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Middle East and North Africa: Implications of 2022 Russia-Ukraine War

June 15, 2022

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R47160

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SUMMARY

R47160

June 15, 2022

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Middle East and North Africa: Implications of 2022 Russia-Ukraine War

The 117th Congress is examining the global implications of Russia's February 2022 invasion of Ukraine and the ensuing war while considering Ukraine-related legislation and FY2023 authorization and appropriations proposals, and conducting oversight of Biden Administration policies. This report provides information and analysis on the effects that Russia's invasion of Ukraine and the ensuing war are having on the countries of the Middle East and North Africa (MENA), a region of continuing strategic and foreign policy salience to Congress and to U.S. strategic interests.

Russia's war against Ukraine has both direct and indirect effects on the countries of the MENA region, imposing costs on the region's populations and posing dilemmas for its leaders. The Russia-Ukraine war and its side effects amplify the risk of instability in the MENA region and introduce new complexities to some regional relationships. The most practical and immediate implications may come as a result of fiscal, societal, and humanitarian effects in the MENA region, particularly through energy and food commodity market changes.

- Many MENA countries are net importers of food products and agricultural commodities, and several rely on imports from Russia and Ukraine that Russia's invasion and blockade of Ukraine's Black Sea ports have disrupted. Higher food prices and limited commodity availability are creating economic, public health, and political challenges in some MENA countries. Increased humanitarian needs in Yemen, Syria, and Lebanon, compounded by food and energy price inflation, are generating corresponding calls for increased donor contributions. The Administration has pledged to increase food assistance for some affected countries, including Yemen, amid competing needs in other areas of the world.
- The Biden Administration has sought diplomatic and energy market support from MENA partners in responding to the war. These partners' responses have varied, as governments have considered their discrete interests, priorities, and ties to Russia and the United States. Higher energy prices in 2022 are putting pressure on energy importers like Jordan and creating opportunities for exporters like Saudi Arabia and Iraq. Some regional governments may seek to use their relative coordination with or resistance to U.S. requests as leverage in discussions with the United States on other issues. Congress may assess the responsiveness, alignment, and needs of U.S. partners in the region as it considers the Administration's proposals for foreign assistance, defense aid, and arms sales.
- Russia's military presence and the operations of Russian private military companies in the MENA region reportedly have not changed significantly since Russia invaded Ukraine in February 2022, though the press has reported some personnel movements. Congress and the Administration may continue to monitor the presence and operations of Russian forces, along with the war's second-order effects on Russia's defense exports and security ties to the MENA region.
- Russia's aggression against Ukraine and U.S. efforts to coordinate multilateral responses invite scrutiny of MENA countries' defense and security ties to Russia, their economic and energy cooperation with Moscow, their positions on sanctions against Russian targets, and their diplomatic posture in international institutions. Emergent dynamics (e.g., the decision by some U.S. regional partners to abstain from U.N. votes related to Russia's actions in Ukraine) may be rooted in deeper shifts and may outlast the immediate conflict.

To date, Congress and the Biden Administration have acted to make additional food assistance funding available to meet developing needs. The Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128) appropriated more than $4.3 billion in International Disaster Assistance funding, including for food assistance in Ukraine and "in countries impacted by the situation in Ukraine," along with support to global food security programs through the Economic Support Fund (ESF), the U.S. Department of the Treasury, and the U.S. Department of Agriculture. It remains to be determined whether these funds will be used to assist MENA countries.

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Overview and Possible Issues for Congress

Russia's February 2022 invasion of Ukraine and the ensuing war (hereinafter the Russia-Ukraine war) are affecting the countries of the Middle East and North Africa (MENA) region directly and indirectly. The war poses immediate strategic and diplomatic policy questions for MENA country leaders, and its second order effects on security relationships, energy markets, economic stability, and food security may have significant consequences for populations and governments in the region. The effects of the war challenge and/or benefit MENA countries differently; lower-income and conflict-affected countries face added pressures, while wealthier countries may adapt, with some energy producers buoyed by higher export revenues.

