

ACFID Analysis: The US-Iran Conflict

April 2026

The following analysis and scenario table serves as a *point-in-time* summary of the projected impacts of the US-Iran conflict on countries where ACFID members are largely present. This analysis has been developed in consultation with ACFID members, using real-time insights from global operations on the ground.

Key Takeaways:

- The US-Iran conflict is amplifying already fragile humanitarian conditions and is projected to reverse hard-won development outcomes for many months to come, with the Middle East, Asia and Africa regions facing the most acute impacts in the short-term.
- In a global funding environment already **stretched thin**, higher transport, fuel, and insurance costs are impacting the delivery of humanitarian assistance, further limiting the number of people humanitarian services can reach with life-saving support.
- If the conflict sustains and becomes protracted, Pacific Island communities will face increasing economic shocks that are likely to compound existing climate-related risks, pushing already vulnerable households toward negative coping strategies and deepening poverty and inequality.

Context

Since late February 2026, a sharp escalation in hostilities between the United States and Iran, and spillover fighting involving Israel and Hezbollah, has evolved into a regional crisis with **global humanitarian consequences**. The slow pace of peace talks since early April and a combination of both an **Iranian and US naval blockade on all shipping** have severely disrupted the Strait of Hormuz, a critical artery for global energy, food, and humanitarian supply chains. Global energy markets are undergoing one of the most severe shocks seen in modern times, with the consequences falling hardest on the world's poorest countries. In a joint statement issued on 8 April, the heads of the IMF, World Food Programme and the World Bank highlighted that the conflict was already a major disruption to global energy markets, driving sharp increases in oil, gas, and fertilizer prices. With the increasing transport bottlenecks, these pressures will translate directly into higher food prices and worsening food insecurity, disproportionately impacting low-income, import-dependent economies.¹

The crisis coincides with already fragile humanitarian conditions globally, including in **Sudan, Gaza, Lebanon, Afghanistan, Yemen, and Myanmar**, amplifying risks well beyond the Middle East.

¹ International Monetary Fund, World Bank Group and WFP Joint Statement. Washington DC, 8 April 2026. Accessed here: [Joint Statement by the Heads of the International Monetary Fund, the World Bank Group and the World Food Programme](#)

Immediate Impacts

Across the Middle East, Africa, and Asia, the need for humanitarian support is increasing rapidly. In a global funding environment already **stretched thin**, higher transport, fuel, and insurance costs are eroding humanitarian purchasing power and increasing operational costs, further limiting the number of people humanitarian services can reach with life-saving support. The UN's Humanitarian Response Depot in Dubai - responsible for dispatching emergency humanitarian supplies to two-thirds of the world's communities in hard-to-reach areas of conflict - is facing large backlogs and shipments remain stranded in Jebel Ali port. These resources are critical for Afghanistan, Gaza, and other hotspots across Africa, the Middle East and Asia.

In the **Middle East**, large-scale airstrikes in Iran and intensified fighting in Lebanon have killed and injured thousands of civilians and displaced millions internally, with tens of thousands crossing borders. At the same time, extensive damage to power, water, health, and telecommunications infrastructure has severely reduced access to healthcare, clean water, and emergency services. Ongoing airspace closures and insecurity are constraining humanitarian access across Gaza, Iran, Iraq, Syria, and the Gulf, delaying staff rotations and life-saving assistance. When considering the scenarios in the table below, the Middle East is at extreme risk of humanitarian deterioration and famine, as multiple high-risk factors converge in countries with direct conflict exposure, high fragility, and heavy aid dependence.

Across **Africa**, disruption to shipping through the Strait of Hormuz has already driven up global oil and fertilizer prices, accelerating food-price inflation in import-dependent countries such as Sudan, South Sudan, DRC and Somalia, where millions already face acute food insecurity. These pressures are compounded by congestion, surcharges, and damage at key logistics hubs, particularly the United Nations Humanitarian Response Depot in Dubai (near Jebel Ali Port).

