

FIRST GENERAL ASSEMBLY

Tackling the challenges in facilitating the transport of grains
from Ukraine



**Bente Talsma &
Sam van Hoof**

President and Deputy
President of the
General Assembly

Date:



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Introducing Your Chairs

Hi :)

My name is Bente Talsma and it is an honour to be your President of the General Assembly. I am 16 years old and in my final year at the Lorentz Lyceum in Arnhem.

Next to the normal school days, I have a few hobbies as well. I ride horses, have Scouting on Friday evening and Saturday morning, and I like ice skating.

My MUN experience is quite long (Sam's words). I have been a delegate 5 times, chair 4 times and OC 5 times. I've also been an admin a few times. I joined my first MUN in 2018, as an admin, having housed students even before joining the Lorentz Lyceum. In the following years, I would go on to help organize 5 MUN's, of which the last one, LmunA 2023, I was the Secretary General. Through the years, I have continued participating in MUN's as delegate and chair too. There is enough experience between us to make sure that you will be as comfortable as can be during debate, and we will guide you through the conference as best as we can.

Hi :)

My name is Sam van Hoof. I am 18 years old. I graduated from the Lorentz Lyceum Arnhem last year and I'm currently in a break year, hoping to start Mechanical Engineering at the University of Twente next year.

As I have a lot of free time on my hands now, next to the workdays, I got a few hobbies. I play bass, have Scouting for basically the entirety of Saturday, and next to all these things, my favorite activity is riding around on Bob, my 50cc Cafe Racer. (Fun fact: Bob was named by Bente)

My MUN experience is quite extensive, although not as extensive as Bente's. My first MUN was in 2020, at the Rivers international school in Arnhem. The second one was a full year later, at an MUN held for students of our school, where I was a chair. After that chairing experience, I fell in love with MUNs and decided to join the OC for LmunA the following year. As OC member I have helped to organise 2 MUNs, both as part of the finance department. In total, I have been a delegate 4 times, a chair 3 times and OC once, organising two MUNs. I'd say there is enough experience between Bente and I to help you along during debate and around the conference.

An Introduction To The Topic

Since the Russian invasion of Ukraine in February 2022, grain exports from Ukraine have been severely interrupted. In the coming 4 months, Russian military vessels would block all Ukrainian ports.

Between July 2022 and July 2023 an agreement between the UN, Türkiye and Russia was upheld. This agreement made sure that Ukraine could safely export grains through a safe maritime humanitarian corridor in the Black Sea. This was the Black Sea Grain Initiative. Over a thousand ships left Ukrainian ports in order to transport grain and other foodstuffs during the year this agreement was upheld. On the 17th of July 2023, Russia announced an end to the Black Sea Grain Initiative.

According to data from the Ukrainian Ministry of Agrarian Policy and Food, Ukraine has exported around 8.7 million tons of grain and legumes since the start of July 2023. Most of this was exported in October, around 2 million tons. This is a 30% reduction from the year before, looking at the same time period.

The lack of export does however not necessarily show in prices for the grains. Global prices of grains are expected to decrease slightly, even after the expiration of the Black Sea Grain Initiative. It seems as though Ukrainian exports are becoming less important to the global market, as supply chains and the global market are adapting.

Because Ukraine is a leading grain exporter, the war and following drop in exports aren't only felt in Ukraine. Millions of people around the world are coming to major food security concerns. The price rise has been curbed with help from the EU and UN, but the outlook remains dire.

Current transport remains mostly over the Solidarity Lanes, overland transport routes, set up by the EU. Russia is further blocking transport over the Black Sea, because of this, about 40% of the normal Ukrainian exports are at a halt. The global food supply remains in insecurity as the war goes on. The positive global harvest outlook is however stabilising the prices.



Definition of Key Terms

Solidarity Lanes

The Solidarity Lanes were set up by the EU on the 12th of May 2022. These overland transport routes help to move the mountains of grains built up in Silos in Ukraine. These routes make for about 60% of all transport.

