

 STRATEGIC INTELLIGENCE REPORT

WAR, CARBON & Climate Blind Spots

THE HIDDEN ENVIRONMENTAL AND ECONOMIC COST OF CONFLICT IN THE MIDDLE EAST AND BEYOND

A strategic analysis for board members, regulators, and thought leaders in UAE financial institutions and insurance companies – examining how armed conflict has become a core variable in climate governance, sovereign risk, and long-term capital allocation.

About the Document

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THE HIDDEN ENVIRONMENTAL AND ECONOMIC COST OF CONFLICT IN THE MIDDLE EAST AND BEYOND • April 2026

ABOUT THIS RESEARCH

This thought leadership white paper was produced by Sustainability, a sustainability advisory and technology firm, for business leaders, regulators, policy makers, and strategic investors across the Middle East, Pakistan, and global markets. It synthesizes peer-reviewed research, multilateral analysis, policy reporting, and real-time conflict, climate, energy, and finance data from institutions including UNEP, the World Bank, UNHCR, WHO, WMO, UNDRR, CEOBS, the Adaptation Fund, ODI, IFPRI, the International Rescue Committee, Columbia University’s Center on Global Energy Policy, and the UNFCCC, among other high-quality sources. The analysis spans war-related emissions, conflict pollution, climate-governance blind spots, energy and commodity disruption, supply-chain fragility, sovereign and financial stress, reconstruction carbon risk, community vulnerability, scenario planning, and decision-oriented recommendations for policy, finance, and resilience strategy.

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MESSAGE FROM THE Partner



Faraz Khan, MBE
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Modern conflict is still discussed through categories that are too narrow for the risks it now creates. It is commonly framed as a geopolitical event, a security event, or a humanitarian emergency. All of those descriptions are true, but they are no longer sufficient. Conflict today is also an environmental shock, a carbon event, a supply-chain disruptor, a driver of sovereign stress, a source of reconstruction liability, and a test of institutional resilience. Yet these dimensions are still too often undercounted in climate frameworks, weakly reflected in financial models, and treated as secondary in policy design. That disconnect is what made a paper like this necessary.

The purpose here is practical. The paper is meant to help decision-makers see conflict not as a separate sphere sitting outside economic and climate strategy, but as a force that increasingly shapes both. For business leaders, that means recognising that energy volatility, logistics fragility, infrastructure damage, regulatory shifts, insurance repricing, and ESG-related market access pressures are no longer isolated issues. They are converging risks that can materially affect asset values, investment timing, cost of capital, and competitive positioning. For policy makers and regulators, it means understanding that environmental oversight, public-health preparedness, financial supervision, reconstruction planning, and climate governance cannot be designed as if conflict sits beyond their scope.

The intended use of this paper is therefore decision-oriented. It is structured to support boardroom discussions on capital allocation, risk pricing, resilience planning, and long-term strategy. It is equally designed to support ministries, regulators, multilaterals, and development institutions thinking through climate-security governance, institutional design, disclosure regimes, reconstruction finance, and regional coordination. It should be read not only as an analysis of what conflict destroys, but as a guide to what leaders now need to price, govern, rebuild, and protect.

A second purpose is to make visible what has remained partially invisible. War-related emissions, conflict pollution, social resilience loss, and reconstruction carbon debt have often sat outside mainstream strategy conversations. But what remains weakly measured is often weakly managed. That creates a dangerous illusion of control. By bringing these issues into one integrated frame, the paper aims to support more realistic judgments about exposure, more disciplined planning under uncertainty, and more credible pathways to resilience.

Ultimately, the value of this work lies in helping leaders shift from reactive interpretation to strategic anticipation. The stakes are no longer theoretical. The costs are already moving through markets, institutions, and communities. Better decisions now depend on seeing the full system more clearly, and acting before today's blind spots become tomorrow's structural losses.

"While the environmental and economic costs of conflict are increasingly visible, it is the neglected social cost that may prove the most dangerous, because that is where the real ticking time bomb lies."

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WAR MUST BE UNDERSTOOD AS A MAJOR ENVIRONMENTAL EVENT

War must be understood not only as a geopolitical and humanitarian crisis, but as a major environmental event and a blind spot in global climate governance. In the first 14 days of the 2026 US-Israel-Iran conflict alone, destruction, fires, and fuel consumption generated **5.05 million tCO₂e** – roughly equal to the annual emissions of Kuwait or the 84 lowest-emitting countries combined.

5.05M

TCO₂E IN 14 DAYS

Total emissions from destruction, fires, and fuel in the first two weeks of the 2026 conflict

2.4M

TCO₂E FROM BUILDINGS

Destroyed buildings alone accounted for 2.4 million tCO₂e

529K

TCO₂E MILITARY FUEL

Military fuel use added 529,000 tCO₂e from aircraft and support vehicles

300+

ENVIRONMENTAL INCIDENTS

Environmentally relevant incidents recorded including refineries, ports, depots, and airbases

More than 30 oil processing and storage facilities were reportedly hit. Strikes released PM_{2.5}, NO_x, SO₂, VOCs, PAHs, dioxins, and black carbon, exposing **9 million Tehran residents** and another **5 million people** in surrounding suburbs to toxic smoke, while also creating spillover risks through oil slicks, acid rain, marine contamination, and transboundary air pollution.

THE GLOBAL MILITARY CARBON FOOTPRINT: A GOVERNANCE BLIND SPOT

War's carbon footprint is far larger than most climate discussions acknowledge. The global military carbon footprint is estimated at around **2,750 million tCO₂e per year**, or about **5.5% of global emissions** – which would make the world's militaries the fourth-largest emitter if treated as a country.

The US Department of Defense alone emitted around **56 MtCO₂e in 2018** and **1,267 MtCO₂e between 2001 and 2018**, with 440 MtCO₂e linked directly to war operations.

 **Fuel Intensity of Warfare:** One F-35 sortie emits 14–17 tCO₂e. A B-2 mission emits about 251 tCO₂e. Every additional US\$100 billion in military spending adds about 32 MtCO₂e.

GLOBAL EMITTER RANKING

1st – China

2nd – United States

3rd – India

4th – World's Militaries (combined)
~2,750 MtCO₂e/yr

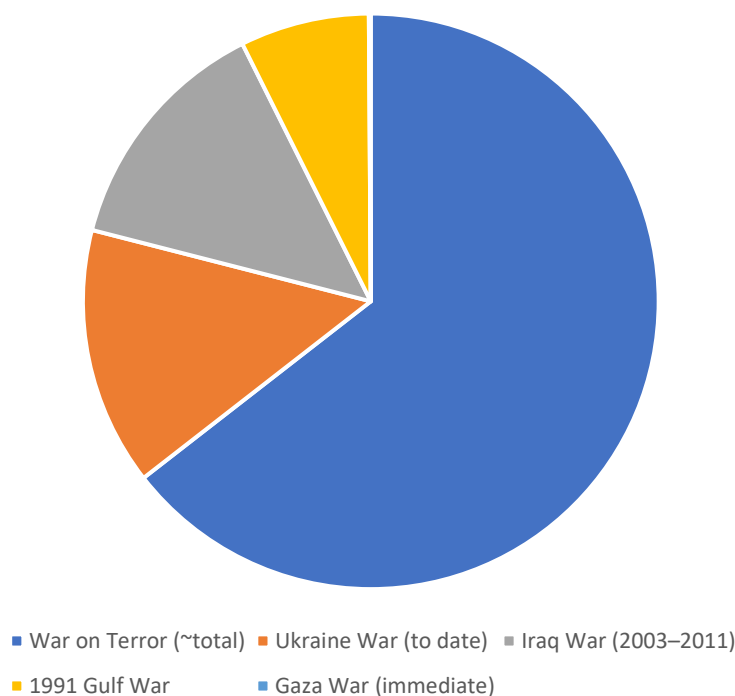
5th – Russia

Yet military emissions remain largely absent from climate negotiations as the Paris Agreement leaves reporting voluntary.

