



WORLD
RISK &
GOVERNANCE

09 Jun 2022

PART 2

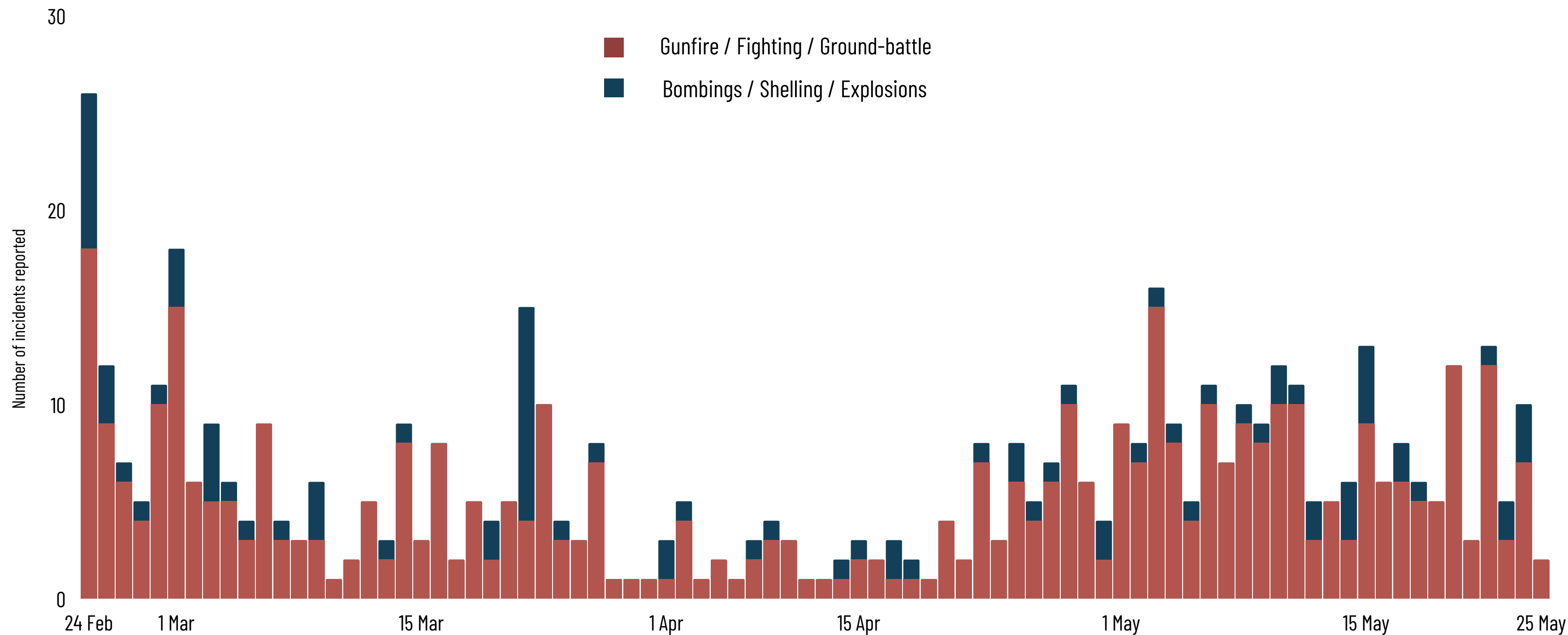
THE CHRONICLE Ukraine Conflict

Russian Occupation of Ukraine from Day 0 to Day 100

-  **Day 0** Russian attack on Kharkiv, Chernihiv, Kherson, and Kyiv. (24 Feb)
-  **Day 25** Ukraine military responses at Zaporizhzhia, Mykolaiv, parts of Kherson, and Luhansk. Further Russian advances near Kyiv and Chernihiv. (20 Mar)
-  **Day 50** Ukraine recovery across Kyiv, Sumy, Chernihiv, and Kharkiv. Significant ground fighting in Mariupol and Mykolaiv. (14 Apr)
-  **Day 75** Ukraine recovery near Mykolaiv and Kharkiv. Significant ground fighting in Luhansk, Mariupol, and Donetsk. (09 May)
-  **Day 100** Russia loses ground west of Kharkiv and north of Dnipro. Significant ground fighting in Luhansk. (03 Jun)



