**Repercussions of RU invasion of UA on MENA:**

**An initial assessment and menu for possible EU actions**

*The RU invasion of UA is reverberating widely in MENA. While the overwhelming majority of MENA countries voted in favour of a motion deploring RU invasion of at the special UNGA session on 2 March, some countries in the region stand out for their ambiguity or pro-Russian stances. The political and economic ramifications will impact heavily on the region and are likely to be felt at multiple levels.*

*This note provides a first horizontal assessment of some of the likely/possible repercussions in the diplomatic, political and economic sphere. The note also suggests a first menu of possible short and medium term EU actions to counter these negative dynamics at the diplomatic, political and economic levels. Additional medium to long-term repercussions will depend on the duration and outcomes of the conflict and will need to be closely monitored as the war and its ramifications evolve*.

*Context:*

Given the **geopolitical and economic** role that RU has acquired in recent years in the region, MENA countries appear caught in a difficult balancing act, avoiding taking side between the west and RU. **RU is likely to increase its efforts to win MENA** **support, cooperation and markets.** The growing RU international isolation and the EU show of unity and resolve in responding to the RU aggression may provide an **opportunity to increase leverage** in a number of countries, thus countering recent loss of EU influence. **Diplomatic outreach at the bilateral level and with regional groupings should be intensified.**

The conflict in Europe risks to translate into **further deterioration** of the already **precarious security situation of the region**. RU is likely to utilise its positions of strength on the ground (in Syria and Libya), its privileged relations (e.g. in Yemen, or with Iran), or its nuisance power (Western Sahara) to undermine stabilisation policies and foster polarisation and open new conflict fronts in MENA. This could re-ignite hostilities in conflict countries. RU could also strengthen its ties with Iran asking the latter to intensify its regional policy and exert pressures on its proxies. This might result in an increase in tensions in the Gulf which would undermine the limited positive steps achieved so far. **The EU engagement in active and potential conflict countries as well as on Gulf security should be enhanced**, also to counter RU disruptive behaviours**. The EU could offer its good offices to mediate or facilitate local mediation efforts.**

The **economic consequences** of the conflict in UA, of the sanctions to RU and socio-economic repercussions in MENA are likely to be dire, heightening **food insecurity,** vulnerabilities related to **disruption of global supply chains** and **pressure on financial markets**. These dynamics may impact heavily the already fragile post-COVID recovery and cause new waves of social unrest. In the Gulf **investments** in UA and RU will also be impacted. The EU should **foster economic engagement** and offer **mitigation measures** to partners in the region.

**Oil and gas** producing **countries** in the regionstand to benefit from the current hydrocarbons price increase, improving their fiscal position and investment capacity. These countries can play an important role in mitigating the effects of the global energy shock. The EU should **double down on engagement with oil and gas exporting countries** to ensure **redirection of LNG** export to Europe and **increase in oil production** to limit price hikes, while exploring medium to long-term alternatives to reduce dependency on Russian gas.

**Double standards**: Narrative of the West’s double standards and racism against Muslims and people of colour feeling Ukraine is gaining traction across the MENA region. The episodes of discrimination between UA and African/Middle eastern refugees trying to enter the EU are increasingly reported in the media of the region. A Key rhetoric is that **the EU/West adopt double standards** in dealing with UA refugees (compared to Middle-Eastern refugees) or in labelling their fight public resistance, while calling similar issues acts of terrorism in the case of other non-European people (for ex: in Palestine) .

1. **The political and security level**

*Recent years have seen growing RU engagement in the MENA region beyond the traditional allies such as Syria and Algeria. Many countries have intensified bilateral ties with RU, signing ‘strategic partnerships’ and fostering economic relations and arms purchases.* ***Russia for now maintains a military presence in Central and Eastern Libya,*** *through its Private Military Company Wagner (around 1,500 operatives) and several fighter jets in the bases of al Jufra and Ghardabiya. In* ***Syria*** *the regime depends on Russia for military support and diplomatic cover against the implementation of UNSCR 2254, and also as a counterbalance to Iranian ambition. The current context of heightened tensions could have a series of consequences across MENA. Russia could also take a number of direct measures in the political and geopolitical sphere:*