RECONSTRUCTION, REGIONAL VULNERABILITY & CLIMATE FINANCE GAPS

Destruction and reconstruction often outweigh battlefield fuel use. The paper uses verified conflict data to illustrate the scale of the carbon burden across major wars.

Chart 1: Estimated Total Carbon Emissions by Major Conflict (MtCO_{2e})



A central contribution of this paper is its emphasis on **regional vulnerability, especially Pakistan's**. Pakistan ranks 151st out of 192 countries on ND-GAIN, with a vulnerability score of 0.515 and readiness of 0.299. It already had an average PM_{2.5} concentration of 67.3 µg/m³ in 2025 – **13 times the WHO guideline**. Air pollution cuts average life expectancy in Pakistan by 3.3 years and causes around 128,000 premature deaths annually, while climate disasters have already inflicted over US\$30 billion in losses.

❏ **Finance Gap:** Fragile states receive only about US\$5 per capita in adaptation finance, falling to US\$2 in high-intensity conflict areas. In 2022, less than 1% of total adaptation finance went to the 10 most fragile countries.

SECTION 1

THE CURRENT REGIONAL WAR AS AN ENVIRONMENTAL EVENT

The unfolding US-Israel-Iran conflict is not only a geopolitical and humanitarian crisis; it is a large-scale environmental catastrophe. Strikes on oil depots, gas terminals and industrial infrastructure have set off fires visible from space, releasing hazardous pollutants into the atmosphere and across the sea.

1.1 BURNING OIL INFRASTRUCTURE

The immediate pollution shock from burning oil infrastructure and the unprecedented scale of emissions and destruction

1.2 TRANSBOUNDARY HARM

How smoke, acid rain and marine contamination travel beyond borders across the wider region

1.3 PAKISTAN'S EXPOSURE

Pakistan's exposure as a climate-vulnerable neighbour in a conflict-driven pollution geography



BURNING OIL INFRASTRUCTURE: EMISSIONS AT UNPRECEDENTED SCALE

GREENHOUSE GAS EMISSIONS

Remote-sensing and life-cycle analysis by the Conflict and Environment Observatory (CEOBS) estimate that in the first 14 days of the war, the combined destruction of buildings, fires and fuel consumption generated **5.05 million tCO₂e**. Destroyed buildings accounted for 2.4 million tCO₂e, while 150–270 million L of fuel used by aircraft and support vehicles emitted 529,000 tCO₂e. Between 2.5 and 5.9 million barrels of oil burned, releasing 1.88 million tCO₂e.

SCALE OF ATTACKS

By early March, more than **30 oil processing and storage facilities** in Iran had been hit. Satellite imagery showed four large oil depots (Shahran, Aqdasieh, Shahid Dolati and Tehran refinery) burning for 10 days. By 10 March, the database had catalogued over **300 incidents**, with 123 military sites and 26 airbases.

TOXIC POLLUTANTS RELEASED

Attacks on oil depots and refineries generate an array of toxic emissions:

- Particulate matter (PM_{2.5})
- Nitrogen oxides (NO_x) and nitrous acid
- Carbon monoxide (CO)
- Sulphur dioxide (SO₂)
- Volatile organic compounds (VOCs) – formaldehyde, benzene
- Polycyclic aromatic hydrocarbons (PAHs)
- Persistent organic pollutants – dioxins and furans
- Black carbon (soot) – a climate-forcing pollutant

Table 1: Key Pollutants Released by Conflict-Related Oil Infrastructure Strikes

Pollutant	Conflict-Related Source	Key Impacts
Particulate matter (PM _{2.5})	Combustion of crude oil, munitions	Fine particles penetrate lungs; linked to cardiovascular disease, stroke and decreased life expectancy
Nitrogen oxides (NO _x) & nitrous acid	Fuel combustion, missiles	Irritate airways; contribute to ozone and acid rain; exacerbate asthma
Sulphur dioxide (SO ₂)	Burning high-sulfur oil	Causes acid rain; triggers respiratory problems; corrodes infrastructure
VOCs (formaldehyde, benzene, dioxins, PAHs)	Incomplete combustion of oil and plastics	Many are carcinogenic; some (dioxins, furans) persist in the environment for decades
Black carbon (soot)	Oil fires, burning infrastructure	Darkens snow/ice, accelerates melting; strongly warms the atmosphere
Heavy metals & energetic compounds	Damaged missile bases and munitions	Contaminate soil and groundwater; pose chronic toxicity risks

HUMAN EXPOSURE, PERSISTENT CONTAMINATION & MARINE RISKS

HUMAN EXPOSURE

Tehran's nine million residents and 5 million in surrounding suburbs were exposed to toxic smoke. Residents reported headaches, burning eyes and throats, and difficulties breathing. WHO advised people to stay indoors and avoid contact with acidic 'black rain.'

PERSISTENT CONTAMINATION

UNEP warns that pollution from uncontrolled fires leaches into soil, groundwater and crops, contaminating food supplies. Firefighting foams often contain per- and polyfluoroalkyl substances (PFAS), a class of 'forever chemicals' that persist for decades.

INFRASTRUCTURE DAMAGE

The attacks damaged over 20,000 civilian buildings. Oil facilities struck near Tehran supply 22 million L (5.8 million gal) of gasoline per day; experts estimate 80% of their use is civilian.

MARINE AND COASTAL RISKS

Drone attacks at Saudi Arabia's Ras Tanurah and the UAE's Fujairah port triggered large smoke plumes containing PAHs and dioxins. By mid-March, at least 12 merchant ships had been struck, creating oil spill risks. Eighteen attacks on commercial vessels produced at least four oil spills within four weeks.

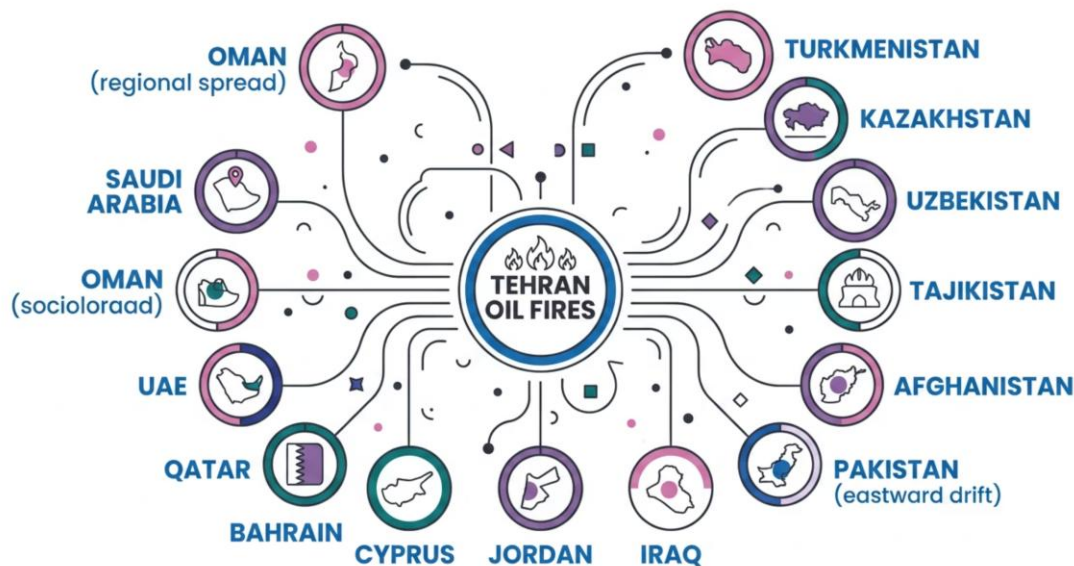
- ❏ **Historical Comparison:** During the 1991 Gulf War, Iraqi forces ignited over 700 oil wells in Kuwait, creating smoke plumes 800 miles long and spilling 11 million barrels of crude into the Gulf. The fires burned for eight months, depositing soot on snow and accelerating glacier melt. The present conflict has so far involved 2.5–5.9 million barrels burned; although smaller, the proximity to dense urban areas like Tehran increases civilian exposure and long-term health risks.