U.S. officials and Members of Congress may examine how underlying security dynamics, strategic ties, and socio-economic conditions are shaping MENA counterparts' reactions. Congress may weigh partner governments' policies and responses to Russia's invasion of Ukraine when considering U.S. relations and programs with those governments. Congress may consider whether or how authorizations and appropriations for FY2023 foreign assistance and defense activities in the MENA region might address conditions stemming from the war, including needs for humanitarian or food security assistance. U.S. sanctions relating to Russia, and how sanctions may be implemented in and affect the MENA region, represent other potential issues before Congress. The decisions of MENA region oil producers may receive continued congressional scrutiny in the context of concern over domestic fuel prices in the United States. Congress also may consider how oversight practices and provisions developed to monitor and shape U.S. security assistance programs in the MENA region in recent decades might inform congressional oversight of expanding U.S. assistance to Ukraine and countries affected by the Russia-Ukraine war.

Implications for the Middle East and North Africa

Regional Security and Defense Relationships

Since 2013, Russia has intensified its security sector engagement in the Middle East; Moscow's military intervention in Syria from 2015 onward is the most prominent element. In parallel, successive U.S. administrations have elevated responding to strategic competition from Russia and China as a U.S. regional objective.[1] Russia's stepped-up engagement appears to be the product of a sustained effort by Russian authorities, led by President Vladimir Putin, to restore Russia's economic, military, and geopolitical influence in a region once considered a key arena of U.S.-Soviet geopolitical competition. Other possible explanations for Russia's activities have included a) increasing alignment between Russia's military capabilities and its longstanding aspiration to conduct foreign relations befitting a great power; b) Russia's desire to diversify economic relations given U.S. and European sanctions; and c) a perceived opportunity by Russia to court regional leaders who seek leverage against U.S. pressures or, in the case of traditional U.S. partners, harbor concerns about the reliability of U.S. support.[2]

[1] See Statement of General Kenneth F. McKenzie, Jr., on the Posture of U.S. Central Command, and of General Stephen Townsend on the Posture of U.S. Africa Command, to the Senate Armed Services Committee and House Armed Services Committee, March 15, 2022 and March 17, 2022, respectively.

[2] This paragraph draws on CRS Report R46761, *Russia: Foreign Policy and U.S. Relations*, by Andrew S. Bowen and Cory Welt.

The Russia-Ukraine war may have implications for Russia's expanded regional presence. In 2013, Russia established a permanent naval squadron in the eastern Mediterranean, supported by its longtime naval base and logistics hub in Tartus, Syria, and under operational command of Russia's Black Sea Fleet.[3] Since 2015, Russian air and land forces have enabled the government of Syrian President Bashar Al Asad to contain the insurgency challenging his rule. In the buildup to its 2022 invasion of Ukraine, Russia transited significant naval forces from its three other naval fleets through the Mediterranean into the Black Sea.[4] Since 2021, some U.S. officials have expressed concern about Russia's plans to establish a naval facility on Sudan's Red Sea coast.[5]

As Russia's attacks against Ukraine continue, it may restructure its expanded MENA presence. Reportedly, Russian forces in Syria have repositioned and consolidated since February 2022 to enable possible redeployment to Russia, prompting Iranian and Iran-backed local forces that also back Asad to increase and shift their presence in Syria to compensate.[6] In June, a U.S. Defense Department official said, "we have not seen a notable change in Russian activities in Syria."[7]

Western officials and media reports have alleged that Russian private military company (PMC) personnel, including the Wagner Group, have relocated from Syria and multiple other conflict zones to participate in Russia's war in Ukraine.[8] A U.S. senior defense official said on background in May 2022, "we know the Wagner Group has been operating in the Donbas [eastern Ukraine] and that they have recruited from places like Syria and Libya and that they use Syrian and Libyan fighters, but I couldn't give you an exact number or exactly where they're geolocated."[9]

Russia remains the second largest major weapons exporter to the region, after the United States, and Russia's inability to achieve its military objectives in Ukraine quickly could lead some of Russia's defense partners such as Algeria and Egypt to question ongoing arms procurement relationships.[10] In addition, the United States and its allies have strengthened existing sanctions on Russian arms sales, Russia's defense industry and Russian PMCs, including via acts of Congress, with potential adverse implications for purchasers of Russian arms in the MENA

[3] Jonas Kjellen and Aron Lund, "From Tartous to Tobruk: The Return of Russian Sea Power in the Eastern Mediterranean," Swedish Defense Research Agency, February 2022; and Nicholas J. Meyers, "The Significance of the Turkish Straits to the Russian Navy," Foreign Policy Research Institute (FPRI), March 4, 2022.

[4] Paul McLeary, "Dangerous Moment:' Russian Naval Buildup Hits Cold War Levels," *Politico*, February 10, 2022.

