facing cuts often demand greater visibility and immediate results, pushing implementing partners toward quick-impact projects that may not address underlying conflict drivers.
- **Risk Aversion:** Organisations may avoid working in the most conflict-affected regions due to higher operational costs and risks, potentially neglecting the most vulnerable populations.
- **Neglect of Social Cohesion Components:** "Softer" programme elements focused on dialogue, trust-building, and social cohesion are often the first eliminated when budgets tighten, despite their critical importance in conflict settings.

These distortions create programming that may meet immediate needs but fails to address—or potentially worsens—conflict dynamics.

4. Weakened Local Partnerships

Conflict-sensitive approaches depend heavily on robust local partnerships, which suffer disproportionately from aid cuts:

- **Reduced Funding for Local Organisations:** Local civil society organisations, which often possess the deepest understanding of conflict contexts, typically experience the sharpest funding reductions.
- **Diminished Capacity Building:** Resources for training local partners in conflict sensitivity principles and practices often disappear when budgets tighten.
- **Power Imbalances:** Aid cuts can exacerbate power imbalances between international and local actors, as reduced funding increases competition and may force local organisations to compromise their priorities to secure resources.

When local partnerships deteriorate, international organisations lose critical access to contextual knowledge, community trust, and sustainable approaches.

5. Heightened Inter-Agency Competition

Aid cuts intensify competition among implementing organisations in ways that undermine collaborative conflict sensitivity efforts:

- **Reduced Information Sharing:** Organisations become less willing to share conflict analyses or lessons learned when competing for limited resources.
- **Duplication of Efforts:** Coordination mechanisms weaken as organisations focus on institutional survival, leading to inefficient use of already limited resources.
- **Undermined Joint Advocacy:** Collaborative advocacy for conflict-sensitive approaches loses momentum when organisations prioritise securing their own funding.

This fragmentation of effort prevents the coordinated, holistic response that complex conflict environments require.

Case Studies

South Sudan: The Impact of Donor Fatigue on Peacebuilding

South Sudan experienced significant aid reductions between 2018 and 2022 as donor fatigue set in following years of limited progress in the peace process. These cuts resulted in:

- The dissolution of several community-level peace committees that had successfully mediated local conflicts
- Reduction in conflict early warning systems, decreasing the ability to prevent violence before escalation
- Greater competition among ethnic groups for remaining resources, inadvertently heightening tensions in several regions

When renewed violence erupted in 2023, the weakened conflict mitigation infrastructure contributed to more rapid escalation and greater civilian harm than previous conflict cycles.

Myanmar: Post-2021 Coup Funding Challenges

Following the 2021 military coup in Myanmar, many donors faced difficult decisions about continuing aid while avoiding legitimizing the military government. This resulted in:

- Rapid withdrawal of funding from certain regions, creating perceptions of abandonment among vulnerable communities
- Decreased capacity to conduct nuanced conflict analysis as international staff evacuated
- Shifts to remote management that reduced understanding of rapidly evolving conflict dynamics

Organisations with dedicated conflict sensitivity resources were better able to navigate these challenges, maintaining principled engagement while avoiding harm.

Recommendations

For Donors

1. **Protect Conflict Advisory Capacity:** Ring-fence funding for conflict advisory positions and conflict analysis processes, recognizing them as essential rather than supplementary.
2. **Adopt Flexible Funding Mechanisms:** Implement crisis modifiers and adaptive management approaches that allow partners to respond to changing conflict dynamics.
3. **Maintain Realistic Timeframes:** Resist the pressure to demand quick results in complex conflict settings, allowing for the time needed to work in conflict-sensitive ways.
4. **Prioritise Coordination:** Fund coordination mechanisms and joint conflict analysis to ensure efficient use of reduced resources.

For Implementing Organisations

1. **Mainstream Conflict Sensitivity:** When dedicated conflict advisors cannot be maintained, invest in mainstreaming conflict sensitivity skills across all programme staff.
2. **Strengthen Local Partnerships:** Prioritise authentic partnerships with local organisations that bring contextual knowledge, even when resources are constrained.
3. **Conduct Simplified Conflict Analysis:** Develop streamlined conflict analysis methodologies that can be implemented with fewer resources while maintaining analytical rigor.
4. **Collaborate on Analysis:** Pool resources with peer organisations to conduct joint conflict analyses and monitoring, reducing duplication of efforts.

For Policymakers

1. **Recognize False Economies:** Acknowledge that cuts to conflict prevention and peacebuilding often result in greater costs when violence escalates.
2. **Protect Aid to Fragile States:** Prioritise maintaining assistance to the most fragile and conflict-affected contexts, even when overall aid budgets must be reduced.
3. **Invest in Evidence:** Support research that demonstrates the cost-effectiveness of conflict-sensitive approaches to strengthen the case for protecting these investments.

Conclusion

Aid cuts pose a significant threat to conflict sensitivity in international assistance. The consequences extend far beyond simple reductions in programme scale, fundamentally compromising the quality, approach, and conflict-awareness of interventions. While the challenges are substantial, strategic allocation of remaining resources, renewed commitment to coordination, and continued advocacy for the importance of conflict sensitivity can help mitigate the worst impacts. Ultimately, protecting investments in conflict sensitivity, even in an era of constraint, represents not only a moral imperative but a financial one—preventing the far greater costs of renewed or intensified conflict.

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