SECTION 1.2

TRANSBOUNDARY ENVIRONMENTAL HARM ACROSS THE WIDER REGION

Oil-fire plumes do not respect national borders. Meteorological models show that smoke from Tehran's fires rose to 1–2 km altitude and drifted east and northeast. Air quality alerts were issued in Turkmenistan, Kazakhstan, Uzbekistan and Tajikistan, and experts warned that pollutant clouds carrying acid rain were moving toward western Afghanistan and Pakistan.

Figure 2: Transboundary Spread of Conflict Pollution – Tehran Oil Fires and Affected Regions



PERSIAN GULF BLOCKADE

Attacks on shipping created an effective blockade of the Strait of Hormuz, with vessel traffic cut by **80%** and about 150 crude and LNG tankers anchored in the Gulf. By mid-March, at least 12 merchant ships had been struck.

OIL-PRICE SHOCK

Attacks on energy infrastructure forced Qatar to shut down one-sixth of its LNG export capacity, which will take 3–5 years to restore. Brent crude prices spiked to **US\$119.50** on 8 March and remained above US\$116.

DESALINATION & WATER SECURITY

Gulf nations rely heavily on desalination: **90%** of Kuwait's drinking water, **86%** of Oman's, **70%** of Saudi Arabia's and **42%** of the UAE's is produced through energy-intensive plants. Strikes risk cutting off water supplies for millions.

LONG-RANGE FALLOUT

Iran's frigate Dena was torpedoed off Sri Lanka, creating a 20 km oil slick. Oil pollution entering Gulf waters can bioaccumulate in marine organisms and enter the regional food chain.

SECTION 1.3

PAKISTAN'S EXPOSURE IN A CONFLICT-DRIVEN POLLUTION GEOGRAPHY

PAKISTAN AT A GLANCE

ND-GAIN Rank: 151st of 192 countries
Vulnerability: 0.515 | Readiness: 0.299

Average PM_{2.5} (2025): 67.3 µg/m³ = 13×
the WHO guideline

Average PM_{2.5} (2024): 73.7 µg/m³ 56%
increase since 1998; 15% rise in last
decade

Lahore AQI peak: 1,165 on 6 Nov 2024
70,000 patients sought respiratory
treatment that day

Life expectancy reduction: 3.3 years for
all Pakistanis

Annual premature deaths: ~128,000
Including >240 children from
pneumonia during Jan 2024 smog

Climate-related economic losses:
>US\$30 billion

BASELINE POLLUTION SOURCES

- **Vehicles and industry:** 20 million motorcycles and 5 million cars in Punjab alone; vehicle emissions produced 22% of Pakistan's CO₂ emissions (43.3 million t) in 2023
- **Brick kilns:** Over 20,000 kilns operate nationwide, burning low-grade fuels and emitting black carbon
- **2022 floods:** Damages over US\$14.9 billion and losses of US\$15.2 billion; 33 million people affected, 1,730 lives lost and 8 million displaced
- **Heatwaves:** Reached 49°C in Sindh in June 2024, causing 568 deaths
- **Smog episode (2025):** Affected 1.8 million people; 300+ deaths
- **Climate disasters (June–July 2025):** Over 300 deaths, 700 injuries and 1,600 homes destroyed

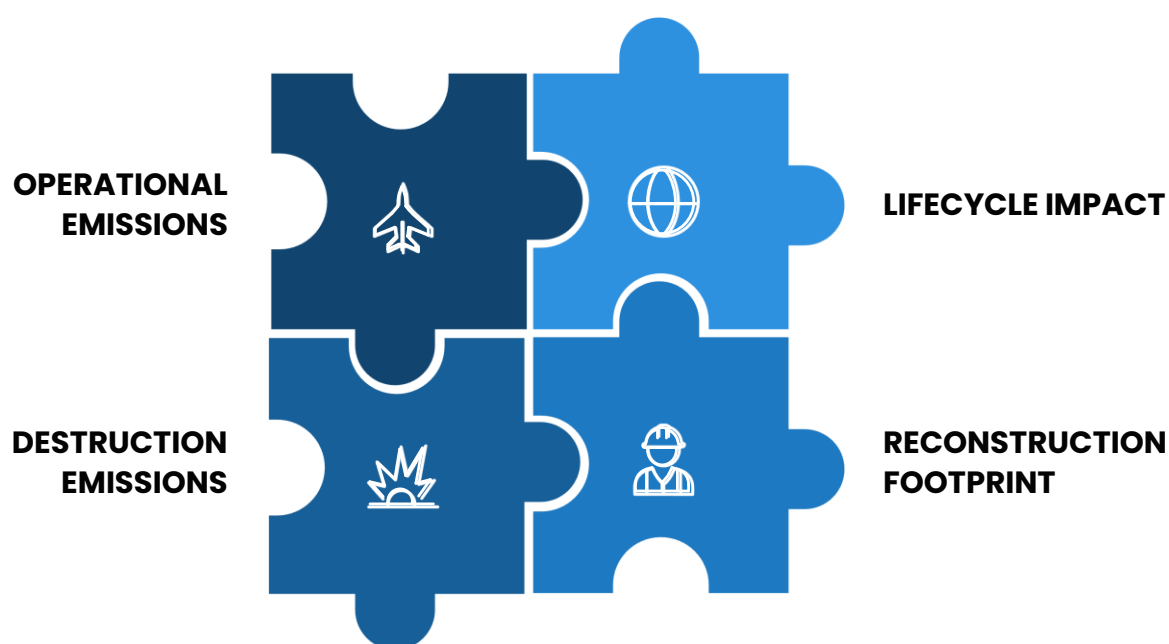
- Pakistan is downwind of the Iranian plateau under certain meteorological conditions. Experts note that pollutant clouds from Tehran's oil fires are drifting eastward toward Pakistan at altitudes of 1–2 km.

SECTION 2

THE GLOBAL CARBON FOOTPRINT OF WAR

Modern warfare casts a long carbon shadow. At a time when most governments pledge to cut greenhouse-gas emissions, global militaries continue to run fleets of jet aircraft and tanks, field naval armadas and maintain sprawling bases that collectively rival the annual emissions of industrialised nations. Yet military emissions are often absent from climate negotiations because the Paris Agreement leaves reporting voluntary.

Figure 1: The Three Components of War's Carbon Costs



This section decouples the carbon costs of war into three components – direct operational emissions, destruction-related emissions and the reconstruction footprint – and uses verified data to quantify and visualise each.

SECTION 2.1

DIRECT MILITARY EMISSIONS: THE FUEL INTENSITY OF MODERN WARFARE

Estimates by Scientists for Global Responsibility (SGR) place the global military carbon footprint at **2,750 million tCO₂e per year** – around 5.5% of total global GHG emissions. This figure includes direct fuel use and supply-chain emissions and would make the world's armed forces the fourth-largest emitter after China, the United States and India. The U.S. Department of Defense alone emitted **56 MtCO₂e in 2018**, comparable to the annual emissions of 14 million cars, and continues to operate over 700 military bases worldwide. From 2001–2018 the DoD emitted **1,267 MtCO₂e**, with war operations accounting for 440 MtCO₂e.