* In **Lebanon:** some individual politicians may use the conflict to enhance their ‘credential cards’ in the eyes of Russia’s influential allies, including the Assad regime, Iran, and Hezbollah, especially ahead of planned Parliamentary elections. Hezbollah, if prompted by Iran and/or Syria, might be forced to take a more vocal stance in support of RU, yet perhaps not to a point to further crippling the government. In **Palestine**, individual positioning of some leaders could create tensions within the Palestinian political bodies and leadership (see the case of Ministers Al Sheikh and Majdalani’s tweets in the first day of the invasion).
* In the Maghreb, Russia’s **nuisance behaviour** could use conflict over the **Western Sahara** to further deteriorate the already tense relationship between **Morocco and Algeria**. A conflict between the two countries would have a major destabilising effect on the region, resulting in increased pressures on the southern European borders. Russia could for instance tempt the **Front Polisario** with increased supplies in arms, pushing it to adopt a more aggressive stance. Russia could also take more radical positions at the UN/UNSC, with the objective of polarising the parties and igniting a crisis.
* Russia’s recent comeback into the **Sahel** through growing military presence and cooperation, as well as the presence of the Wagner Group in **Mali** could have repercussions in **North Africa** and is reason of concern for Rabat. Depending on how Russian military will sustain their action in Ukraine, military presence in the Sahel might be diminished, as was already the case in the Central African Republic.
* **Egypt’s** image of the EU as a reliable and less aggressive partner in an emerging multi-polar system could be challenged by RU’s diplomatic offensive, complicating the relationship with the EU and the West. Egypt’s difficulty in finding an equilibrium among the 4 poles (US, EU, CN, RU) is reflected in the explanatory statement issued after its vote in favour of UNGA’s resolution speaking of crises and not mentioning the belligerents.. EG has requested EU assistance to relocate some 17,000 UA tourist stranded in Sharm el-Sheikh. It may also request EU support (namely PL) to evacuate some 4K Egyptian students currently in UA.
* **Libya** is going through a renewed period of political chaos marked by the coexistence of two parallel governments and risks of resumption of the conflict.. RU could use its leverage to foster polarisation and trigger a new flare up of violence. Moscow has already contributed to heavily **weakening the UN in Libya and could effectively blocking the appointment of a new special envoy and the restructuring of the UN mission in Libya** (UNSMIL). The current mandate could only be extended for a technical rollover until the end of April and the reappointment of a Special Advisor of the Secretary General, Stephanie Williams (opposed by Russia). The polarisation (and therefore the paralysis) will only grow in the UNSC. The Wagner group presence could be reduced or discontinued should the war in Ukraine take longer.
* In **Syria** increased tensions will further reduce the likelihood of West - Russia convergence in stabilising the country. Polarisation is expected to grow, with positions becoming more entrenched and Russia adopting more uncompromising stance and avoiding pressuring Assad. Since July 2021, the US and Russia have worked out a pragmatic arrangement to handle sensitive humanitarian issues, with the US easing its so-called Caesar sanctions on Syria and intensify its support for early recovery and resilience activities and Russia agreeing not to oppose the automatic rollover of the cross border resolution. This understanding and hopes that it could eventually lead to an actual renewal of the resolution are now likely frozen, **impeding even modest progress on humanitarian** issues. **On the military front**, Assad could take advantage of the situation and **provoke a confrontation in north east Syria**. **Military de-confliction between Russia and the US could break down** and hostilities ensue between the two in Syria. The conflict in UA is likely to diminish the diplomatic and public opinion’s attention to the Syria conflict.