Ukrainian Invasion in Numbers



NATO Troops In Eastern Flank

40,000
Troops under direct NATO command

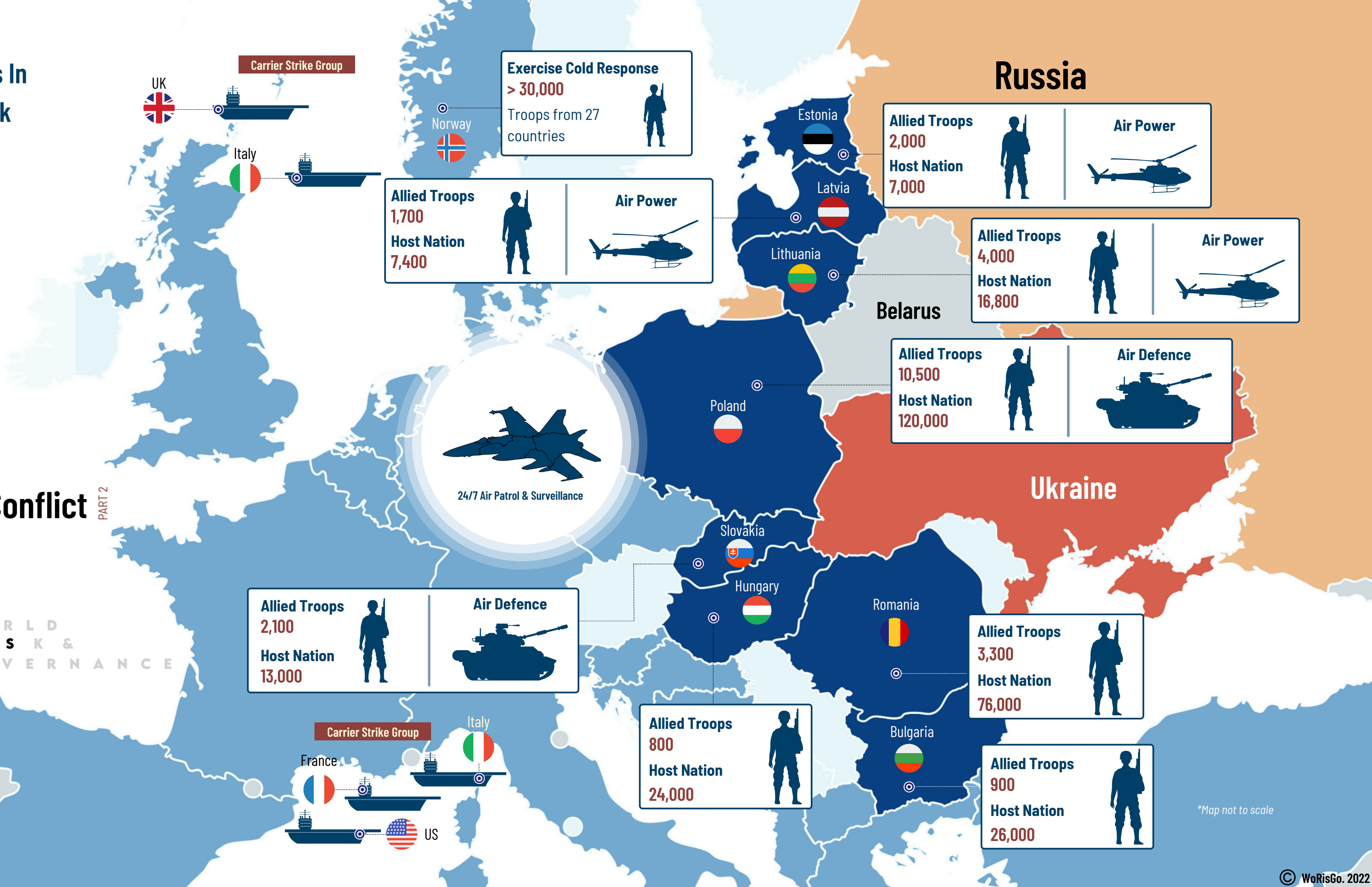
130
Allied aircraft under high alert

140
Allied ships at sea

100,000
US troops deployed to Europe

THE CHRONICLE
Ukraine Conflict


PART 2



NATO Presence In Eastern Flank

ALLIED AIRCRAFT TYPES ON PATROL OVER EUROPE

 NATO	AWACS	RQ-4D	Multirole Tanker
 UK	F-35	EUROFIGHTER A-300	RC-135W P-8 POSEIDON
 FRANCE	AWACS	MIRAGE	RAFALE
 DENMARK		F-16	
 BELGIUM		F-16	
 SPAIN		F-18	
 SLOVAKIA		MIG-29	
 HUNGARY		GRIPEN	

 USA	F-35	F-18/EA-18	F-15	F-16
	RQ-4	E-8C Joint Stars	B-52	U-2
	KC-46 A	KC-135		MQ-9
 ITALY	KC-767	EUROFIGHTER		
 CZECH REPUBLIC		GRIPEN		
 POLAND		F-16	MIG-29	
 GERMANY	A-400M	EUROFIGHTER	PC-3	
 ROMANIA		F-16		
 BULGARIA		MIG-29		
 TURKEY		KC-135		



*Map not to scale

NATO Membership

- Long committed to neutral foreign and security policies, Finland and Sweden have reassessed their positions in the aftermath of Russia's invasion of Ukraine.
- The two countries officially applied for NATO membership on 18 May.
- Although the accession process was initially expected to be fast-tracked, the path to NATO membership due to Türkiye's opposition.

Accession Process

A. Pre-requisites

- Country needs to be European
- Follow principles of democracy
- Actively contribute to the security of the Euro - Atlantic region

B. Action Plan

- Introduction of programme for advice and support
- Participation does not guarantee membership to NATO

C. Talks for Accession

- Interested country accept the rights & obligations of membership
- Timetable presented for the completion of reforms

D. Protocol for Accession

- NATO countries unanimously sign and ratify the accession protocol
- Secretary General invites the new countries to accede to the Treaty.

E. Bill of Ratification

- Invited country adopt and deposit their own bill of ratification to join the alliance

F. Formal Membership

- Once bill of ratification is passed, the country formally joins NATO as a member

NATO Membership through the years*

- Since 1949
- Between 1952 - 1982
- In 1999
- Between 2004 - 2009
- Between 2017 - 2020
- Expressed interest to join NATO
- Applied for NATO membership

*Excluding the US and Canada



Turkish Opposition

- On 16 May, President Recep Tayyip Erdogan confirmed Türkiye's opposition to NATO membership for Finland and Sweden.
- *We will not say 'yes' to those [countries] who apply sanctions to Türkiye to join security organisation NATO – Erdogan.*
- Türkiye accused the two nations of harbouring “terror” groups, including the Kurdistan Workers’ Party (PKK), blacklisted by Ankara, the European Union and the United States.
- Türkiye criticised Sweden and Finland of failing to respond positively to Türkiye's 33 extradition requests over the past five years.
- Türkiye blames Sweden and Finland of hosting supporters of a religious sect that is widely believed to have been behind a 2016 coup attempt in Türkiye.