F-35A SORTIE

14–17 tCO₂e per mission Burns 5,600 L/flight hour ≈ lifetime footprint of a small car



B-2 BOMBER MISSION

251 tCO₂e per 6,000-mile mission Consumes 25,692 gallons Most fuel-intensive aircraft



KC-46A TANKER

156 tCO₂e per refuelling mission KC-135R emits 75 tCO₂e Multiplies fleet footprint



M1 ABRAMS TANK

60 gal/hour cross-country 498–505 gal fuel capacity 30 gal/hour at tactical idle



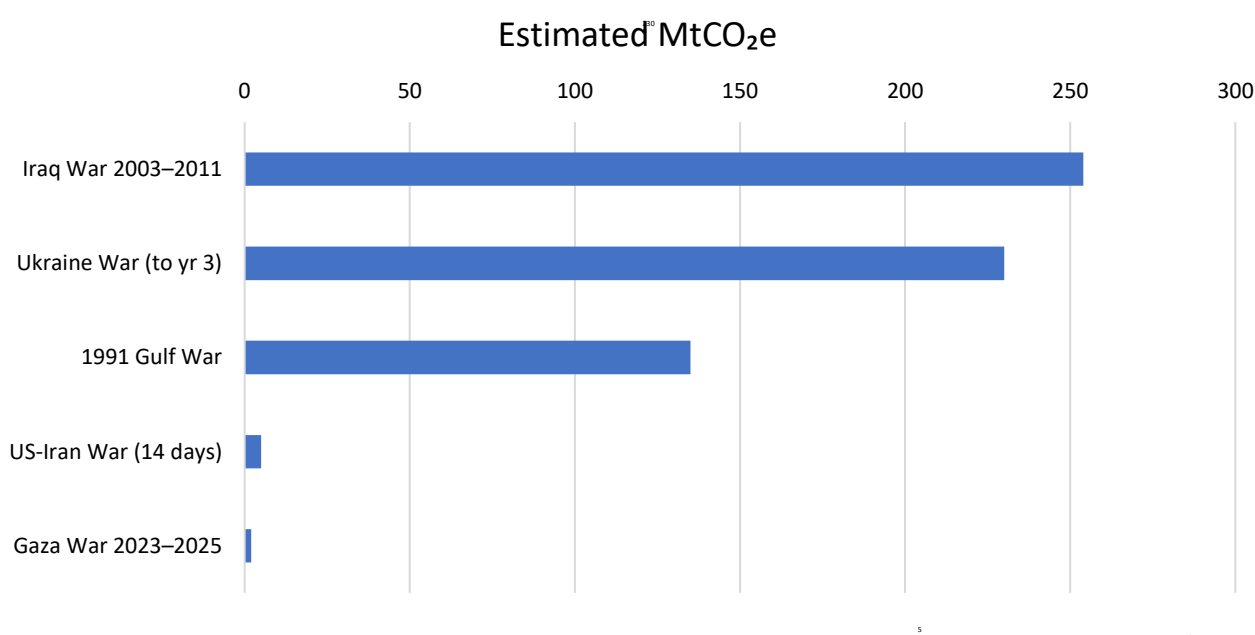
Spending Drives Emissions: Every US\$100 billion increase in military spending adds 32 MtCO₂e. Meeting NATO's goal of spending 3.5% of GDP on defence would generate 132 MtCO₂e over the coming decade – equivalent to operating 345 gas-fired power plants for a year. Planned NATO expansion could emit 1,320 MtCO₂e in the next decade – similar to Brazil's annual emissions.

SECTION 2.2

DESTRUCTION EMISSIONS: FIRES, EXPLOSIONS & DAMAGED INDUSTRIAL ASSETS

While direct operations consume fuel deliberately, wars also unleash uncontrolled combustion and chemical releases. Strikes on oil depots, pipelines and industrial infrastructure release vast stores of carbon, methane and other pollutants. These destruction emissions often rival or exceed operational footprints.

Chart 2: Destruction Emissions by Conflict – Estimated MtCO₂e



In the first two weeks of the 2026 U.S.-Israel-Iran war, analysts estimated that more than **5 million tCO₂e** were released – a rate comparable to the annual emissions of Iceland. This included 2.5–5.9 million barrels of oil burned (≈ 1.88 MtCO₂e), 150–270 million litres of fuel consumed by aircraft and vehicles (≈ 529 k tCO₂e) and the destruction of 20,000 buildings, which added 2.4 MtCO₂e. Only about one-tenth of these emissions came from munitions; the bulk stemmed from fuel combustion and the collapse of built infrastructure.

In Ukraine, an international consortium estimated that the first seven months of the 2022 Russian invasion caused 100 MtCO₂e, with only 9% arising from direct military fuel use. Half of the carbon cost was attributed to future reconstruction, 24% to fires (mainly forests) and 15% to methane leaks from damaged pipelines. By the third anniversary, total emissions had reached around **230 MtCO₂e** – equivalent to the combined annual emissions of Austria, Hungary, the Czech Republic and Slovakia.

SECTION 2.3

RECONSTRUCTION EMISSIONS: THE LONG CARBON SHADOW OF WAR

War does not end when guns fall silent. The rebuilding of cities, infrastructure and industry demands vast quantities of carbon-intensive materials like cement and steel, generating emissions over decades. Reconstruction emissions can dwarf those produced during active fighting. Global cement manufacture is responsible for roughly **8% of total CO₂ emissions**; iron and steel production accounts for around **11% of global CO₂ emissions**, with about 70% of steel made in coal-fired blast furnaces.

Table 2: Reconstruction Carbon Emissions by Conflict

Conflict	Destroyed Housing/Infrastructure	Estimated Reconstruction CO ₂ (MtCO ₂ e)	Share of Total War Emissions
Syria (2011–present)	900,000 housing units	22 MtCO ₂ e from cement	High
Gaza (2023–2025)	436k apartments, 700 schools/clinics, roads	5.8–10 MtCO ₂ e (reconstruction); long-term cost 29.4 MtCO ₂ e	~50–70% of total
Ukraine (2022–?)	Major cities and energy infrastructure destroyed	50% of emissions from reconstruction (≥50 MtCO ₂ e in first 7 months)	50%
Iraq War (2003–2011)	Extensive city damage (Baghdad, Fallujah, Mosul)	Not quantified; war emitted 254 MtCO ₂ e	Unknown

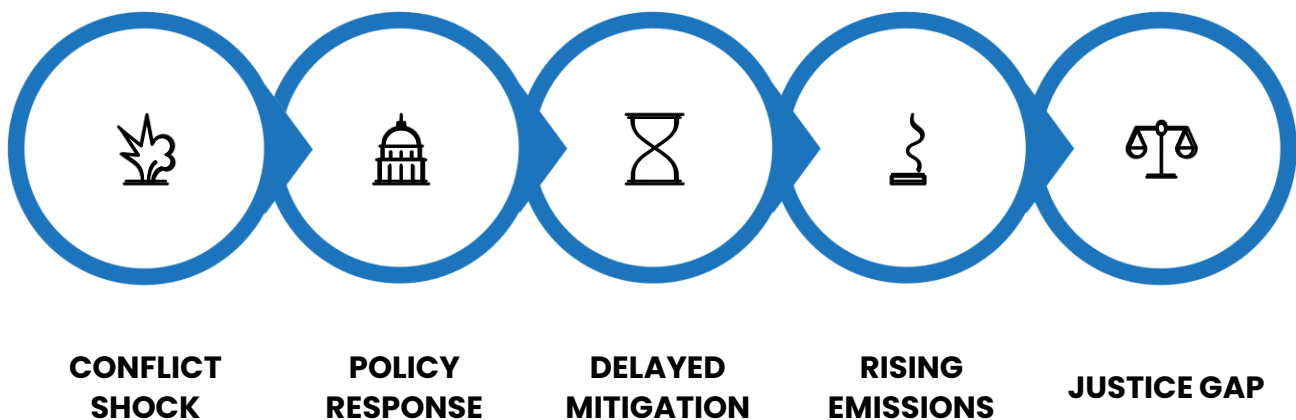
 **Opportunity for Low-Carbon Rebuilding:** Low-clinker cements (e.g., LC3) can cut CO₂ by ~40% compared with conventional cement, and recycling scrap steel can reduce primary ironmaking emissions. Currently only 30% of steel comes from recycled material. Post-war rebuilding can integrate green materials, renewable energy and resilient infrastructure to limit long-term climate impacts.

SECTION 3

SURVIVAL MODE: HOW CONFLICT PUSHES CLIMATE PRIORITIES TO THE BACK BURNER

Conflict not only wrecks ecosystems; it reshapes politics and budgets. When governments are consumed with war or its knock-on effects – disrupted supply chains, soaring fuel prices, security fears – their capacity to pursue long-term climate objectives shrinks.

