



## Joint Policy Recommendations

# MIDDLE EAST CRISIS

## Vulnerable and marginalized groups must be better protected from the humanitarian and social consequences

Civil society plays an important role in strengthening peaceful, just and sustainable international development. As part of the Countdown 2030 project, the development and humanitarian action networks Abong (Brazil), CCRDA (Ethiopia), VANI (India) and VENRO (Germany) jointly seek to contribute to these debates and help promote sustainability in multilateral processes. This aim is particularly important in situations that undermine people's well-being.

The war between the United States and Israel on the one side, and Iran on the other side, as well as the escalation in Lebanon and the Strait of Hormuz, is far more than a regional security crisis. It acts as a global shock multiplier, deepening existing inequalities and hitting especially those countries and population groups that are already affected by poverty, hunger, debt, and fragile supply systems. Humanitarian needs are increasing significantly in the immediate region and beyond. The crisis highlights the dependence of the globalized trading system on stable trade routes, the fragility of fossil fuel-dependent economies, and the weaknesses of the international financial system. At the same time, it underscores that renewable energy and just, resilient energy systems strengthen stability and peace as well as reduce vulnerabilities.

For many vulnerable and structurally disadvantaged countries, the consequences of the war are first felt in rising fuel prices. This is highly critical because

they power transport, agriculture and food systems, generators, health facilities, water pumps and cold chains. The effects of rising prices and shortages converge in key areas of human security: food, health, energy supply, development finance, and humanitarian action. In vulnerable countries, these crises reinforce one another.

### IMPACT ON INDIA

For India, the Middle East crisis mainly threatens energy security, trade, inflation, exchange rates, aviation costs, and the safety of Indian workers in the Gulf. Because India relies heavily on crude oil imports from the Gulf, disruptions to the Strait of Hormuz or regional infrastructure can raise oil prices, weaken the rupee, and increase costs for fuel, electricity, fertilizers, food, and air travel. The crisis also makes trade with West Asia more expensive and raises concerns about evacuations, remittances, and the need for continued diplomacy.

The crisis is straining public budgets and weakening the livelihoods of informal and migrant workers who lack financial buffers. In consequence poverty could rise from around 400,000 to 2.5 million. An additional 9.37 million Indian migrant workers in the Gulf region are facing employment risks, threatening a major source of income for households in India.

## IMPACT ON BRAZIL

For Brazil, the Middle East crisis has indirect economic and geopolitical consequences by driving global oil and fertilizer prices, fuelling domestic inflation and boosting energy costs. In consequence living costs increase, consumption is reduced, and agribusiness exports are expected to shrink. In reaction to these developments Brazil imposed a 12 per cent tax on oil exports. It also decided to subsidise diesel fuel.

Food security is acutely threatened in many countries, while energy poverty is also worsening. The disruption of the Strait of Hormuz drives up oil and gas prices, increasing the costs of fertilizer and food transport. When energy sources become more expensive or scarce, the cost of basic services rises across many areas of everyday life. Poor households are especially affected because they must spend a larger share of their income on energy, cooking, mobility, and other basic needs.

Food prices and agricultural value chains are also coming under pressure worldwide. This development is unlikely to remain a short-term price shock and may instead affect several planting and harvest cycles. For people in vulnerable countries, this means growing food insecurity; for populations already suffering from chronic undernourishment, the risk of hunger and even famine increases. Even with rapid de-escalation, considerable economic and social aftereffects will remain.

The health consequences are also severe. Direct effects of the war, displacement, and the destruction of medical facilities and pharmaceutical production sites are worsening the supply situation in Iran and Lebanon. In addition, there are longer-term burdens from smoke, fine particulate matter, and environmental pollution. Beyond the immediate war zone, inflation and declining purchasing power are

forcing many households worldwide to choose between spending on food and medical care.

The consequences for the financing of health, education, and social protection are equally serious. Subsidies for energy and food tie up scarce public funds in highly indebted countries. Rising energy prices fuel inflation and increase pressure on central banks to raise interest rates. Interest rate hikes in the United States intensify the global debt crisis, because many loans are denominated in US dollars. Higher interest rates and more expensive credit further reduce fiscal space for public investment.

## IMPACT ON ETHIOPIA

In Ethiopia, the crisis has caused severe nationwide fuel shortages, and the government has urged people through state media to avoid unnecessary travel. Fuel prices have risen sharply, in some regions reaching three to four times the price in Addis Ababa because of supply disruptions. At the same time, the prices of food, household goods, and other commodities have also increased significantly. The government has introduced new fuel distribution rules that prioritize freight transport, public transport, and other national priorities, while long queues at gas stations have become common. The situation is straining scarce public resources of the highly indebted country.

Beyond Iran and Lebanon, the situation for humanitarian action is also alarming. Reduced funding, higher transport costs, and disrupted supply routes are making it harder to deliver food and medicine. In countries such as Somalia and Sudan, aid reaches people late, only partially, or not at all. Most, if not all, contemporary conflicts are marked by grave violations of international humanitarian law (IHL) by the conflict parties. Civilians are deliberately targeted, and essential civilian infrastructure – including hospitals, schools, water systems, and energy supply networks – is systematically attacked or

damaged. These violations compound the already severe spillover effects of the Iran war by further constraining access to basic services, increasing operational costs, and limiting humanitarian access. At the same time, the conflict absorbs political attention and financial resources, causing other crises to recede even further into the background.

### Policy Recommendations:

- Support diplomatic efforts for de-escalation, compliance with international humanitarian law, and protection of civilian life and civilian infrastructure, especially healthcare facilities.
- Monitor and adjust short-term protective measures against hunger and supply crises. This includes additional funding for food security, social protection systems, and the stabilization of local agricultural systems in particularly affected countries.
- Significantly increase and design humanitarian aid budgets with greater flexibility so that rising costs for transport, energy, and procurement do not directly result in cuts to life-saving assistance.
- Accelerate the transition away from fossil fuel dependencies through a just, rights-based, and locally anchored energy transition. Investments in decentralized renewable energy, energy efficiency, diversified and resilient energy systems, and affordable clean cooking energy contribute not only to climate protection, but also to peace-building, human security, and sustainable development.
- Better protection of healthcare provision in conflicts, as well as targeted support for rebuilding local health systems, including psychosocial care and services for particularly vulnerable groups.
- Implement far-reaching reforms of the international financial architecture. This includes debt relief, fairer lending conditions, greater fiscal space for affected and vulnerable countries, and stronger representation for them in international financial institutions.



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