* In **Yemen,** Russia has maintained a pragmatic neutrality in conflict, keeping a **close relationship with the UAE-backed Southern Transitional Council (STC) and the Houthis**. Russia seeks to reinforce its close cooperation with the STC, with the goal to reinforce its military presence in Bab el-Mandeb Strait as it is its entry point into the Horn of Africa. **AA and the STC** have started using the war in Ukraine to feed their **separatist, secessionist or expansionist agendas**. AA, which sees Russia as a potential, reliable backer against the West-supported Saudi-led coalition, has publicly expressed its support to the Russian aggression, interpreted as a legitimate military response aimed at reducing NATO's influence. The STC, following Emirati positions, could likely question the current alliances of circumstances with the GoY, undermining the ongoing initiatives to improve the representation of all political currents in the government apparatus.  Yemen, which is known to be one of the worst humanitarian crisis in the world is **expected to receive less funding** ina pledging conference for Yemen due to take place in March
* **Israel** has taken a cautious approach due to its close ties to both Russia and Ukraine and large Jewish minorities in both countries (including the President of Ukraine himself). In Israel, home to some 1.5 million native Russian-speaking citizens - generally proud of their heritage but **not all look favourably at the current Russian regime** – the crisis could make the interplay between domestic and foreign policy tricky and even cause unrest. IL is also interested to pursue its strategic objectives in Syria (Hezbollah and Iran) where maintaining the understanding with RU is crucial, especially Israel’s access to Syrian airspace. Israel vote in favour of the UNGA resolution should be seen as a significant decision.
* The **Palestinian Authority** and President Abbas have been very cautious, due to traditional ties with Russia and its role in the Quartet, which the Palestinians would like to see reinvigorated in order to work towards relaunching peace talks. **On the MEPP,** despite being perceived as historically close to the Palestinians, **Russia has taken a very low profile** as it saw potentially only limited gains (on an issue with limited prospects of achieving progress, and dominated by the US role). TheIL refrains from criticisms on Russia - for example for its consistently pro-Palestinian voting record in the UN (whereas the EU and its MS are vehemently criticized despite taking more balanced positions). Should Moscow decide to pressure IL more following IL’s condemnation of the RU invasion of UA, **RU might chose to become more vocal about issues related to IL’s occupation of the oPt.**
* For the **Gulf countries,** the situation could provide new leverage **to double down on regional policies** in Middle Eastern and North African states. Both **Qatar and Saudi Arabia** will likely seek to use the energy dynamics to strengthen their positions. Russia’s growing partnership with the UAE and the deepening of its relations with KSA may also play a role in shaping Gulf countries attitudes. They **will try hard to remain impartial** and will not be shy in continue engagement with Russia. However, sustaining the delicate balancing act between the EU/US and Russia will be increasingly difficult, particularly for the **UAE**, **especially after the country received critical defence and security support** from the US following the Abu Dhabi attack. A UNSC Resolution **referring to the Houthis** as a terrorist organisation was adopted on 2 March.