Figure 4: The Conflict-to-Climate-Delay Cycle - Five Stages



ECONOMIC SURVIVAL VERSUS CLIMATE AMBITION: POLICY RETRENCHMENT UNDER CONFLICT PRESSURE

Table 3: Conflict-Induced Climate Policy Retrenchment – Selected Country Cases

Country/Region	Pre-War Climate Pledge	Conflict-Induced Action	Quantified Impact
Italy	Planned to abandon coal by 2025; G7 pledged to end coal by 2035	Parliament passed a bill to postpone coal phase-out to 2038, delaying closure of four standby plants by 13 years	Extended coal reliance risks emitting tens of millions of tonnes of CO ₂ from 2026–2038
Germany	Planning to complete coal exit by 2030 and phase out nuclear generation	Energy Minister warned of shortages; called nuclear phase-out "a huge mistake," advocating increased LNG imports	Reverses nuclear closure narrative and increases dependence on LNG, undermining decarbonisation targets
European Union	Emergency measures and accelerated renewables deployment post-Ukraine	Signalled revival of 2022 energy-crisis measures; European gas prices rose over 70% since the US-Israel war with Iran began	Reinforces fossil-fuel dependence and drains fiscal space through new subsidies
CASE Countries	ASEAN energy transition commitments to reduce coal and adopt renewables	Strait of Hormuz blockade caused Brent crude to surge 59%, exceeding US\$115/barrel; coal plants restarted	Survival measures undercut decarbonisation; reactivating coal plants and encouraging dirtier fuels
South Korea	Announced closure of several coal units by 2024	Extended three coal plants set to close in 2026 and may restart others	Prolonged coal use increases national emissions and signals policy reversal

MID-TERM CONSEQUENCES OF DEFERRED CLIMATE ACTION

INVESTMENT AND POLICY DELAYS

- **Circularity and materials:** War "slows circularity by delaying investment in recycling plants and collection systems." Conflict disrupts scrap and secondary-materials trade and shifts public budgets toward defence and fuel subsidies.
- **Clean-energy projects:** Emergency measures like extending coal operations and subsidising Euro II fuels divert capital from renewables.
- **Delayed regulatory reforms:** EU discussions on reviving 2022 emergency measures include lowering grid tariffs and suspending refinery maintenance.
- **Climate finance gaps:** Fragile and conflict-affected states receive 65% of adaptation finance compared with non-fragile countries, yet per capita support is only US\$5 versus US\$7 in non-fragile states. In areas of high-intensity conflict, adaptation finance drops to US\$2 per person.

HEALTH AND ENVIRONMENTAL BURDENS

6.7M

PREMATURE DEATHS/YR

WHO estimate for air pollution-related deaths annually

8.1M

DEATHS IN 2021

Air pollution identified as second leading risk factor for death globally

99%

POPULATION EXPOSED

More than 99% of the world's population breathes air exceeding WHO guidelines



Behavioural Lock-In: Temporary rollbacks – such as subsidies on fossil fuels or reactivation of coal plants – create vested interests. Once consumers and industries become dependent on low energy prices and high-emission fuels, reversing incentives becomes politically costly.

LONG-TERM CONSEQUENCES FOR PLANETARY SURVIVAL AND CLIMATE JUSTICE

The UNEP Emissions Gap Report 2025 found that global greenhouse-gas emissions reached **57.7 Gt CO₂e in 2024**, a 2.3% increase from 2023. Fossil CO₂ accounted for 69% of current emissions, and deforestation and land-use emissions rose 21% from 2023 to 2024. Current national climate plans put the world on track for **2.3–2.5°C of warming by 2100** – well above the 1.5°C goal.



LEAST DEVELOPED COUNTRIES

Despite contributing only 3% of the increase in global emissions between 2023 and 2024, LDCs are on the frontline of climate impacts. Sea-level rise threatens low-lying atoll nations such as Kiribati and the Marshall Islands, which sit just six feet above sea level.



CARBON INEQUALITY

Oxfam reports that the richest 1% exhausted their "fair share" of the 2026 carbon budget by 10 January. Their annual emissions are projected to cause 1.3 million heat-related deaths by end of century and generate US\$44 trillion in economic damage to low- and lower-middle-income countries by 2050.



POLITICAL POWER

At COP30 in Brazil, fossil fuel lobbyists numbered 1,600, surpassing nearly every national delegation except the host. Such influence risks watering down ambition, particularly when nations are distracted by security crises.

The per-capita carbon budget consistent with a 1.5°C pathway is 2.1 t CO₂ per person by 2030 – a level the super-rich exceed in a matter of days. The report calls for a 97% reduction in emissions by the richest 1% by 2030.

SECTION 4

COMMUNITIES ON THE FRONTLINE: HUMAN, SOCIAL, AND ENVIRONMENTAL IMPACTS

Armed conflict does not only generate geopolitical shockwaves – it tears through the social and environmental fabric of communities. Violence destroys water and waste systems, contaminates air and soil, forces millions to flee, and places disproportionate burdens on women and vulnerable groups.

4.1 TOXIC EXPOSURE

Community-level exposure to toxic air, water contamination and livelihood disruption across multiple war zones

4.2 DISPLACEMENT

Environmental stress and the ecological impact of forced movement – 75.9 million people in internal displacement

4.3 GENDERED DIMENSIONS

Psychological trauma and disproportionate burdens on women, girls and marginalized groups in conflict settings

SECTION 4.1

COMMUNITY-LEVEL EXPOSURE: TOXIC AIR, WATER CONTAMINATION & LIVELIHOOD DISRUPTION

Table 4: Community-Level Environmental and Health Impacts Across Conflict Zones

Region/Context	Key Environmental Impacts	Health & Livelihood Statistics
Gaza and the Levant	Collapse of sewage, waste and water systems; overcrowded shelters; toxic smoke from airstrikes	179,000 cases of acute respiratory infection and 136,400 diarrhoea cases among children under 5; 49.3% of displaced households report respiratory infections and 24.9% report diarrhoea
Yemen	Cholera epidemic due to damaged water and sanitation; fuel blockades	>1 million suspected cholera cases and 3,000 deaths; 1.2 million cases in first 6 months of 2017 with >3,000 deaths
Rohingya camps (Bangladesh)	Extreme population density; deforestation; groundwater contamination; inadequate WASH	>1.1 million refugees across 33 camps; 9 million L/day water need but WASH serves 30%; 10 L/person/day delivered vs 15 L standard; 28% of water sources contaminated; 10,000 t waste/month
Northern Syria	Agricultural infrastructure destroyed; measles and diarrhoea outbreaks; loss of livestock	23,600 measles cases vs 3,193 pre-war; US\$16 billion in lost agricultural production; 57% decline in cattle, 52% in sheep
Ukraine	Bombing of dams, granaries and farmland; mines and explosive remnants	7% loss of cropland and US\$2 billion harvest loss; US\$80 billion total damage and losses; 18% fall in agricultural employment
Rwanda & Kiziba camp	Landslides and soil erosion around camps; deforestation for fuel	324 ha cropland damaged and 110 fatalities; 19 million t soil loss annually from erosion

SECTION 4.2

DISPLACEMENT, ENVIRONMENTAL STRESS & THE ECOLOGICAL IMPACT OF FORCED MOVEMENT

Forced displacement is both a humanitarian catastrophe and an environmental stressor. People fleeing violence often move into ecologically fragile areas, straining water supplies, forests and waste systems while simultaneously facing climate hazards such as floods and heatwaves.

75.9M

PEOPLE IN INTERNAL DISPLACEMENT (2023)

Including 68.3 million displaced by conflict/violence and 7.7 million by disasters

250M

WEATHER DISASTER DISPLACEMENTS

Internal displacements triggered by weather disasters between 2013 and 2023 – ~70,000 per day

3/4

REFUGEES IN HIGH-HAZARD AREAS

Three in every four refugees or displaced people reside in countries facing high-to-extreme climate hazards

HEAT, WATER SCARCITY & ECOLOGICAL STRESS

By 2050 the hottest fifteen refugee camps – located in the Sahel and Horn of Africa – will face nearly 200 days of hazardous heat stress per year, making many camps potentially uninhabitable. In flood-affected Chad, newly arrived Sudanese refugees receive less than 10 litres of water per person per day, far below emergency standards.