Turkish Demands

- Sweden and Finland must
 - Halt their support for the PKK and other groups,
 - Bar them from organising any events on their territory,
 - Extradite those sought by Türkiye on terrorism charges,
 - Support Ankara's military and counter-terrorism operations,
 - Lift all arms exports restrictions

What is the PKK?

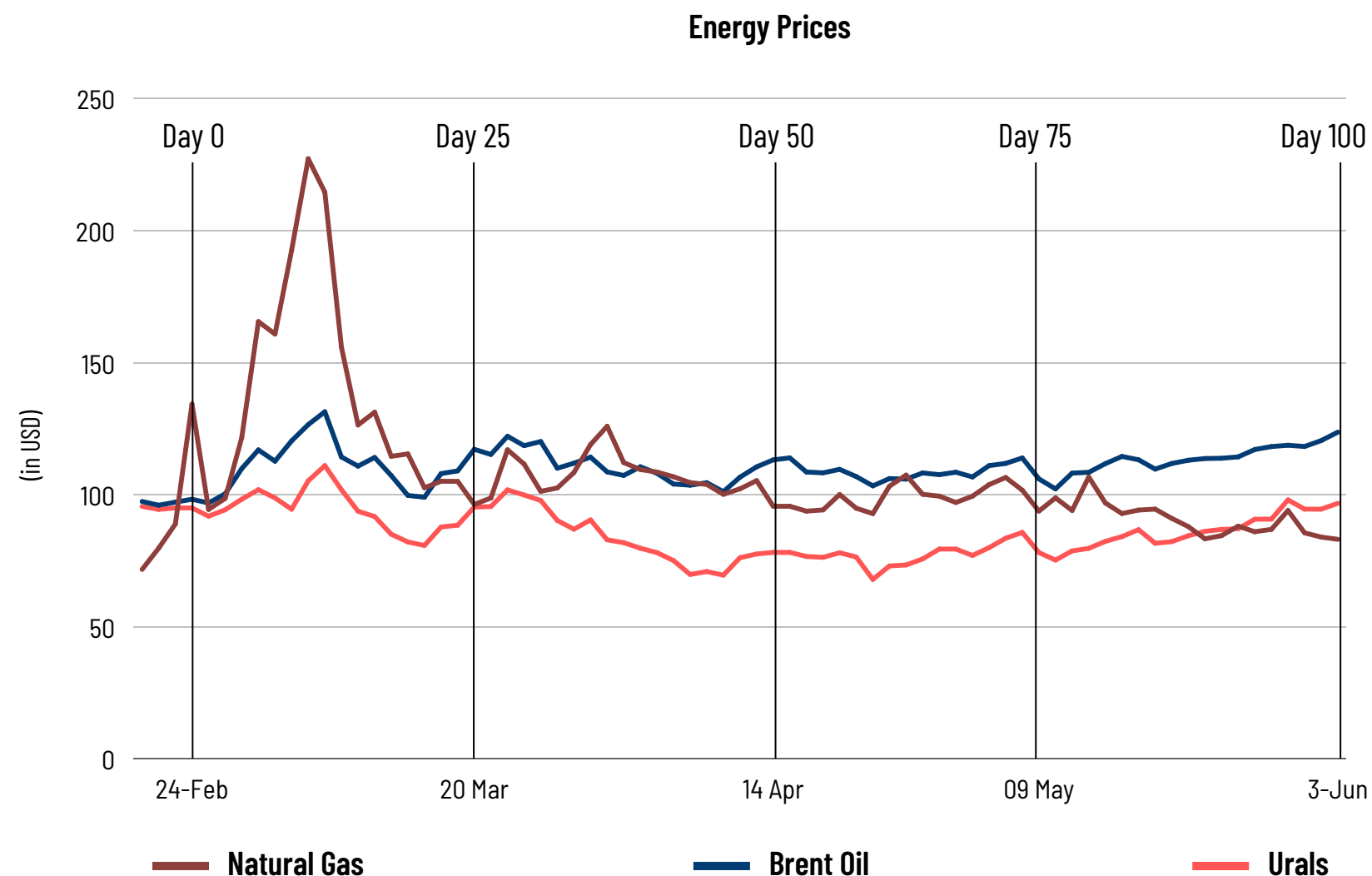
Abdullah Ocalan's Kurdistan Workers Party (PKK) has been fighting Turkish authorities for greater cultural and political rights since 1984, with the primary goal of establishing an independent Kurdish state. The organisation was banned by Türkiye in 1994. PKK has a military wing called People's Defence Unit (YPG) which is known to conduct attacks in mainland Türkiye. The continuous war between the two has claimed the lives of around 40,000 individuals.



Energy Status

European Union Oil Embargo

- The European Union (EU) on 03 Jun formally adopted the 6th sanctions package banning oil imports from Russia.
- Germany and Poland have pledged to phase out their pipeline imports which would halt 90% of Russian oil imports.
- The sanctions are expected to phase out imports of Russian crude oil by sea over the next six months and refined petroleum imports over eight months.
- The embargo will include a temporary exemption for EU with a “particular pipeline dependency” in Russia, allowing them to continue receiving crude oil by pipeline in the meantime.