Black Sea Grain Initiative or BSGI

The Black Sea Grain Initiative was an agreement between the UN, Türkiye and Russia to open a safe transport route through maritime passages across the Black Sea. The BSGI made for approximately the remaining 40% of grain transport from Ukraine.

A General Overview of the Issue

The war in Ukraine has now been going on for almost 2 years. Russia invaded Ukraine in February 2022. Since then, transport of grains and other Ukrainian export products has been on the low due to Russian forces.

Ukraine's economy has been one of the lowest since the Soviet Union. Since its independence in 1991, the economy has been growing, although bumpy. When Russia invaded Ukraine, all progress made in the past 30 years was completely undone. In the first year of the war, Ukraine's GDP lowered 30-35%.



Poverty rates have grown from 5.5% to 24.2%, undoing 15 years of progress by pushing 7.1 million civilians into poverty. Ukraine is now one of the countries top on the list of food-insecurity. One in three Ukrainian households is food-insecure.

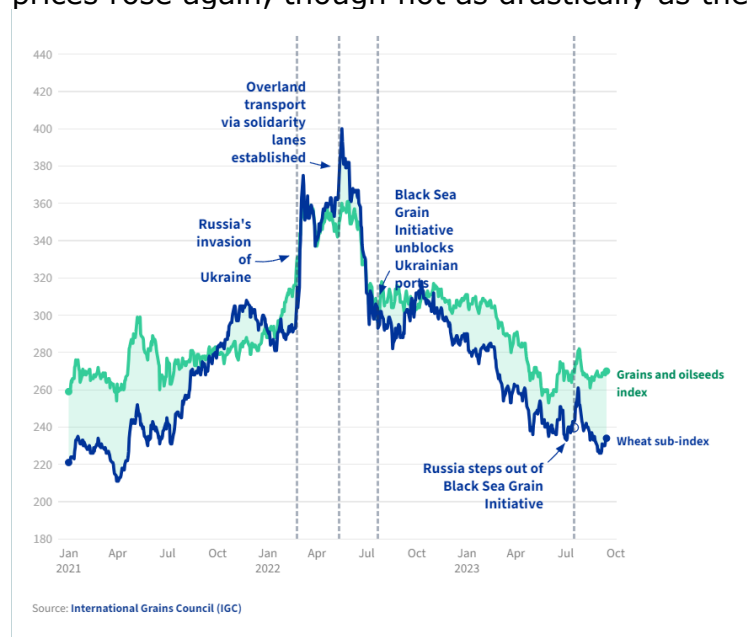
The war has destroyed infrastructure, taking away jobs all through the country. Ports and manufacturing plants have been destroyed, resulting in a slowing down of economic activity.

Considering Ukraine is known as the 'Breadbasket of Europe', it's particularly damaging that the war is destroying farms, eroding land and displacing farmers. Agriculture provided for 45% of Ukraine's export revenue.

In May of 2022, the EU created the Solidarity Lanes. With the Solidarity Lanes, Ukraine can start to move the mountains of grain built up in silos. The Solidarity Lanes would eventually make up for 60% of the transport, making sure that Ukraine is still able to transport goods throughout the world. Ensuring food for millions of those depending on the grains and other foodstuffs from Ukraine.

At the end of July 2022 the Black Sea Grain Initiative went in. A deal brokered by the UN, Türkiye and Russia to let Ukraine transport their product through safe passages in the Black Sea. These passages would see nearly 1,000 ships in the year that the agreement was upheld, making up for about 40% of transport. Mid-July 2023, Russia withdrew themselves from the agreement, again blocking maritime passages and limiting Ukraine's export abilities.

The index of grains and oilseeds has changed drastically and often over the course of the war in Ukraine. Prices were rising before the war, but reached new heights with Russia's invasion of Ukraine. Overland transport made the prices peak once more, but drastically lowered them over time. With the BSGI, prices lowered and stabilised a bit, lowering more over time. When Russia stepped out of the BSGI, prices rose again, though not as drastically as they have had before.