DEFORESTATION AND LAND CONVERSION

Research across Africa finds that a 10% increase in refugee presence translates into a **16% decline in tree cover** and a **14% rise in conversion** from forest-dominant to crop-dominant land. While some deforestation results directly from refugees collecting firewood, most of the loss reflects agricultural expansion by host communities responding to increased food demand.

OVERLAPPING CLIMATE-CONFLICT CYCLES

Environmental degradation can feed back into conflict dynamics. In parts of the Sahel, climate-related livelihood losses have pushed people into armed groups and fuelled cycles of violence and displacement. Fragile states hosting refugees receive only a quarter of the climate finance they need.

SECTION 4.3

GENDERED AND PSYCHOLOGICAL DIMENSIONS OF COMMUNITY VULNERABILITY

WATER COLLECTION AND UNPAID LABOUR

Globally 1.8 billion people live in households without water on the premises. In 7 out of 10 such households, women and girls aged 15 and older are primarily responsible for water collection. Women and girls spend a staggering **200 million hours each day** collecting water – equivalent to 8.3 million days or 22,800 years.

In Malawi, women who collect water spend an average of 54 minutes per trip, while men spend only 6 minutes. Some 2.2 billion people lack safely managed drinking water, 3.4 billion lack sanitation, and 2 billion cannot wash their hands with soap at home. Inadequate WASH causes **1.4 million deaths annually**.

FOOD, INCOME AND CAREGIVING

In Syria, 95% of surveyed rural households said access to basic agricultural inputs would reduce out-migration. Yet 60% of households reported fertilizer shortages; livestock ownership collapsed; and 90% of families spend more than half their income on food. With men killed or absent, women take on additional farm labour and caregiving duties without commensurate support.

PSYCHOLOGICAL TRAUMA & MENTAL HEALTH

22% of people exposed to war in the previous decade develop depression, anxiety, PTSD, bipolar disorder or schizophrenia; 13% experience mild forms and 9% have moderate or severe conditions.

Despite the scale of need, only **2%** of people requiring mental health care in conflict settings receive treatment. Mental health accounts for 20% of health issues in emergencies but receives just **1–2%** of global health financing.

Country-specific burdens:

- Afghanistan: 98% of women report limited or no influence over decisions; 68% describe mental health as "bad" or "very bad"
- Gaza: 75% of women feel regular depression; 62% cannot sleep; 65% suffer from nightmares and anxiety
- Georgia IDPs: 23% suffer from PTSD, 10% experience depression, 9% have anxiety

SECTION 5

WAR, INSTITUTIONS & THE BLIND SPOTS OF CLIMATE GOVERNANCE

Armed conflict does not merely unleash violence on people and ecosystems; it also erodes the institutional foundations needed to manage environmental change and achieve climate goals. Section 5 examines three linked failings: the weakening of environmental ministries and oversight in war-torn states, the persistent reporting gap that hides military and conflict-related emissions from official statistics, and the chronic shortfall in climate finance reaching conflict-ridden regions.



INSTITUTIONAL DAMAGE & THE MILITARY EMISSIONS REPORTING GAP

WAR AND ENVIRONMENTAL INSTITUTIONS

Nations experiencing armed conflict scored on average **12%** lower on environmental performance than peaceful countries, and even two decades after hostilities cease, post-conflict states still lag **15 percentage points behind**. Military lands and training areas cover **1–6% of the planet's land surface**, often in ecologically sensitive regions. Global military expenditure reached nearly **US\$2 trillion in 2020**. Arms sales by the world's 25 largest arms-producing companies reached **US\$361 billion in 2019**, an 8.5% increase over 2018.

THE REPORTING GAP: KEY FINDINGS

- UN data on direct military emissions is on average **95%** lower than emissions reported in government documents
- UN submissions represent **under 10%** of the full military carbon footprint (Scopes 1, 2 and 3)
- No country reports GHG emissions from the impacts of war-fighting itself
- **Nearly half** of the 70 leading nations submit no data at all on military emissions
- Global military carbon footprint estimated at **3.3–7%** of total global emissions
- Military carbon footprints increase by about **32 million tCO₂e** for every additional US\$100 billion in global military spending

Table 5: Military Emissions Reporting Quality – Top Military Spenders vs. UNFCCC Submissions

Country	Military Expenditure (US\$bn)	Military Fuel Emissions Reported to UNFCCC (Mt CO ₂ e)	Reporting Quality
United States	778.2	3.72	Poor
China	252.3	1.71	Poor
India	72.9	2.78	Very poor
Russia	61.7	4.16	Poor
United Kingdom	59.2	2.19	Poor
Germany	52.8	1.37	Fair
France	52.7	2.01	Poor
Japan	49.1	0.99	Very poor

SECTION 5.3

FINANCING CONFLICT-RIDDEN AREAS: THE GOVERNANCE CHALLENGE OF UNEQUAL CLIMATE BURDEN

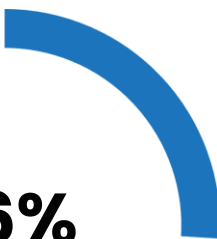
The communities most harmed by war-driven environmental breakdown are the least able to access climate finance for adaptation and recovery. Fragile and conflict-affected countries (FCAS) face high climate vulnerability but receive a disproportionately small share of global finance.



10%

SHARE OF TOTAL CLIMATE FINANCE

In 2022, public bilateral and multilateral sources committed US\$10.9 billion to fragile and conflict-affected countries – less than 10% of the US\$116 billion in total climate finance mobilised



26%

ADAPTATION NEEDS MET

FCAS require at least US\$41.5 billion per year for adaptation; the funds they received in 2022 amounted to only 26% of that requirement



1%

REACHED MOST FRAGILE STATES

In 2022, less than 1% of total adaptation funding went to the 10 most fragile countries

Extreme Poverty Overlap: By 2030, up to two-thirds of the world's extreme poor could live in countries characterised by fragility, conflict and violence. World Bank data shows FCAS receive US\$5 per person in adaptation finance each year, compared with US\$7 per person in non-fragile countries, and only US\$2 per person in high-intensity conflict zones.

The UNEP Adaptation Finance Gap Update (2023) estimates that developing countries will need **US\$107 billion per year** for infrastructure adaptation between 2026 and 2030, rising to US\$146 billion under high-cost scenarios. Developing countries may need **US\$310–365 billion annually by 2035** for adaptation.

SCENARIO ANALYSIS: FIVE FUTURES FOR BUSINESS LEADERS AND POLICY MAKERS

Effective decision-making under deep uncertainty requires more than point forecasts; it demands robust narratives that explore how conflict trajectories, climate policy and economic systems may interact. The five scenarios below build on the earlier analysis of war-generated emissions, governance blind spots, reconstruction risk, sovereign stress and resilience planning.

Figure 3: Scenario Spectrum – Five Futures for Conflict, Climate, and Economic Systems



Probability bands are indicative, not precise forecasts, and should be used to bracket planning horizons. Scenarios 2 and 5 provide the realistic planning envelope: prolonged conflict and fragmented multipolarity. Scenarios 3 and 4 illustrate tail risks – an acute energy crisis and a transformative climate-security breakthrough – that require contingency planning and strategic optionality.

SCENARIO 1: GREEN RECONSTRUCTION COMPACT VS. SCENARIO 2: PROLONGED FRAGMENTATION

BEST-CASE

SCENARIO 1: MANAGED DE-ESCALATION

Trigger: Sustainable ceasefire brokered within 12–18 months through multilateral mediation. GCC members, Islamic Development Bank, Asian Development Bank and World Bank converge on green reconstruction.