States allowed to continue imports via the Druzhba pipeline (the world's largest oil pipeline network)

- Hungary - Imports 65% of its oil via pipeline from Russia
- Czech Republic - Imports 50% of Russian oil
- Slovakia - imports 100% oil from Russia
- Bulgaria - Imports 60% of oil from Russia
- Russia currently supplies 27% of the EU's imported oil and 40% of its gas and pays Russia around €400bn (\$430bn, £341bn) a year in return.
- Hungary has obtained a guarantee that it could even import seaborne Russian oil in case of a disruption to its pipeline supplies.

Sanctions also include:

- Cutting Russia's biggest bank, Sberbank off from the SWIFT international transaction system.
- Immediate ban on insuring ships carrying Russian oil elsewhere, while existing contracts are to be phased out over six months.



Suspension of Gas Flow from Russia to Europe Passing through Ukraine

- Ukraine's Gas Transmission System Operator of Ukraine (GTSOU) on 11 May enforced "force majeure" on the Sokhranivka transit point in Ukraine that delivers Russian gas to Europe.
- The move suspends further gas transport through the GMS Sokhranivka physical point and the border Novopskov compressor station (CS), located in Russian occupied territories.

Rouble Payment System for Russian Gas

- President Vladimir Putin signed a decree which made purchasers of Russian gas to set up a special account to pay for their supplies through Roubles.
- Effective from 01 Apr, the decree deemed "unfriendly" countries to set up special "K-accounts" to transfer their payments.
- Once the payment is received, the funds will be exchanged into Roubles.
- The entire payment facility runs through Russia's Gazprombank, a subsidiary of state energy giant Gazprom.
- President warns any country refusing to use the payment mechanism will be in violation of their contracts and face "corresponding repercussions."

Gas Supplies halted to and by European countries

Countries whose gas supplies have been stopped by Russia

- Finland (Balticconnector entry point controlled by Gasgrid)
- Denmark (Orsted and Shell)
- The Netherlands (GasTerra)
- Poland (PGNiG)
- Bulgaria (Bulgargaz)

Countries who have stopped buying Russian gas

- Lithuania (Amber Grid)
- Latvia
- Estonia

Countries extending gas supplies with Russia

- Serbia
- Italy
- Austria

OPEC+ Response to the ban on Russian crude oil imports:

- It was decided that the overall production from Jul 2022 will be increased to 648,000 barrels per day, the output will be maintained till Dec 2022.

IEA Agreement to release crude oil from Strategic Reserves:

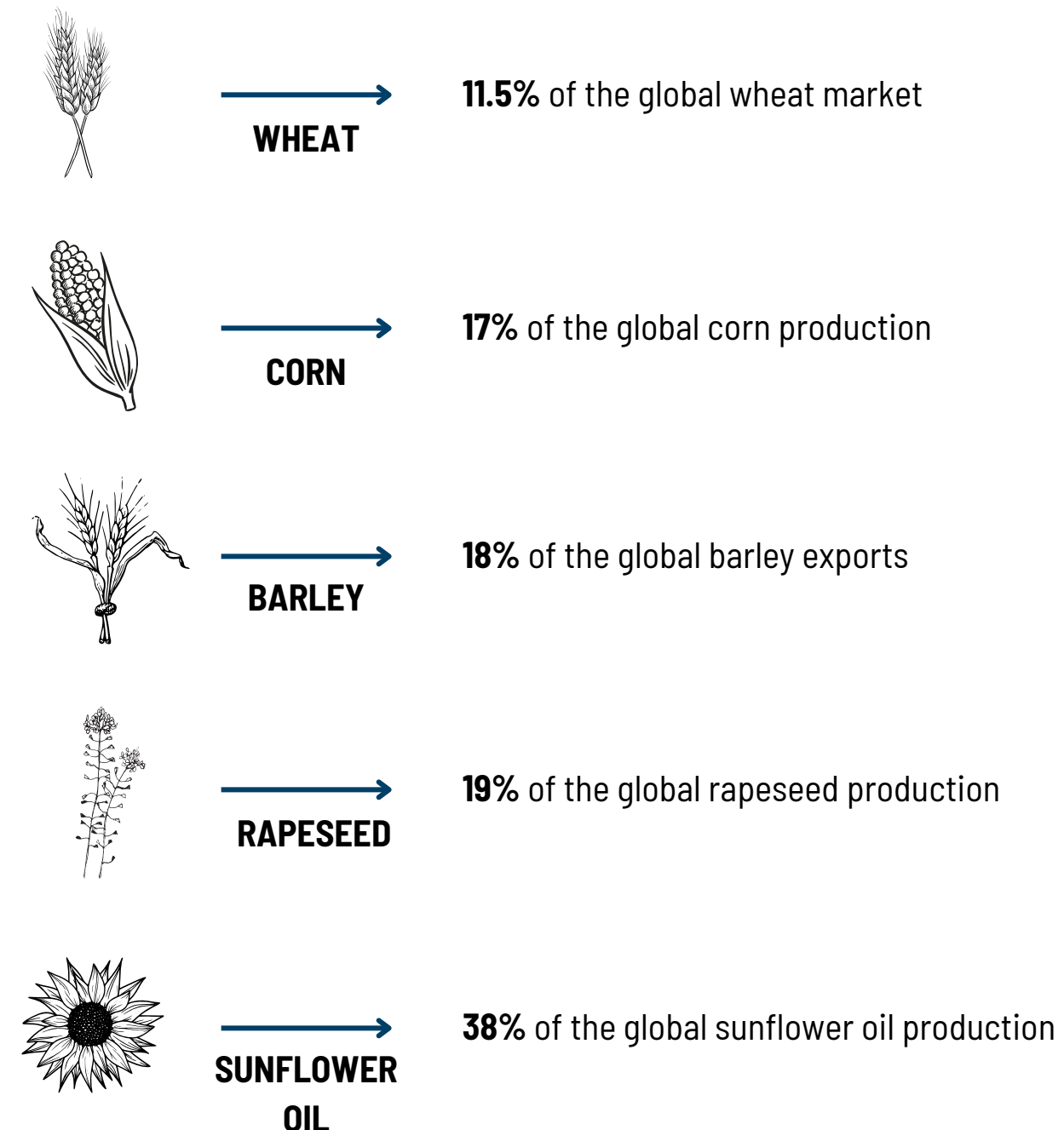
- An agreement to release a combined 120 million barrels of crude oil and oil products from emergency stockpiles, till Sep 2022.
- IEA's members contributions to the agreement:
 - USA - 60 million barrels
 - Japan - 15 million barrels
 - South Korea - 7.3 million barrels
 - India - 5 million barrels
 - New Zealand - 483,000 barrels