[5] E.g., House Armed Services Committee, "The FY2022 Defense Authorization Request for U.S. Africa Command," hearing, April 20, 2021; Senate Foreign Relations Committee, "Sudan's Imperiled Transition," hearing, February 1, 2022; Michael M. Phillips and Nicholas Bariyo, "U.S. worries Sudan is close to leasing Russia a Red Sea Base," *Wall Street Journal*, March 2, 2022; and Reuters, "Hemedti says Sudan should be open to naval base accord with Russia, or others," March 3, 2022.

[6] Walid Al Nofal, "Amid war in Ukraine, Russia withdraws and Iran expands in Syria," *Syria Direct*, May 4, 2022; Times of Israel, "Russia said to pull troops from Syria to bolster forces in Ukraine," May 8, 2022; Tiina Hyyppä and Aaron Pilkington, "How the Ukraine crisis could make the Syrian civil war worse," Monkey Cage (blog), *Washington Post*, May 24, 2022.

[7] Deputy Assistant Secretary of Defense for the Middle East Dana Stroul, testimony before the Senate Foreign Relations Committee, "The Path Forward On U.S.-Syria Policy: Strategy And Accountability," hearing, June 8, 2022.

[8] See CRS In Focus IF11650, *Russian Private Military Companies (PMCs)*, by Andrew S. Bowen. See also Samer Al-Atrush and Laura Pitel, "Russia Reduces Number of Syrian and Wagner Troops in Libya," *Financial Times*, April 28, 2022. One March 2022 report suggested a few hundred Syrian nationals had travelled to Russia in support of Russian operations. Ben Hubbard, Hwaida Saad, and Asmaa al-Omar, "Syrian Mercenaries Deploy to Russia en Route to Ukrainian Battlefields," *New York Times*, March 31, 2022.

[9] U.S. Department of Defense, "Senior Defense Official Holds a Background Briefing," May 4, 2022.

[10] For one such argument, see Kirsten Fontenrose, "What Russia's Invasion of Ukraine Means for the Middle East," Defense One, May 26, 2022.

region.[11] Observers also expect Russia's defense industry to lose access to key components due to sanctions (alongside significant equipment losses in battle), making it less likely that Russian exporters will meet production targets or fulfill arms contracts for MENA buyers.[12]

Ukraine's defense trade partners in the Middle East also may face challenges. In May 2022, Combined Joint Task Force-Operation Inherent Resolve (the U.S. and allied command responsible for combatting the Islamic State) reported that the conflict in Ukraine would idle some Russian-built military helicopters in **Iraq** that support Iraqi army operations, "as they are reliant on maintenance services provided in Ukraine."[13]

Any decline in the attractiveness of Russia as a military partner and source of arms could create opportunities for the United States, but closer U.S. security partnerships with some MENA region governments might spur additional attention to longstanding debates over democracy, human rights, and the regional military balance. **Egypt** may provide one illustrative example of these dynamics. Since 2014, Egypt and Russia have strengthened their ties in various ways, including through arms deals and joint military exercises. Between 2017 and 2021, Egypt was the third-largest arms importer globally (after Saudi Arabia and India), with Russia, France, and Italy being Egypt's principal suppliers.[14] Since 2018, there have been periodic reports of Egyptian plans to purchase Russian Sukhoi Su-35 Multi-Role Fighter Aircraft, a move that could potentially trigger U.S. sanctions under the Countering Russian Influence in Europe and Eurasia Act of 2017 (Title II of the Countering America's Adversaries Through Sanctions Act of 2017, as amended; P.L. 115-44; 22 U.S.C. §§9501 et seq.).[15]

How Egyptian and U.S. leaders might evaluate the sanctions risk against other factors—including the comparative cost of alternative systems, Egypt's desire to balance U.S. and Russian defense relations, and other issues of concern in U.S.-Egypt relations—is uncertain. For years, Egypt has sought to upgrade its U.S.-supplied combat fighter aircraft to more advanced platforms; Egypt's government may have requested that the Trump Administration provide it with the F-35.[16] In mid-March 2022, outgoing CENTCOM Commander General Frank McKenzie stated at a Senate Armed Services Committee hearing that the United States may sell the F-15 fighter aircraft to Egypt.[17]

Congress may weigh the value of seeking an Egyptian pledge to cancel procurement of Russian aircraft in exchange for being able to buy American ones against ongoing concern about Egypt's

[11] Section 231 of the Countering Russian Influence in Europe and Eurasia Act of 2017, Title II of the Countering America's Adversaries Through Sanctions Act (CAATSA; P.L. 115-44; 22 U.S.C. §§9501 et seq.). For more see CRS Report R45415, *U.S. Sanctions on Russia*, coordinated by Cory Welt and CRS Report R46937, *Russian Arms Sales and Defense Industry*, by Andrew S. Bowen.