Across **Asia**, energy-importing countries including Pakistan, Nepal, Bangladesh, and Timor-Leste are experiencing rising fuel and food prices. Communities are facing worsening inflation and household vulnerability, especially among urban poor populations and refugees. Afghanistan may experience increased spontaneous returns from Iran driven by insecurity and economic stress, placing further strain on already overstretched humanitarian systems.² Myanmar is particularly vulnerable, with Thailand's suspension of fuel exports already triggering fuel shortages, queues, and rationing, especially in Shan State, worsening conditions for Internally Displaced Persons (IDPs).³ Food prices have increased across the country and Diesel prices are up 200 percent, with Rakhine state facing even higher prices.⁴ With the ongoing disruptions to supply chains and projected yields, food security across the region remains a large concern.

Expected Impacts Over the Coming Months – “Development in Reverse”

If the situation persists for several months, these pressures are likely to deepen and become structural, shifting from short-term shocks to protracted humanitarian and development crises. Prolonged disruption to energy and shipping markets will likely result in high food, fertiliser and fuel prices, increasing poverty, negative coping strategies, and malnutrition across already

² UNHCR Briefing Note, 10 March 2026. Accessed here: [UNHCR warns regional conflicts could drive increased returns to Afghanistan | UNHCR & UN News, Humanitarian Crisis Worsening in Afghanistan as War Erupts in the Middle East, 9 March 2026](#). Accessed: [Humanitarian crisis 'worsening' in Afghanistan as war erupts in the Middle East | UN News](#)

³ ACAPS, 'Middle East Conflict: Ripple Effects and Scenarios. March 2026. Accessed here: [Conflict in the Middle East | ACAPS](#)

⁴ World Food Programme. "How the Middle East Crisis is Deepening Hunger Across the Board". 20 April 2026. Accessed here: [How the Mideast crisis is deepening hunger far beyond the front lines | World Food Programme](#)

fragile contexts, while forcing governments to divert scarce resources from health, education, and climate resilience towards crisis management. Humanitarian operations will face compounded strain as disrupted supply chains, rising costs, and constraints on staff movements reduce coverage and quality of assistance, turning temporary gaps into chronic shortfalls. Countries likely at risk of famine if the current blockade conditions continue include Palestine (Gaza), Yemen, Sudan, and Afghanistan.

PLAN International further emphasise the overall context is likely to intensify stress and frustration within households and communities, increasing the risk of gender-based violence (GBV) against women, girls, and children. Displacement is also likely to become more entrenched, with fewer safe return options and greater pressure on host communities, while economic stress and instability could exacerbate social tensions and undermine longer-term recovery prospects across multiple regions simultaneously.

The Pacific:

While geographically distant from the conflict, the **Pacific Islands** are highly exposed to global economic and supply-chain effects. Pacific Small Island Developing States (SIDS), among the world's most import-dependent economies, are particularly vulnerable to prolonged disruption in Middle East energy flows, which is likely to keep fuel prices elevated and drive up the cost of electricity, water production (including desalination), transport, and imported food staples such as rice, wheat, and flour. As of the 17 April, multiple Pacific Island Nations have declared a state of emergency due to impending fuel shortages. ACFID members present in the Pacific are already reporting increased operational costs. For instance, MAF International is seeing price hikes of more than 80 per cent in fuel costs in some program locations, straining their ability to reach thousands of remote communities that benefit from MAF flight activity.

Rising import bills and sustained inflationary pressure risk widening fiscal deficits, forcing governments to reallocate scarce public resources away from long-term priorities like climate adaptation, health, and education toward short-term fuel and food subsidies. At the same time, many humanitarian and disaster-response supplies for the Pacific transit through Asian and Middle Eastern shipping routes, meaning continued instability could significantly increase lead times and costs for pre-positioning relief ahead of cyclone and disaster seasons. These economic shocks would compound existing climate-related risks, pushing already vulnerable households toward negative coping strategies and deepening poverty and inequality across Pacific communities.

Table 1

The following table is a point-in-time summary analysis of projected impacts of the US-Iran conflict on countries where ACFID members are present, based on three scenarios. This has been pulled together from sources including but not limited to: IPC data, World Bank, the International Rescue Committee, ACAPS Severity Index, ACLED, UNDP, UN Country Teams, Mercy Corps' Crisis Analysis, ACFID members and media reports. This table recognises risk is driven not only by proximity to conflict, but by the interaction of fragility, economic exposure, and aid dependence over time.

