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HIGH REPRESENTATIVE
VICE PRESIDENT OF THE EUROPEAN COMMISSION



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To Minister for Foreign Affairs from individual country name

Dear Minister,

I address this letter to you and to colleagues around the world to share information and encourage joint action on one of our most widely shared interests: global food security.

On 17 July, nearly one year after it was signed in Istanbul, Russia notified the UN, Türkiye and Ukraine that it would not renew the Black Sea Grain Initiative (BSGI). As underscored by the Secretary General of the United Nations, this crucial initiative allowing Ukraine to bring agricultural exports to global markets through the Black Sea has been 'a beacon of hope in a world that desperately needs it'. As expected, this decision was widely condemned by the UN and by governments around the world, including the European Union, as it further aggravates the global food crisis, putting hundreds of millions of already vulnerable people worldwide at risk. This decision was taken despite the UN's helpful recent proposals to continue the initiative and the UN Secretary General's letter to Russia proposing further steps to address its concerns in a constructive manner.

Russia did not stop at pulling out of the BSGI. Starting just hours after withdrawing from the initiative, Russia has been destroying Ukraine's grain storage facilities and port infrastructure with daily targeted attacks for over a week now, not only in the Black Sea itself but also in the Danube. These attacks and threats against shipping in the Black Sea are having an impact well beyond Ukraine, with negative effects on the global cost-of-living crisis, and most acutely for food-insecure people in import-dependent countries. This is completely unacceptable and should be resolutely condemned by the international community.

Before Russia's war of aggression against Ukraine, a fifth of the world's barley came from Ukraine, as well as a sixth of its maize and an eighth of its wheat. The BSGI was put in place in the first place because of Russia's war of aggression against Ukraine and its blocking of Ukraine's Black Sea ports. It aimed to achieve two main interconnected goals: first, to re-establish a vital route for agricultural exports from a critical global supplier; and second, to lower global food prices, which had spiked to record levels shortly after Russia invaded Ukraine and blocked Ukrainian ports.

Despite many challenges, the BSGI achieved its key purpose, benefitting all food importing countries by contributing to lower global food prices. The export of almost 33 million tonnes of grain and foodstuffs from Ukraine to 45 different countries played an instrumental role in reducing global food prices by over 23% since the record high reached shortly after Russia's full-scale invasion of Ukraine. As public trade data shows, over half of the grain, including two thirds of the wheat, went to developing countries.

In addition, the BSGI ensured continued access to grain for the World Food Programme (WFP). Through the BSGI, Ukraine supplied over half of the wheat procured by the WFP in 2022 and 80% of its wheat in 2023, in support of humanitarian operations in the most food insecure countries like

Afghanistan, Djibouti, Ethiopia, Kenya, Somalia, Sudan and Yemen. Without the Black Sea route, the WFP will have to get its grain elsewhere at higher prices and with a longer lead-time. This will widen even further the gap between needs and resources at a time when the world is facing an unprecedented food crisis.

With the termination of the BSGI, all this is now at risk. As an immediate reaction to Russia's decision to block the deal and bomb Ukrainian ports, wholesale wheat and maize prices saw their biggest increase since the start of Russia's war of aggression, spiking by almost 9 and 8 per cent respectively, on 19 July alone. The increased food price volatility is likely to persist in the foreseeable future, as long as Russia puts global food supply under deliberate stress.

The main beneficiary of blocking the BSGI is Russia and its agriculture sector. Russia will further benefit from higher food prices and increase its own market share in the global grain market by severely limiting its main competitor's capacity to export. This comes on top of Russia's already high export levels and increased income. Publicly available data demonstrates that from 1 July 2022 to 30 June 2023, Russia's wheat exports are estimated to have reached around 45 million tonnes, more than 10% higher than the average for previous years. Russia's fertiliser export revenues increased by 150% in 2022, due to higher prices.

As the world deals with disrupted supplies and higher prices, Russia is now approaching vulnerable countries with bilateral offers of grain shipments at discounted prices, pretending to solve a problem it created itself. This is a cynical policy of deliberately using food as a weapon to create new dependencies by exacerbating economic vulnerabilities and global food insecurity.

In order to divert attention and shift blame, Russia claims that its own agricultural exports were not sufficiently facilitated to continue with the Black Sea Grain Initiative. This is not borne out by publicly available trade data, which shows that Russia's agricultural exports are thriving. The UN Secretary General has underlined that Russia gained important benefits from the Memorandum of Understanding with the UN on fertiliser exports, which had been brokered in parallel to Russia's participation in the BSGI. The UN has worked relentlessly to unblock assets, clarify regulatory frameworks, and engage with the private sector to find dedicated solutions across banking and insurance sectors. These efforts have been conducted in close collaboration with the EU and its partners.

The EU's restrictive measures on Russia are aimed at stopping Russia's war of aggression against Ukraine, and the EU has spared no effort to ensure that sanctions have no impact on the food security of third countries. There are no sanctions on Russia's exports of food and fertiliser to third countries. Additionally, the EU has been fully committed to preventing over-compliance and de-risking activities. We provided extensive guidance to economic operators on the implementation of sanctions, clarifying that the transfer of Russian food and fertilisers to third countries by EU operators and territory is permitted. In December, we introduced a legislative derogation authorising transactions even with sanctioned individuals when they pertain to agricultural trade. The UN worked with its partners to facilitate a bespoke payments mechanism for the Russian Agricultural Bank through a major international bank, outside of SWIFT, to allow food and fertiliser related payments. These are just some examples of the lengths we have gone to in order to support the UN and partners in addressing specific bottlenecks and facilitating global access to food and fertilisers originating from Russia.

We hope that Russia reconsiders its decision. In the meantime, the EU remains fully committed to finding solutions. Concretely, we are active along three main lines of action:

- We will continue to support the tireless efforts of the United Nations and Türkiye towards resumption of the Black Sea Grain Initiative.
- We continue to strengthen our "Solidarity Lanes" as alternative routes for Ukrainian agricultural exports to reach global markets through the EU. The EU's Solidarity Lanes have allowed the export of more than 41 million tonnes of Ukraine's agricultural goods so far, and we are increasing this as much as possible to mitigate the consequences of Russia's termination of the BSGI.
- We increased our financial support to countries and people most in need, working with global partners in our comprehensive Team Europe Response to Global Food Insecurity, providing €18 billion to address food security until 2024, focusing on the most vulnerable regions. We call on all countries to step up their own assistance in support of global food security.

If the international community speaks with a clear and unified voice, Russia might reconsider and resume its participation in this vital initiative. I would like, therefore, to ask for your support in urging Russia to return to negotiations, as well as to refrain from targeting Ukraine's agricultural infrastructure. The world has a shared interest in responsible stewardship of global food security. We owe it to the people most in need.

Yours sincerely,

Josep Borrell Fontelles