

CSB IAS ACADEMY

TOPIC OF THE DAY (DATE: 13.09.2023)

BLACK SEA GRAIN INITIATIVE

WHY IN NEWS?

In the Recent G-20 Summit, New Delhi Declaration called for the resumption of the Blacksea Grain initiative.

Background:

- The deal, brokered by the U.N. and Turkey in July 2022, aimed to alleviate a global food crisis by allowing Ukrainian grain blocked by the Russia-Ukraine war to be exported safely.
- Notably, Ukraine is one of the world's biggest exporters of food grains, such as wheat and corn, and played a significant role in the UN's food aid programmes.
- Therefore, when Russia invaded and blocked Ukrainian ports, prices of food grains soared across parts of the world.
- To convince Russia to agree to it, a three-year memorandum of understanding was also struck with the United Nations under which U.N. officials agreed to help Russia with its food and fertiliser exports.
- The deal had been expired on 17 July 2023.
- **Signatories:** Ukraine, Russia, Turkey, and United Nations.
- **Mirror agreement:** It was not a direct agreement between Russia and Ukraine.

Instead, Ukraine signed an agreement with Turkey and the UN, and Russia signed a separate "mirror" agreement with Turkey and the UN.

Objectives:

- The deal was to provide for a safe maritime humanitarian corridor for Ukrainian exports (particularly for food grains) from three of its key ports: **Chornomorsk, Odessa and Yuzhny/Pivdennyi**.
- Ukraine is among the largest exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil, globally.
- Its access to the deep-sea ports in the Black Sea enables it to directly approach Russia and Europe along with grain importers from West Asia and North Africa.

Why is the Black Sea Grain Initiative Important?

- Ukraine is among the largest exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil, globally.
- Its access to the deep-sea ports in the Black Sea enables it to directly approach Russia and Europe along with grain importers from the Middle East and North Africa.

ABOUT BLACK SEA

- The Black Sea lies between the continents of Asia and Europe.
- It is bordered by Ukraine to the north, Russia to the northeast, Georgia to the east, Turkey to the south, and Bulgaria and Romania to the west.



CSB IAS ACADEMY

- The initiative has also been credited for having made a huge difference to the global cost of living crisis.
- This agreement facilitated the safe export of nearly 33 million metric tons (36 million tons) of grain and other commodities from three Ukrainian ports despite Russia's Ongoing War.
- People hoarding the grain in the hope of selling it for a sizable profit owing to the supply crunch were now obligated to sell.
- Although the initiative alone cannot address global hunger, it can avert the chances of the global food crisis spiralling further, especially when the region is yet to scale prior year levels.

Implementation:

Joint Coordination Centre (JCC)

- The JCC was established to monitor the implementation of the Black Sea Grain Initiative.
- The **JCC is hosted in Istanbul and includes representatives from Russia, Türkiye, Ukraine and the UN**. The UN acts also as the Secretariat for the Centre.
- All commercial ships are required to register directly with the JCC to ensure appropriate monitoring, inspection and safe passage. Inbound and outbound ships (to the designated corridor) transit as per a schedule accorded by the JCC post-inspection.
- This is done so as to ensure there is no unauthorised cargo or personnel onboard.
- Following this, they are allowed to sail onwards to Ukrainian ports for loading through the designated corridor.

What are the Reasons Behind Russia's Exit from the Grain Deal?

- Russia claims that the promises made to it under the deal have not been met, and it is still facing trouble exporting **its own agricultural products and fertilisers** because of the many sanctions the West has slapped on it.
- While there **is no direct restriction on Russia's agricultural products**, the country says barriers on payment platforms, insurance, shipping and other logistics are hampering its exports.
- Russia has also said that **it had agreed to the grain deal in order to help ensure global food security**, but Ukraine has since exported mainly to high-and middle-income countries.
- Russia cited the failure to **uphold a parallel agreement that promised to remove obstacles** to its exports of food and fertilizer as the reason for its withdrawal.
- Russia claimed that shipping and insurance restrictions hindered its agricultural trade, despite its record-breaking wheat exports in recent years.

What is Turkey's Stake at Brokering the Deal?

- **Turkey has played a crucial role in attempting to reinstate the grain deal**. It has consistently pledged to renew arrangements that helped prevent Food Crises in various parts of Africa, the Middle East, and Asia.
- Both Ukraine and Russia are significant suppliers of wheat, barley, sunflower oil, and other essential goods for developing nations.
- Turkey's close ties with Putin during the 18-month Ukraine conflict have positioned it as a vital trading partner and logistical hub for Russia's international trade.
- Despite its NATO (North Atlantic Treaty Organization) membership, **Turkey has refrained from imposing Western sanctions on Russia** following its invasion of Ukraine, highlighting its unique diplomatic position.