Grain exports remain below the pre-war levels. If the war continues, Ukraine may never be able to get back to its former export and agricultural glory. Unless production is reinforced, exports will most likely fall in the coming years.

Historical Background

Ukraine and Russia share heritage. Over a thousand years ago, Kyiv was the center of the first slavic state. In the year 988 A.D. Volodymyr the Great accepted the Orthodox Christian faith. Vladimir Putin declared that from that moment on, "Russians and Ukrainians are one people, a single whole."

Ukraine has been consistently divided by competing forces. Mongol warriors from the east in the 13th century, Polish and Lithuanian forces from the west in the 16th century. In the 17th century, Ukraine became split between the Russian eastern "Left Bank" and the Polish western "Right Bank". A century later, western Ukraine was annexed by the Russian Empire.

After the communist revolution of 1917, Ukraine would suffer some of its greatest traumas. A brutal civil war before being absorbed into the Soviet Union in 1922. A famine, Orchestrated by Joseph Stalin, in the early 1930's resulted in the starvation and death of millions of Ukrainians. All this to force peasants to join collective farms. After this, Stalin sent large amounts of Russian and other Soviet citizens to help repopulate the east.

With the collapse of the Soviet Union in 1991, Ukraine finally became an independent nation again. Uniting the country, however, proved to be a difficult task. The sense of Ukrainian nationalism was not as deep in the east, previously ruled by the Soviet Union, filled with civilians that had no ability to speak Ukrainian, as in the west, previously also ruled by the Austro-Hungarian empire. In 2004, during the Orange Revolution, thousands of Ukrainians marched to support greater integration with Europe.

Crimea has been a topic of interest too. In 2014, Russia occupied and annexed Crimea, which was followed by a separatist uprising in the eastern Ukrainian region of Donbas. This uprising resulted in the declaration of the Russian-backed People's Republics of Luhanks and Donetsk. Today, Russia and Ukraine find themselves in conflict again.

Major Parties Involved

Ukraine

Ukraine is the main country duped by the war. Since Russia's invasion, the economy has dropped, poverty has risen, destruction has torn through the country. People are broken apart on a day-to-day basis.