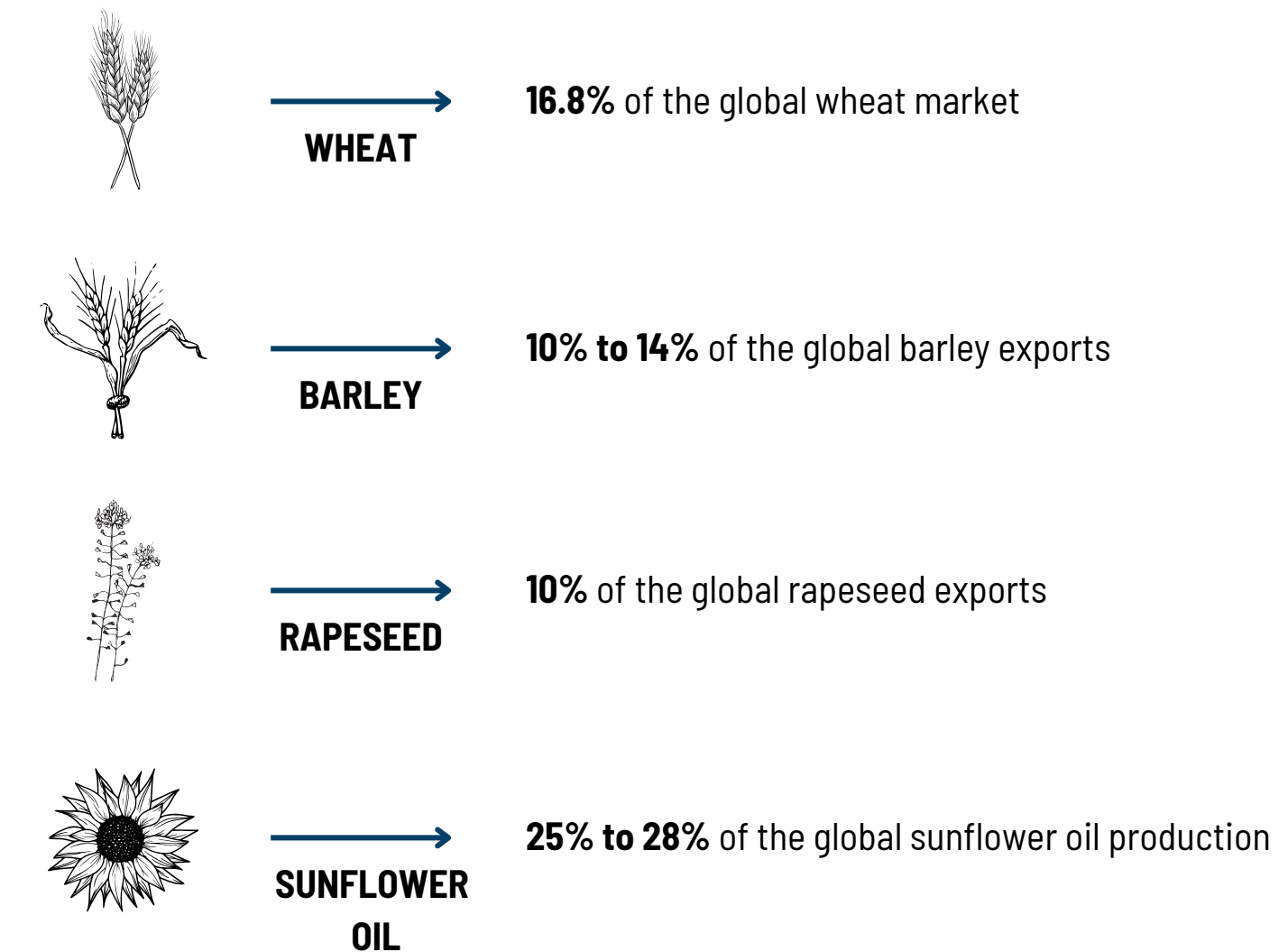
Food Crisis

Contribution In Global Food Supply

Ukraine's contribution to the global food supply



Russia's contribution to global food market



Russia's contribution to the global fertilizer market

- Nitrogen fertilizer (N- Fertilizer) - Top exporter in the world
- Potassium fertilizer (K- Fertilizer) - Third biggest exporter in the world
- Phosphorus fertilizer (P- Fertilizer) - Second biggest exporter in the world



Blockade of Ukrainian ports

- Following the invasion of Russia, Ukraine stopped all operations through its ports opening up to the Black Sea, to protect the food grains supplies.
- Russia had stopped the movement of vessels in the Sea of Azov prior to its movement of the Black Sea Naval Fleet towards Ukrainian coastline on 24 Feb.
- On 31 Mar, through a Circular Letter No.4544 to the IMO, Ukraine advised to stop the international ships movement through the “Blue Corridor” in the Black Sea.
- The biggest ports of Ukraine, in Mykolaiv, Odessa, Mariupol, Pivdenny, and Kherson, is home to the biggest silos of food grains, ready for exports, have been blocked by Russia.
- Currently, more than 50 million metric tonnes of grains are stuck at Ukrainian ports due to the blockade.