Region/Country	Scenario 1 - Conflict ends within three months, but challenges remain	Scenario 2- conflict continues at current level and beyond 3 months	Scenario 3 - conflict intensifies and becomes protracted	Number of ACFID Members Present (NGO Aid Map)
Pacific				
Fiji	Increasing fuel costs, inflation	Panic buying, local fuel/food shortages, flow-on effects on competitiveness of niche export industries (e.g. Fiji Water), inflation	Impacts on social assistance and agricultural production, reduced tax exemptions for essential commodities, jet fuel price impacts on tourism industry	23
Papua New Guinea	Increasing fuel costs and rationing	Freight and fuel hikes to impact highland regions, currency pressure and potential inflation	Reduced tax exemptions for essential commodities, rising electricity and transport costs, reduced fertiliser supply to reduce agricultural productivity	35
Vanuatu	Limited immediate exposure	Rising electricity prices and cost of goods	Surging fuel import costs, impacts on social assistance and subsidies	20
Solomon Islands	Limited immediate exposure, wholesale fuel prices controlled	Potential geopolitical pressure and instability, potential inflationary pressure	Increasing fuel costs and potential power cuts, depleted fuel stockpiles, escalation of strategic competition	23
Kiribati	Limited immediate exposure	Fuel price increases, good price shocks	Fuel shortages, impact on subsidies and price controls for essential commodities	9
Palau	Limited immediate exposure	Fuel/price shocks	Economic pressure, fuel shortages	1
Tonga	Limited immediate exposure, fuel levels sufficient	Fuel costs may increase by mid-2026, inflation	Fuel shortages critical post-July 2026, impacts on social assistance	14



Samoa	Increasing fuel costs, reportedly market-linked and pre-conflict	Fuel/price shocks	Impacts on social assistance and tax relief for essential commodities, jet fuel price impacts on tourism industry	6
Tuvalu	Preventative measures in place (government staff working from home), rising electricity prices	Fuel shortages/price shocks	Impacts on social assistance and tax relief for essential commodities	4
Middle East				
Lebanon	Increasing fuel/import/food costs, conflict escalation risk, displacement, risk of increasing acute food insecurity	Infrastructure damage, continued mass displacement, state fragility, slowing growth, risk of increasing acute food insecurity	State fragility, mass displacement, severe economic strain, critical infrastructure damage, closure of schools, increase in poverty, risk of increasing acute food insecurity	9
Palestine	Aid access disruption, acute food insecurity	Acute food insecurity and risk of famine, reduced attention and decreased humanitarian funding	Protracted humanitarian catastrophe, famine (IPC 5), breakdown of WASH and health systems, continued displacement	12
Yemen	Regional escalation, Red Sea insecurity, displacement, humanitarian supplies disrupted (IPC 3 current)	Disruption to humanitarian supply chains, acute food insecurity, increase in prices	Protracted humanitarian catastrophe, famine risk	7
Syria	Heightened insecurity, regional spillover, displacement to Syria from Lebanon	Reduced funding for recovery/development, economic deterioration	Entrenched fragility, delayed recovery prospects, proxy escalation, spillover attacks	7
Iraq	Militia activity, US/Iran proxy escalation, economic disruption due to inability to ship oil to markets	Domestic instability, increased disruption to oil flows, fiscal instability	State fragility, governance strain, increased militia activity	2
Asia				
Afghanistan	Conflict escalation risk, displacement, disruption of humanitarian supply chains, economic strain, import increases	Economic stress due to import costs (energy/food)/inflation, rising acute food insecurity, mass returns from Iran	Protracted humanitarian catastrophe, famine risk	18