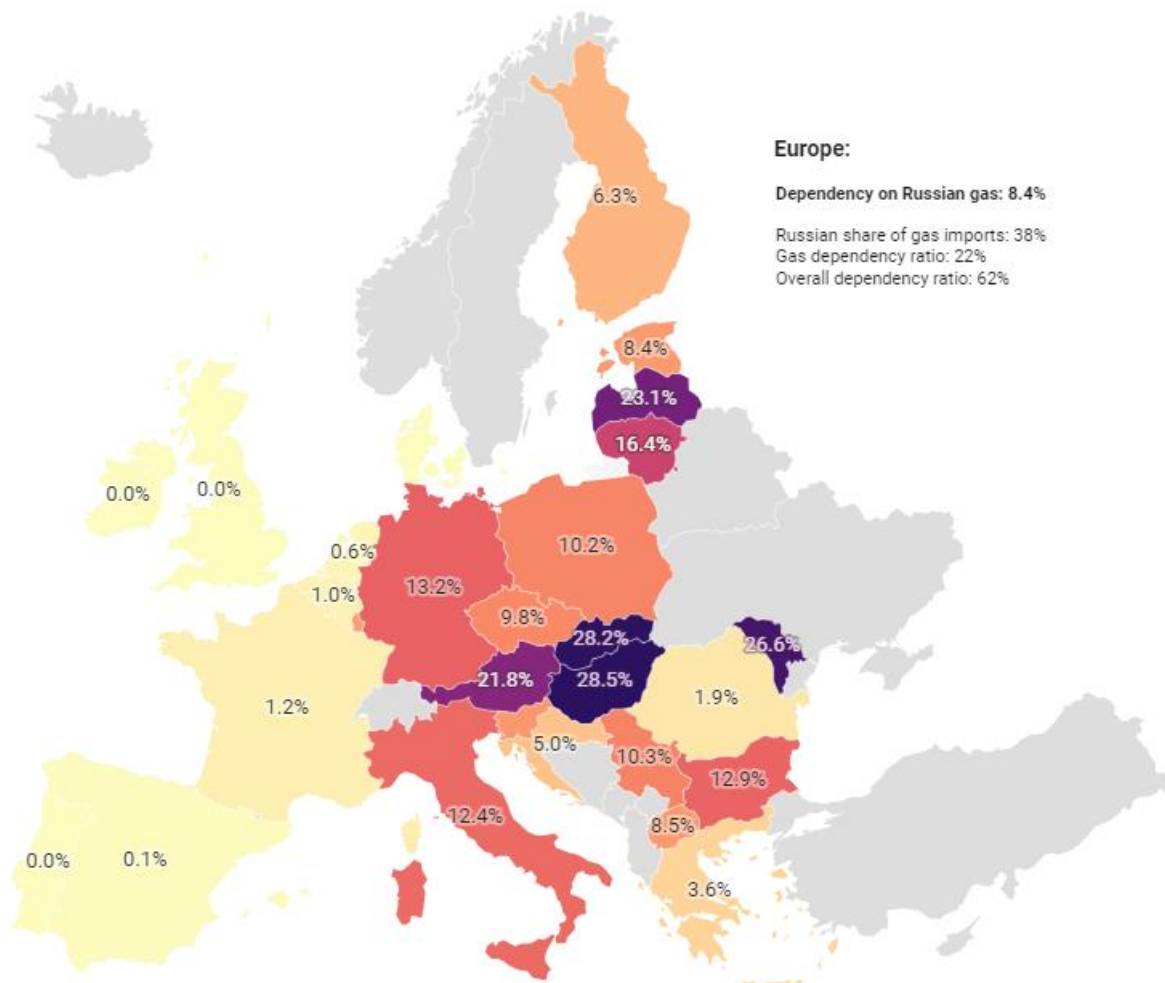
Russia


Russia is the main instigator of the war. Putin claimed Ukrainians and Russians are one people. He thinks that Russia should be in charge, considering Ukraine and Russia are brother nations, and Russia is the bigger brother. Russia has suffered many sanctions by countries across the globe.

EU

The EU economy is suffering greatly from the Russo-Ukrainian war. A short term direct budgetary cost could sum up to 175 billion euro's. The EU is also dependent on Russian gas, contradicting the wishes of canceling finances to Russia.

Dependency on Russian gas
0.0% 28.5%




World

The entire world is affected by the war in Ukraine. Next to the economic issues, many countries are reliant on the foodstuffs that Ukraine produces. Because of Russia's blocks on exporting docks, many countries, that are already close to famine, lose important incomes of food sources.

Previous Attempts to Solve the Issue

Many countries have sanctioned Russia. Russia has however not stopped its aggression, nor has it started trying negotiations. Wide-ranging trade sanctions seemed to have weakened Russia's economy significantly and to have brought the aggression against Ukraine to a halt. EU countries are trying all they can to cut finances to Russia, however there are difficulties, because many countries are reliant on Russia.

Possible Solutions For The Issue

Trade routes need to be reopened to be sure that Ukraine can start to regrow their exports. Further support for those affected both in and outside of Ukraine is important, considering that there are too many who now live in poverty and food-insecurity.

As for Ukraine itself, government innovation and unparalleled effort will be required for a successful recovery. The authorities of Ukraine must work to implement all of the structural changes that other European nations have been undergoing for years, albeit considerably more quickly. These include putting low-carbon production into practice, raising the economy's energy intensity, and enhancing government services through the application of fintech and information technology advancements.

Days after the Russian invasion started, in February 2022, Ukraine formally requested membership in the EU. Although it is unclear at this time if Ukraine will join the EU, doing so would improve the economy of the nation.



Timeline Of Key Events

24th of February 2022: Russia invades Ukraine
28th of February 2022: Ukraine requests membership in the EU
12th of May 2022: Solidarity Lanes are opened
22nd of July 2022: Black Sea Grain Initiative is opened
17th of July 2022: Russia withdraws from the BSGI

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