Countries facing food insecurity due to Black Sea blockade

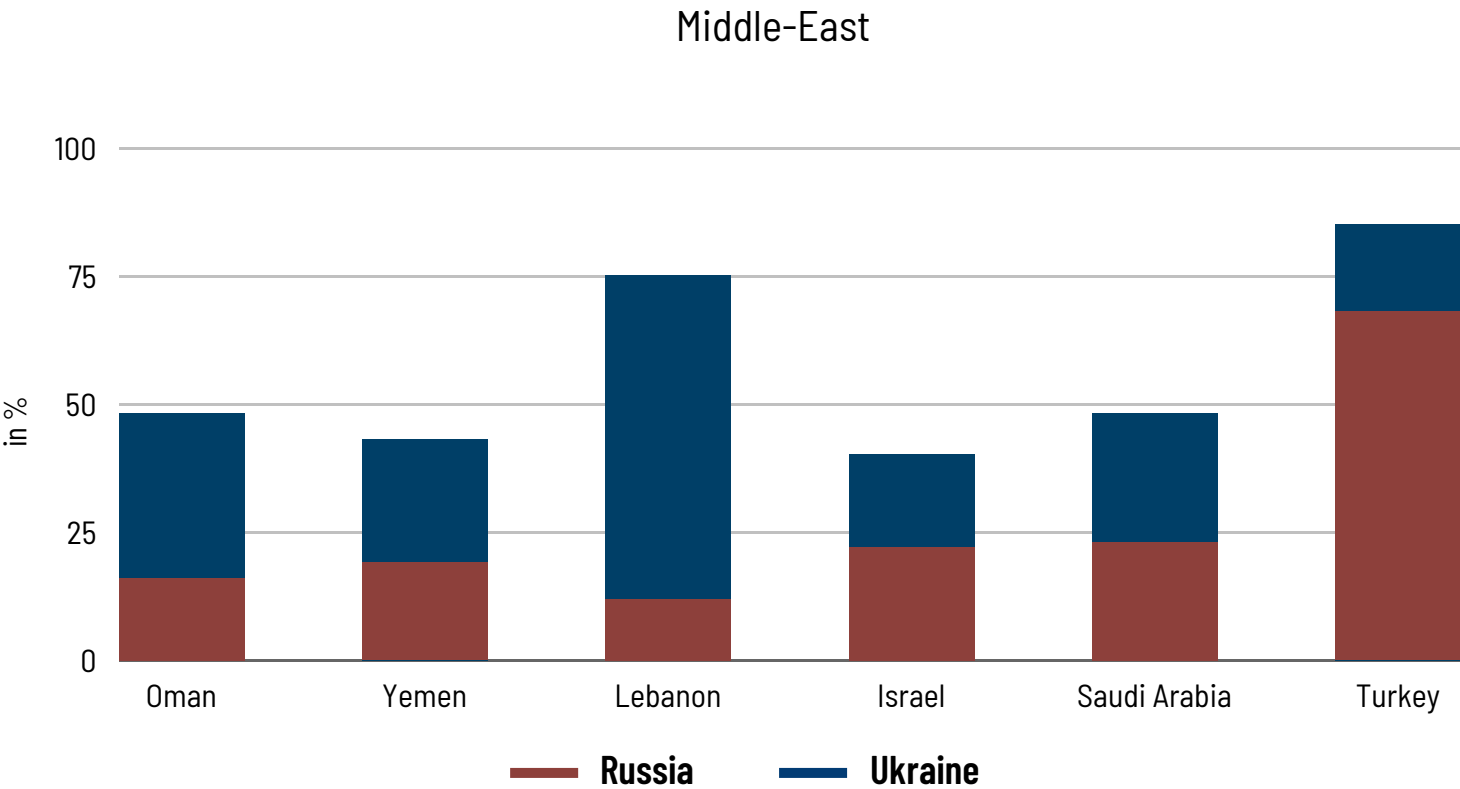
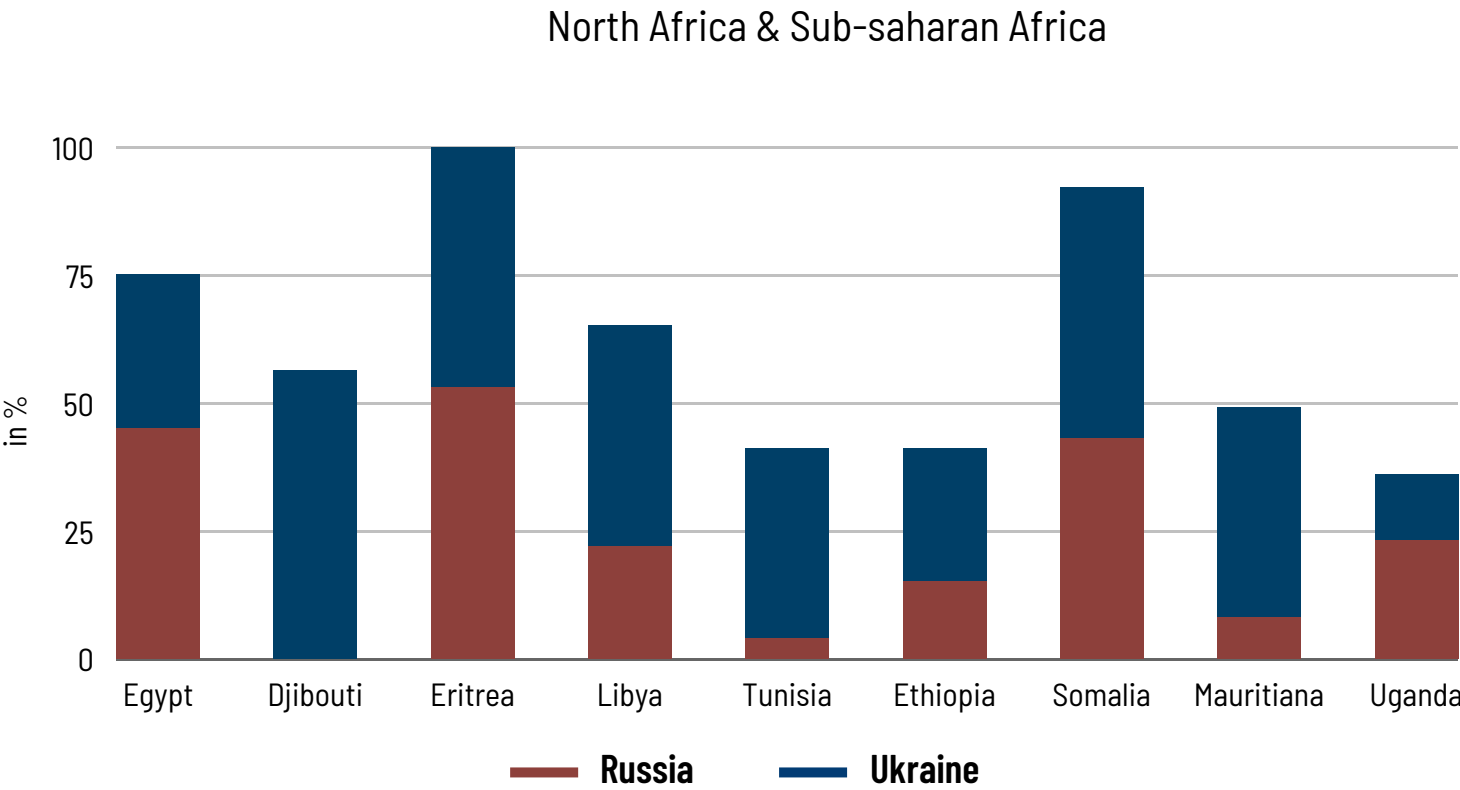
- Prior to the Russian invasion, Ukraine was exporting around 51 metric tonnes of grains to 82 countries as per FAO estimates.
- Ukraine used to export between 5 to 6 million metric tonnes of grains every month, following the blockade the numbers have gone down to 1 to 1.5 million metric tonnes.