* **Iraq** security concerns, including the situation in Syria and notably NorthEast Syria (NES) will shape the country’s stance. Speaking about KRI, the Kurds could be threatened by some Russian moves in the NES and some clashes with SDF (Self defence forces) could cause new waves of refugees.
* **Iran** and Russia, could **intensify political and economic cooperation** as a consequence of the UA conflict. This could result in closer cooperation in international forums (UN, UNSC on JCPOA/UNSCR 2231) - where RU has been supportive of Iran in the context of in particular US maximum pressure - or in regional groups such as the Shanghai Cooperation Organisation and Eurasia Economic Union (Iran-EAEU has a FTA, with significant IR-RU trade volumes). RU could also ask Iran to double down on its regional policies, **increasing pressure on its proxies** in Iraq, Lebanon and Yemen to further destabilise the security situation. Both countries are members of the **Astana format**, and as such cooperating on paper to support Syrian President al-Assad. In reality the two countries are competitors over influence on the Syrian territory. No major change is expected on this file.

1. **The economic sphere**

*The major economic impact is likely to be felt through energy shock (for oil importing countries) and grain price hikes as well as possible trade disruption of wheat exports from UA and RU (together provide 40% wheat and mays to MENA). Import of these commodities increases in the weeks preceding the start of Ramadan (2 April). Sanctions to Russia are also likely to have an impact on MENA economies.*

*Food insecurity*

* **Food insecurity**, with wheat price increases and import disruption will be felt strongly in **Lebanon** and **Yemen,** which already face a extremely dire economic situation. Food commodities price rise will also impact **Israel** (a majority of Ukrainian imports to Israel are raw agricultural materials like grains, and food products), **Egypt**, the world’s biggest importer of wheat,imports over 80% of its wheat from RUS and UKR, **Morocco**, currently hit by the worst drought in 30 years, will likely have to import more than 10 million tonnes of cereals compared to 8 million tonnes last year; and **Tunisia**, where cereal import dependency in 2009 – 2017 was approximately 63%. More than half of the imported cereals are wheat, sourced mostly from Ukraine making the country highly sensitive to import disruption. In **Jordan**, which claims to have a 12 months stock in wheat, authorities are looking for alternatives supply countries to be prepared for a prolonged Russian-Ukrainian war and an accompanying congestion in global supply chains. There are concerns about food price increase and potential social unrest amidst already volatile economic and post-COVID-19 fragility.

*Economy*

* The **fragile post-COVID recovery** in MENA is likely to be negatively affected in non-oil and gas exporting countries. Rising inflation, a possible global economic downturn and continuing problems in the global supply chain will affect the economies of the region.

In countries **Tunisia** or **Lebanon** this situation will intensifying fiscal fragility and political instability. **Qatar,** which has invested significantly in Ukraine in the last years, mainly due to food security reasons, may be negatively affected.

* **Sanctions** to RU will also impact the MENA economies. The **Russian supplies of raw materials** to MENA countries, such as metals, will likely experience a decline and thus lead to price spikes. Shipping of Russian commodities will be more difficult, as operations at several ports is disrupted due to military activities. The navigation movement from the Black Sea through the Suez Canal might be affected having repercussions on Egypt’s state revenue. In addition, several of the **targeted Russian banks**, such as Sberbank, have offices in MENA countries and might no longer be able to operate while **banning from SWIFT**is in force , reducing trade. Countries with higher trade shares with Russia, such as the UAE, Egypt will be especially affected. Several MENA countries such as Egypt, Tunisia and the UAE, will experience **a decline in tourist revenues** due to likely stop in **Russian (and UA) tourists**. In addition, airlines from MENA countries will no longer be able to operate flights to EU destinations with transit in Russia. Egypt’s and other **emerging financial markets** could be affected as foreign investors start to turn away from emerging markets and withdraw their money from the country.

1. **Energy**

*The OPEC+ agreement with RU provides countries in the region (KSA and UAE) with an important rational to keep good relations with RU.* ***Oil & gas*** *exporting countries of the region stand to gain in the short term from rising energy prices. However, they are also wary of its possible long term destabilising effects of the war on global markets. The war in Ukraine underlines Europe’s dependency on Russian gas and increases the importance of diversification of supply, including from MENA.*

* On **LNG imports, EG** is set to expand its energy exports (LNG) with the EU. **Qatar**, the world’s second-largest producer of LNG will also benefit from the situation. The EU continues its engagement with Asian countries to redirect LNG exports to Europe. **Algeria** will remain a reliable energy supplier to the EU (mainly Spain and Italy). Algeria would consider positively European demands of increased supply but large gas exports increases are unlikely in the short term, as production is stable and domestic consumption increases fast. Also tensions between Algiers and Rabat have already halted energy exports through the pipeline that connects Algeria and Spain. **Algeria** could also use the current high energy price bonanza to increase investments in exploration and production by its oil & gas giant Sonatrach.
* Countries on the **EastMed gas fields** may benefit in the long term from the crisis by renewed attention to the prospects of building pipelines and electricity interconnectors to Europe.
* On **Oil, KSA** has promised to increase production to keep the oil price under control, but has so far refrained to do so. While the oil price earound or above 100 USD is beneficial for KSA in the short term, excessive price hikes will affect adversely its long term interest and its credibility as a reliable oil exporting actor. The US will maintain pressure on KSA to increase production.
* In **Iraq**, Russia showed interest and tried to further expand influence in Iraqi oil fields. To recall that Russia and Iraq have been tussling over production and profits at the West Qurna 2 oil field for years. In Kurdistan, the pipeline going to Turkey is a long-term lease where Rosneft has 66% shares. Gazprom has investments in Suli area for 20 years.
* In the long run, **Libya** could be an important energy partner, with a major gas pipeline in western Libya, but Russia could complicate these dynamics further by leveraging its presence in eastern Libya and the country’s oil fields to disrupt energy flows to Europe.
* Also in the long run, should the political situation allow**, Iran significant oil and gas reserves** could make a comeback to the global market, providing an alternative to Russia supply.