Climate consequences: Parties agree to integrate war emissions into national inventories. A regional Green Reconstruction Compact (GRC) is launched, requiring low-carbon materials, renewable power and environmental monitoring in all rebuilt assets.

Sector implications:

- **Energy:** Surge in renewable installations; green hydrogen and large-scale solar first-mover advantage
- **Real estate:** Massive rebuild using low-carbon materials; Islamic green sukuk and sustainability-linked bonds
- **Financial services:** Banks develop green reconstruction products; credit risk declines
- **Communities:** Jobs shift to construction, renewable energy and waste recycling

MEDIUM-TERM

SCENARIO 2: PROLONGED CONFLICT & ADAPTIVE FRAGMENTATION

Trigger: Conflict persists at medium intensity for 3–5 years. Sporadic ceasefires fail; major powers fall short of brokering a durable settlement.

Climate consequences: Climate governance diverges. GCC countries proceed with domestic emissions reduction while conflict-zone states postpone climate commitments. Military emissions remain unreported. Adaptation finance flows remain minimal; less than 10% of climate finance that reaches fragile states leaves capital cities.

Sector implications:

- **Energy:** Long-term contracts shift toward intra-GCC and Asia; Pakistan invests in distributed solar
- **Real estate:** Conflict-adjacent values stagnate; safe-haven markets in Dubai and Riyadh see inflows
- **Financial services:** Sovereign bond spreads widen; Islamic finance grows as Western lenders retreat
- **Communities:** Employment shifts to informal sector; public health deteriorates

SCENARIOS 3, 4 & 5: ENERGY CRISIS, BREAKTHROUGH & MULTIPOLARITY



SCENARIO 3: ESCALATION TO REGIONAL ENERGY CRISIS (HIGH- STRESS)

Trigger: Hostilities expand to target the Strait of Hormuz. The strait handles about 27% of global oil exports and 20% of LNG; its closure reduces maritime flows by 70%, causing global energy and fertiliser shortages. Fertiliser prices jump 19% in a week; Iranian retail food prices have already risen 42% year-on-year. **Key action:** Implement rigorous commodity hedging, secure alternative fuel and fertiliser supplies, invest in energy efficiency and distributed generation.



SCENARIO 4: CLIMATE-SECURITY NEXUS BREAKTHROUGH (TRANSFORMATIVE)

Trigger: At COP31 or COP32, a coalition of climate-vulnerable states, civil society and progressive militaries pushes through a landmark agreement to integrate military emissions into NDCs and establish a conflict-climate adaptation fund. Military emissions become a formal UNFCCC category. A conflict-climate adaptation fund is capitalised from a levy on arms sales and fossil-fuel revenues. **Key action:** Prepare for mandatory military-emissions disclosure; include conflict carbon in ESG reporting.



SCENARIO 5: FRAGMENTED MULTIPOLARITY & BILATERAL REALIGNMENT (BASE- CASE)

Trigger: The conflict neither escalates dramatically nor resolves; geopolitical rivalries intensify globally. States pursue bilateral energy and security deals, hedging between US, Chinese and Russian spheres. No global framework emerges to account for war emissions; military emissions remain largely invisible. Adaptation finance continues to bypass the most vulnerable communities. **Key action:** Internalise geopolitical diversification; diversify customer bases, supply sources and financing partners.

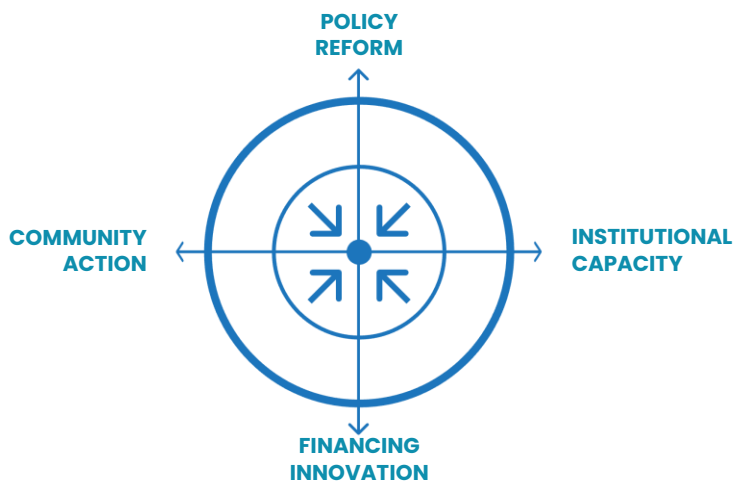
Using the Scenarios: These five scenarios are not mutually exclusive; reality may blend elements from each. Business leaders should use them to stress-test capital allocation, supplier contracts and asset valuations, ensuring resilience under both benign and high-stress futures.

SECTION 7

RECOMMENDATIONS FOR POLICY, INSTITUTIONS, AND COMMUNITIES

Armed conflicts magnify climate impacts yet climate governance has been slow to adapt. Evidence shows that militaries are largely exempt from greenhouse-gas reporting: in 2021 only Germany reported its military fuel emissions in line with UNFCCC guidelines while the other 19 of the world's 20 top military spenders either aggregated data with civilian sectors or reported nothing. The result is a huge reporting gap; militaries account for an estimated 3–7% of global emissions yet most national inventories omit these sources.

Figure 5: Four-Pillar Recommendation Framework for Conflict–Climate Governance



POLICY RECOMMENDATIONS: CLOSING THE MILITARY EMISSIONS REPORTING GAP

Table 6: Policy Recommendations for Closing the Military Emissions Reporting Gap

Action	Rationale	Evidence
Mandate military emissions reporting in national inventories	Remove the voluntary exemption that allows countries to omit military activities from their GHG inventories and require transparent reporting of Scope 1, 2 and 3 emissions, including war-fighting emissions	Only one of the top 20 military spenders met UNFCCC reporting requirements in 2021. Voluntary reporting covers less than 10% of the military carbon footprint and would need to be multiplied 10-fold to match actual emissions
Integrate conflict-related pollution into climate frameworks	Recognise that destruction of infrastructure, oil fires and displacement can generate hundreds of millions of tonnes of CO ₂ e and hazardous pollutants, undermining mitigation efforts	The US-Iran war closed the Strait of Hormuz, disrupting exports: 27% of global oil, 20% of LNG and 20–30% of global fertilizer trade pass through the strait. Shipping dropped by 70% and fertilizer prices jumped 19% within a week
Develop regional environmental monitoring networks	Establish cross-border air quality and pollution monitoring systems that can operate during conflicts, integrating conflict emissions into multilateral early-warning platforms	Only 38% of countries have multi-hazard monitoring and forecasting systems and only 10% meet the Global Basic Observation Network standard. Countries with limited MHEWS capabilities have disaster-related mortality nearly six times higher
Embed war-related emissions within climate justice debates	Acknowledge that the areas most affected by conflict-driven destruction often receive the least climate finance. Military spending escalations can drive up emissions by 32 million tCO ₂ e per US\$100 billion	Less than 1% of total adaptation funding reached the ten most fragile states in 2022. The world's 17 most climate-vulnerable, conflict-affected countries are ranked as severely underfunded, receiving less than half of what they merit

Why voluntary reporting fails: The Kyoto Protocol excluded emissions from international military operations, and although the Paris Agreement removed the exemption, reporting remains voluntary. CEOBS's 2025 data indicates that the US, China and Russia no longer submit military emissions data to the UNFCCC. The first four years of Russia's invasion of Ukraine generated 311 million t CO₂e – equivalent to France's annual emissions – yet these figures are absent from national inventories.

INSTITUTIONAL & FINANCING RECOMMENDATIONS FOR CONFLICT- AFFECTED AREAS

BUILDING RESILIENT INSTITUTIONS

- **Environmental oversight teams** in post-conflict ministries. Conflict lowers a nation's environmental performance index by 12% on average and post-conflict states still lag by almost 15% after 20 years. Dedicated departments for pollution monitoring and emergency preparedness should be set up in ministries of environment, health and energy.
- **Integrated data systems.** Governments should invest in mobile laboratories, remote sensing and cross-ministry data hubs to collect real-time information on air, soil and water contamination.
- **Cross-sector coordination.** Health, energy, transport and water ministries must co-design resilience plans. India's national communication to the UNFCCC estimates it will need US\$643 billion in adaptation spending by 2030.