Negotiations around resolving the Black Sea blockade

- Negotiations around the passage of Ukrainian grains to the rest of the world, as well as the removal of the blockade from Black Sea ports.
- The parties to the negotiations are Russia, Ukraine, the UN, the EU, USA, Türkiye, and the African Union.
- Based on several talks there are 3 possible outcomes:
 - a. UN led initiative to ease blockade on Ukrainian ports & sanctions on Russian fertilisers - Led by the Secretary General Guterres, who went to Kyiv and Moscow to discuss exports of Ukrainian grains & Russian fertilisers.
 - b. Türkiye based Ukraine-grain corridor - To open a Ukrainian grain corridor through the Bosphorus Strait, led by the UN but based in Istanbul.
 - c. Lithuanian idea of a naval coalition - A naval coalition along with countries willing to participate, to escort shipments from Odesa and Mariupol past the Russian warships. The operation should not be led by NATO.



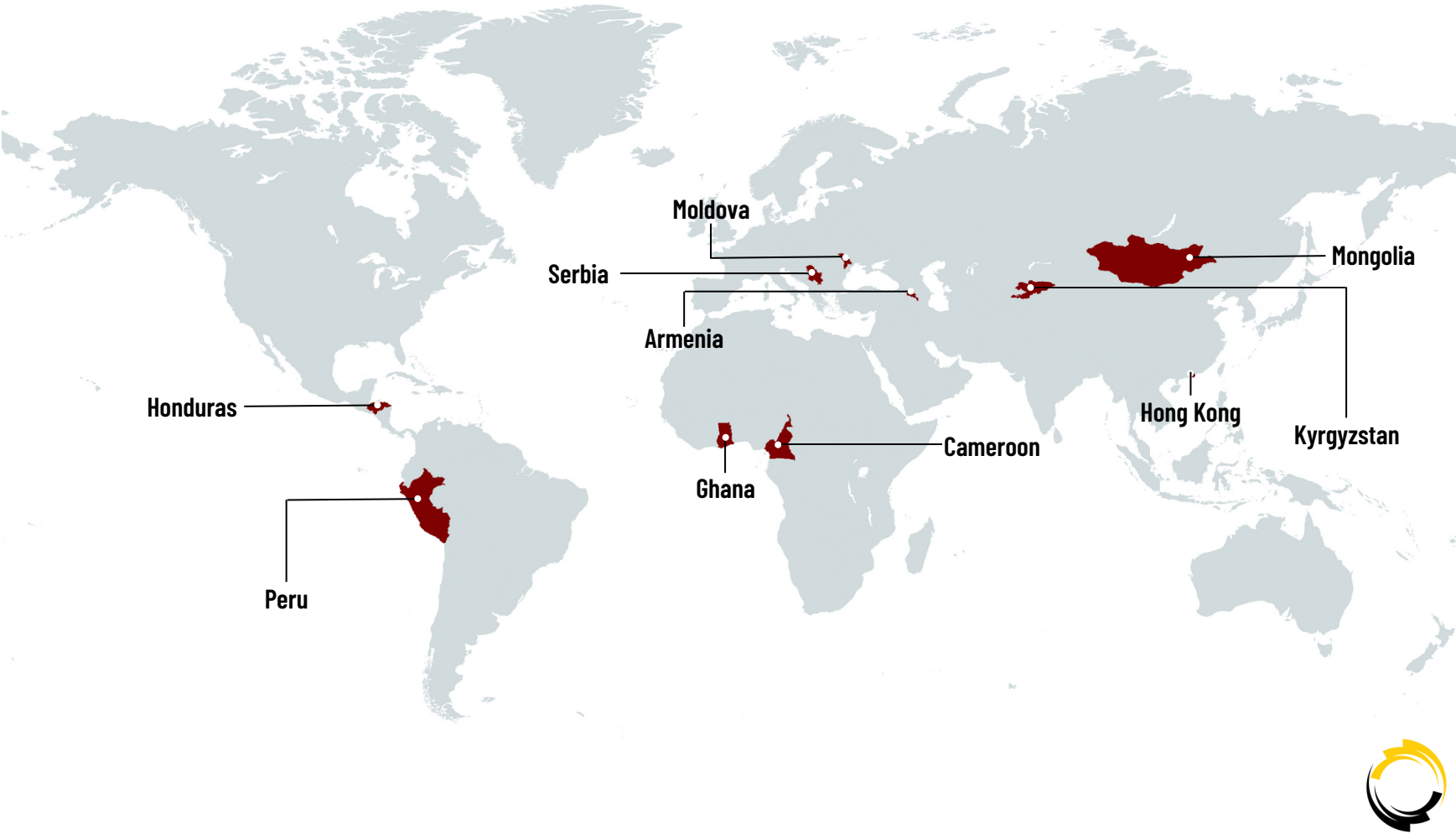
Countries with highest dependency on Russia and Ukraine for food supply. This could lead to further food shortages in these countries.



Steps taken by countries to mitigate food insecurity

- Egypt - A cap on unsubsidised bread
- India - An export ban on wheat and sugarcane
- United Kingdom - Rationing of cooking oil at supermarket stores
- Spain - Replacing sunflower oil with olive oil at supermarket stores
- France - Food vouchers for the lower & middle income families
- Türkiye & Syria - Buying off stolen Ukrainian grains from Russia

Countries highly dependent on Russian fertilisers



Assessment

Economic Occupation

- Kherson - High possibility a quasi-referendum to accede into the economic system of Russia, & adoption of the Rouble as a currency.
- Donbas - High certainty of Russian companies to partake in exploratory operations to map out resources in Donbas.

Trade

- Russia to exit multilateral arrangements - High possibility of Russia to exit trade organisations like WTO, and establish trade with countries based on Rouble settlements.

Food Security

- Countries dependent on Russia for agriculture industry to plunge into crisis - High possibility of countries dependent on Russian food & fertilisers exports will face a severe food crisis following sanctions on Russian shipping company.
