



The wider impact of the Ukraine crisis

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1. INCREASED COST OF DOING BUSINESS AND UNCERTAINTY OF FUNDING

- **Increasing costs on key commodities** – notably fuel prices, which impacts directly on running costs and indirectly on other items through increased freight costs, but also other commodity prices driving inflation and disrupting supply chains
 - *Less programme delivery and more budget spent on running costs*
 - *Disrupted timeframes for delivery of key items has budgetary and project impacts*
- **Increasing staff costs** – inflationary pressures in many countries can and will likely lead to pressures on wages as part of responding to the cost of living, with predictions of 5.7% in developed and 8.7% in developing/emerging countries (*IMF World Economic Outlook April 2022*)
 - *Reductions in staff numbers as same budget pays for fewer deminers*
 - *Reduced outputs and outcomes from existing budgets*
 - *Staff turnover as demand for skilled workers increases*
- **Reductions in funding to mine action** – pressure on governments to respond to cost pressures domestically, react to decreased economic growth or reallocate development funding to Ukraine crisis, refugee support and so on could lead to decreases in current and future commitments to mine action funding, either in total or for specific regions and countries as focus moves towards Ukraine (*Sida budget allocations for 2022/23, UK GMAP3 planning*)
 - *Reducing funding at short notice impacts across all donors*
 - *Some countries become increasingly neglected as focus of attention shifts*

2. INCREASED INSTABILITY AT LOCAL, REGIONAL AND GLOBAL LEVEL

- **Food insecurity and humanitarian crises**– several countries have been facing severe food insecurity prior to the Ukraine conflict (East Africa, Yemen) and others are now facing similar issues (Sri Lanka, Lebanon, Sudan) driven by increased costs and decreased supply – impacting on both domestic production and food imports.
 - *Movement of people within and between countries, through contaminated areas*
 - *Increased pressure to use suspected land*
 - *Drives conflict for resources between communities, and may lead to public unrest, increased insecurity and clamp downs, making programming more complex.*
- **Specific political impact in some countries** – a number of mine affected countries are influenced to a greater or lesser degree by Russia, and either disruption or disengagement driven by changes resulting from the Ukraine crisis may make programming more challenging and increase conflict drivers.
 - *Could increase political tensions between different groups as power balance changes*
 - *Leads to uncertainty in policy making and engagement with mine action actors*
 - *Affected states trying to balance pressures from western donors with other political ties*
 - *Relationships between permanent members of the UN Security Council could affect future decision-making on peace operations mandates, with a negative impact on mine action activities in those countries.*