CLOSING THE FINANCING GAP

Scale of underfunding:

- In 2022 less than 1% of total adaptation funding went to the ten most fragile countries
- Only 4% of multilateral adaptation funding from 2019–2023 was directed toward health
- Developing countries will need US\$310–365 billion per year in adaptation finance by 2035
- Global pledges under the Glasgow Pact aimed to mobilise only around US\$40 billion for adaptation
- CARE projects that bilateral adaptation finance may decline to US\$10 billion by 2026
- ODA is expected to decline 20% in 2025; the United States plans to reduce its foreign affairs budget by 84% in 2026

CONFLICT-TO-RESILIENCE RECOVERY FUNDS

Global or regional funds dedicated to rebuilding environmental infrastructure after conflicts, financed by a levy on fossil-fuel and arms transactions. Shipping through the Strait of Hormuz fell 70% and crude oil futures rose 15%; funds could be replenished via carbon levies on heightened profits.

ADAPTATION WINDOWS FOR FRAGILE STATES

Allocate a dedicated portion of new climate finance goals to high-risk and conflict-affected states. The Adaptation Fund has approved US\$1.39 billion for 199 projects in 108 countries; its 2025 portfolio benefits 51 million people and deploys over 600 early warning systems.

COMMUNITY RESILIENCE GRANTS

Small-grant windows (US\$50k–US\$1m) directly to local governments, indigenous institutions and women's groups. The Adaptation Fund's locally led adaptation programme invested US\$29 million across six single-country projects, reaching nearly one million people.

BLENDED FINANCE STRUCTURES

Combine public funds, philanthropic capital and concessional loans to de-risk private investment in renewable micro-grids, climate-smart agriculture and wastewater treatment. The pipeline of proposals to the Adaptation Fund grew 71% to US\$704 million in 2025.

COMMUNITY-CENTERED RECOMMENDATIONS: EMPOWERING LOCAL RESILIENCE



CITIZEN AIR AND WATER MONITORING NETWORKS

Equip communities with low-cost sensors to track particulate matter, volatile organic compounds and water contamination during and after conflicts. Data should feed into national dashboards. War-induced shipping disruptions have already pushed urea prices up 19% and DAP up 5%, threatening food security. Local monitoring can trigger timely interventions.



COMMUNITY EARLY WARNING SYSTEMS (C- EWS)

Expand multi-hazard early warning coverage to conflict-affected settlements. Currently, only 55% of countries report having MHEWS, and coverage in least-developed and landlocked developing countries is below 50%. Countries with limited MHEWS suffer disaster mortality nearly six times higher and 3.5 times more disaster-affected people. Each dollar invested yields a ten-fold return.



HEALTH SYSTEM PREPAREDNESS

Adaptation funding directed at health accounts for only 4% of multilateral adaptation flows. This must increase to reflect the rising health toll; Iran's food prices rose 42% year-on-year in September 2025, and heat-related deaths exceed half a million annually. Preparedness plans should include mobile clinics, stockpiles of respiratory medicines and mental-health support.



PARTICIPATORY RECOVERY AND COMPENSATION FRAMEWORKS

National recovery funds and donor programmes should include elected community representatives to prioritise projects based on local needs. Less than 10% of climate finance reaching fragile states leaves capital cities; shifting decision-making to the local level helps reverse this imbalance. Programme design should ensure at least 30% female leadership quotas and allocate funds to women-led cooperatives.

CONCLUSION: THE STRATEGIC IMPERATIVE OF ACTING NOW

This paper's conclusion is not that conflict matters. That is obvious. The more important conclusion is that conflict-related environmental damage is still being treated as a secondary issue when it now belongs at the center of strategic decision-making. The paper's own logic is clear: war is disrupting energy markets, damaging infrastructure, fracturing supply chains, displacing communities, and eroding financial stability, while remaining poorly captured in climate accounting, ESG disclosure, and sovereign-risk models. **That gap is no longer analytical. It is strategic.**

WAR-RELATED ENVIRONMENTAL DAMAGE IS NOW A CORE BUSINESS VARIABLE

It affects input costs, logistics reliability, asset values, insurance availability, credit quality, and market access. Firms that still treat geopolitical instability as an external shock rather than an embedded operating condition will increasingly misprice risk.

THE COSTS ARE ALREADY LARGE ENOUGH TO MATTER AT BOARD LEVEL

The paper estimates a total system cost of roughly **\$600 billion to \$1.2 trillion** over a 5–10 year horizon across direct destruction, supply disruption, reconstruction need, health burdens, and financial stress. This excludes the long-run social cost of carbon from war-generated emissions, which means the full burden is likely higher.

THE REALISTIC PLANNING ENVELOPE IS NO LONGER NARROW

Leaders are not choosing between stability and crisis, but between different forms of prolonged volatility, fragmented adjustment, and selective opportunity. Capital allocation, supplier strategy, treasury planning, and resilience investment must now be stress-tested against conflict-linked climate and market shocks.

WHAT THIS MEANS FOR BUSINESS LEADERS AND POLICY MAKERS

FOR BUSINESS LEADERS: FOUR FRONTS

1. **Reprice risk** by integrating conflict-carbon, corridor dependence, and sovereign stress into investment and valuation models
2. **Reallocate capital** toward assets and operating models that are more resilient under energy, logistics, and regulatory disruption
3. **Build optionality** through supplier diversification, alternative routing, energy hedging, and local renewable capacity
4. **Compete for upside** in green reconstruction, ESG-compliant infrastructure, and resilience-linked finance, particularly where policy support and blended finance structures emerge

The winners in this environment will not be those with the strongest rhetoric on sustainability. They will be those with the most disciplined ability to convert uncertainty into better portfolio choices, stronger operating resilience, and faster strategic response.

FOR POLICY MAKERS AND REGULATORS: FIVE PRIORITIES

1. **Stronger disclosure** of conflict-linked emissions and supply-chain exposure
2. **Climate-sensitive financial supervision** and sovereign-risk assessment
3. **Green reconstruction frameworks** tied to standards and finance
4. **Regional monitoring and cooperation mechanisms**
5. **Targeted support** for vulnerable states and communities that bear costs they did not create

□ The issue is institutional, not rhetorical. The required architecture still does not fully exist: conflict-carbon accounting remains weak, reconstruction finance is insufficiently green, and climate-vulnerable non-belligerent states remain under-recognized in global climate-security governance.

THE WINDOW FOR ACTION is narrowing in two ways at once.

CLIMATICALLY AND STRATEGICALLY

Delay will not preserve flexibility; it will reduce it. The organisations and governments that act now will be better positioned to shape standards, direct capital, strengthen resilience, and capture the advantages embedded in transition and reconstruction. Those that wait will face higher costs, weaker institutions, and less room to maneuver.

Sustainability's role is to help close that gap credibly and practically through better disclosure readiness, stronger stress testing, smarter financing structures, and more decision-useful resilience strategy. The issue is no longer whether leaders can afford to act. It is whether they can afford not to.



BETTER DISCLOSURE READINESS

Integrate conflict-carbon and military emissions into ESG and climate reporting frameworks



STRONGER STRESS TESTING

Embed conflict-linked climate and market shocks into capital allocation and sovereign-risk models



SMARTER FINANCING STRUCTURES

Deploy blended finance, green sukuk, and conflict-to-resilience recovery funds for vulnerable regions



DECISION-USEFUL RESILIENCE STRATEGY

Translate scenario analysis into concrete portfolio choices, supplier diversification, and community-centered investment

WAR, CARBON & CLIMATE BLIND SPOTS



Strategic Intelligence Report

Research Report on the Hidden Environmental and Economic Cost of Armed Conflict — Climate Governance, Sovereign Risk, and Long-Term Capital Allocation

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