- Russia to establish a Rouble payment system for agriculture exports - High possibility of Russia accepting payments in Roubles for agriculture exports to European countries.



Energy Security

- EU's shift towards alternative sources for fossil fuels to intensify - High certainty of work on gas terminals in Germany and the Baltic states to commence.
- Russia to rebuild power supply infrastructure in Donbas - Medium possibility of the Russian government to integrate Donbas with Russia's power grid.
- Ukraine to secure its energy in western Ukraine - Medium possibility of Ukraine to sign more agreements with non-European countries to secure energy supplies.
- Ukraine to remove Donbas from the power grid - Low to medium possibility of Ukraine to cut Donbas from the power grid.

Debt Repayment

- Russia to pay out of sanctions - Low possibility of Russia to pay itself out of sanctions in order to repay outstanding interest payments on debt bonds.

Re-building

- High possibility of demining of ports to be held through multilateral and bilateral efforts.
- High possibility of the global food crisis to continue till ports are cleared as Ukraine exports 25 million tonnes of grain and other goods to international markets.

Re-Migration = **2,313,717**
Ukrainians returning *as of 07 Jun 2022*



Occupation

- High likelihood of Russia to continue fighting in the eastern and southeastern front, to completely block Ukraine from the Black Sea ports.
- Low chances of Russia to occupy Kharkiv, with occasional air strikes on Kyiv and Lviv.

Violence Against Women

- High possibility of sexual violence as a means of war.
- Medium possibility of abuse including sexual violence on women and children in hosting nations.

Health Hazard

- High likelihood of the spread of seasonal diseases like Cholera, Typhoid, & Dengue, among citizens living cities near mass graves.
- High likelihood of poor sanitation and health services in Russian-occupied Mariupol, Kherson, and Donbas.

Infrastructure & Essential Services

- Institutional organisations, schools, theatres have begun operations in Kyiv.
- Health infrastructure and core medical facilities are to be fully functional.





Prepared by

Shubhaj Poricha

Ronnie Ninan

Sooraj Kashyap

Sujata Endaw

THE CHRONICLE **Ukraine Conflict** PART 2



Toll Free

1800- 572- 8600



Website

www.worisgo.com



Email

contact.us@worisgo.com