Myanmar	Fuel shortages and import cost increases, growing energy crisis	Growing price increases to fuel and gas shortage, IPC3+ in restricted access areas, regional crop yields impacted	Deepening state fragility, protracted conflict, increased food insecurity due to low yields in Myanmar and the region	21
Bangladesh	Suspension of gas & fertiliser plants, fuel shortages	Food insecurity, reduced imports, fuel shortages, income shocks to remittance reliant households	Food insecurity risks intensify, fertiliser and fuel shortage impacts planting season	25
Nepal	Fuel import cost increases, increase in transport & logistics costs	Sharp price rises in imported goods, inflation increase impacts import-heavy consumption, tourism impacts	Food insecurity risks intensify, fertiliser and fuel shortage impacts planting season, new government instability	24
Indonesia	Fuel cost increases (fuel subsidy pressure), inflation	Increased fuel cost increases, weakened rupiah, raw material import disruptions	Fiscal pressure due to prolonged subsidy increases, high natural gas prices impacting fertiliser production, smallholder farmers impacted	31
Timor-Leste	High fuel import sensitivity – increased cost	Budget and subsidy strain, higher transport and food costs	Economic fragility and service delivery pressure	26
Pakistan	LNG and fertiliser shortage and price increases, emergency reallocation of domestic gas supplies implemented	Remittance disruptions from Middle East, increased domestic inflation, trade disruptions (export)	Economic stagnation, government instability in managing debt, increased sectarian tensions and potential Iran-Pakistan border instability.	16
India	Oil price exposure, shipping and import cost pressures	Inflation, increased fertiliser costs, fiscal pressure if energy prices remain elevated	Increased household costs, disrupted agriculture yields, inflation	22
Philippines	Fuel and shipping cost increases, import exposure, inflation	Inflation, pressure on poor households, fiscal burden from energy and food costs	Slow growth, social pressure, wider strategic risk in regional security environment	21
East & Central Africa				
DRC	Rising fuel and household costs, rising fertiliser costs affecting planting periods, increased costs and disruption of humanitarian operations,	Increase in food, transport, fertiliser prices, reduced market access and rising food insecurity in conflict-affected areas (ie eastern provinces)	Worsening food insecurity	5



Ethiopia	Fuel and import cost increases, fuel rationing, aid delivery to food insecure areas constrained, dependent on Djibouti corridor for trade	Fertiliser shortages impact food crop season, food shortages, increase in food prices, increased malnutrition	Possible disruption to Bab el-Mandeb Strait if conflict spreads, delaying food, fuel, fertiliser, humanitarian supplies	17
Sudan	Conflict compounded by external shocks, food insecurity, hyperinflation and fuel shortages, aid shipments blocked en route	Severe disruption to humanitarian operations, shortage of medicine and life-saving aid	Systemic humanitarian crisis	11
South Sudan	Inflation, impacts on transport and supply routes, food price increases, spillover from Sudan, food insecurity	Limited humanitarian access, rising food insecurity, rising humanitarian need	Systemic humanitarian crisis	9
Somalia	Food/fuel price increases, food aid block en route to Somalia	Rising food insecurity	Possible disruption to Bab el-Mandeb Strait if conflict spreads, delaying food, fuel, fertiliser, humanitarian supplies	13
Burundi	Fuel and import cost shocks hit quickly, high food prices due to poor harvest, 40% of export market could be impacted	Worsening food insecurity, reduced household purchasing power, worsening price rises	Fragility deepens under prolonged external shocks, economic strain	4
Kenya	Fuel and cost-of-living pressure, exports at risk (\$1.3bn USD)	Price increases, fiscal strain, reduced diaspora remittances	Persistent but manageable economic stress	24
Malawi	High exposure to fuel and fertiliser price rises, inflation	Agricultural production and food prices increase, inflation, risk to macroeconomic stability	Development setbacks and chronic food insecurity deepen	12
Uganda	Fuel and transport cost shocks, increase in production costs, basic goods	Increased food prices, economic strain, pressure on refugee-hosting systems, declining remittances	Prolonged economic stress and humanitarian burden	19
Europe				
Ukraine	Aid attention diversion, energy market volatility, competing global security focus	Risk of reduced donor attention and budgetary pressure alongside ongoing war needs	Protracted reconstruction and humanitarian financing gaps deepen	12