1. **Disinformation / narratives**

*Coverage in pan-Arab media is mostly factual and balanced, with a good representation of the EU and western views. However, there are occasional incidents of spinning and of pushing of RU disinformation and propaganda, but these episodes could increase.*

*The main issues in the Arab media and social media are as follows*

* *Initially the EU/West were seen as weak vis-à-vis RU****. However, there has been a shift*** following the adoption of unprecedented restrictive measures and sanctions (including SWIFT) as well as the EU funding of arms (including lethal arms) to UA.
* The **ban of RT and Sputnik** is being interpreted as suppression of freedom of expression and of media.
* Syrian fighters are discussing routes to Ukraine to go fight RU there. In parallel, there are chatters of a possible new migration route to Ukraine taking advantage of the visa waiver for fighters. The objective would be to then cross the border into Poland.
* **Double standards**: Narrative of the West’s double standards and racism against Muslims and people of colour feeling Ukraine is gaining traction across the MENA region. Accusations also focus on the perceived different EU response to the Ukraine situation on one side, and Palestine / Syria on the other.
* The ***religious narrative***. Some argue that the West is mobilised to defend Christian UA, while it left RU destroy and kill Muslims in SY (and elsewhere).
* **T*he crisis could potentially be exploited vis-à-vis regional rivals or even at a local level***.

***SOME INITIAL OPERATIONAL CONCLUSIONS***

1. **Communication / Narratives / Fighting disinformation**

* Develop a cohesive narrative and increase messaging also on EU’s response to refugee crisis and highlight the role the EU played also in 2015 by welcoming Syrian refugees fleeing the war.
* Develop have strong arguments to counter narratives, about the double standards / third country nationals refugees.

1. **The consular level**

* Together with the Commission and EU MS, provide support to UA tourists stranded in MENA (currently 16K in EG in Sharm el Sheikh). More cases are likely to come up in other countries. We could offer assistance to facilitate the solution of the issue and assist evacuation to EU MS where possible.
* We could also facilitate access to the existing programs (e.g. IOM), to facilitate repatriation of MENA nationals escaping from UA.

1. **The economic level**

* The EU should **increase economic engagement** and discuss **mitigation measures** with partners in the region, for instance by offering **subsidised wheat purchases** in needy MENA countries.

1. **Energy**

* The EU should increase engagement of oil and gas producing countries such as Algeria to play a bigger role in reducing EU gas dependency from Russia
* It should also continue to engage with Qatar on LNG also in view of the current contracts with Asian countries expiration in 2023-25
* The EU could also Increase its active stance on EastMed gas.

1. **The political and geopolitical level**

* Explore the feasibility of a regional initiatives on Gulf security in the aftermath of the JCPoA conclusion
* Take advantage of the overwhelmingly positive and almost united vote at UNGA to uphold our narrative for enhanced multilateralism and the rule of law notably towards MENA regional organisations such as the GCC and LAS
* Continue to proactively to engage with MENA countries to explain the EU position and in view of possible future motions (e.g. ceasefire).
* Better explain the sanctions, reassuring partners and offering assistance to help to mitigate the effects.
* Enhance the profile of the upcoming Syria conference.
* Engage with key countries such as Gulf countries proposing joint initiatives on issues which are important to them in the wider multilateral arena (e.g. add AA individuals recently listed by US and UAE to the EU sanctions list: as well as with the Arab group / OIC)
* Focus on formats where the Russians are not present (for instance, when it comes to MEPP, instead of the Quartet, to work on alternative fomats like the Munich format (EU , FR, DE, JO, EG).
* Engage wherever possible with the Ukrainian communities and Russian communities (for ex: through our EU DEL in Tel Aviv in Israel).