[12] Daniel Michaels and Matthew Luxmoore, "Russian Military's Next Front Line: Replacing Battlefield Equipment Destroyed in Ukraine," *Wall Street Journal*, April 25, 2022.

[13] Combined Joint Task Force Operation Inherent Resolve (CJTF-OIR) views reported in Lead Inspector General for Overseas Contingency Operations (LIG-OCO) Quarterly Report to Congress on OIR, January 1, 2022–March 31, 2022, May 2022.

[14] "Trends in International Arms Transfers, 2021," Stockholm International Peace Research Institute (SIPRI), March 2022.

[15] See CRS Report R45415, *U.S. Sanctions on Russia*, coordinated by Cory Welt.

[16] Ali Dizboni, Karim El-Baz, "Understanding the Egyptian Military's Perspective on the Su-35 Deal," The Washington Institute for Near East Policy, *Fikra Forum*, July 15, 2021.

[17] Senate Armed Services Committee, "The Posture of United States Central Command and United States Africa Command," hearing, March 15, 2022.

poor human rights record.[18] During an April 2022 Senate Foreign Relations Committee hearing on the FY2023 Department of State budget request, Secretary of State Antony Blinken remarked in an exchange with Senator Chris Murphy on Egypt military aid conditionality that

> This is a critical time too in the relationship with a number of countries, particularly countries that may be reconsidering their own relationships and potential dependencies on Russia. They're seeing how Russian military equipment is performing or not performing in Ukraine. They're seeing growing challenges to Russia being able to sustain and ultimately export its … military equipment. They're making different decisions about the future. That presents a strategic opportunity for us when we want to make sure that we also have flexibility to take advantage of. But I completely share your focus on and concern about human rights, including in Egypt. It is, it will remain a central part of our policy even as we work to strengthen what is a—a vital partnership for us.[19]

Leaders in **Israel** appear to be calibrating their responses to the Russia-Ukraine war carefully. Russia's military presence and air defense capabilities in Syria could affect Israel's ability to conduct airstrikes there,[20] but reportedly Russia has generally refrained from seeking to thwart such airstrikes via a deconfliction mechanism with Israel.[21] Israel has used access to Syrian airspace to target Iranian personnel and equipment, especially those related to the transport of munitions or precision-weapons technology to Hezbollah in Lebanon.[22] In May 2022, a Russian-origin S-300 air defense system in Syria reportedly fired on Israeli jets for the first time, raising questions about the status of Israel-Russia airspace deconfliction.[23] After Israeli strikes reportedly disabled the Damascus airport in June, a Russian official condemned the strikes as "violating the basic norms of international law" by targeting civilian infrastructure.[24]

Despite entreaties from Ukrainian officials, Israel has refrained to date from providing lethal assistance to Ukraine or approving third-party transfers of weapons with proprietary Israeli technology.[25] This is probably due in part to Israeli leaders' concerns over Syria. Additionally, some observers debate the influence of Russian-speaking businessmen and politicians on Israeli policy.[26] In May 2022, reports surfaced that Israel was considering the possibility of providing defensive equipment, personal combat gear, and/or warning systems to Ukraine's military—

[18] See U.S. Department of State, Country Reports on Human Rights Practices, Egypt, 2021; and CRS Report RL33003, *Egypt: Background and U.S. Relations*, by Jeremy M. Sharp.

[19] Senate Foreign Relations Committee, "Review of the FY 2023 State Department Budget Request," hearing, April 26, 2022; transcript via Bloomberg Government.

[20] Arie Egozi, "Israel Shifts to Standoff Weapons in Syria as Russian Threats Increase," *Breaking Defense*, July 27, 2021.

[21] Jacob Magid, "Russia says military coordination with Israel in Syria will continue as usual," *Times of Israel*, February 27, 2022.

[22] Zev Chafets, "Why Israel Won't Supply the Iron Dome to Ukraine," *Bloomberg*, March 11, 2022.

[23] Dan Parsons and Tyler Rogoway, "S-300 Surface-To-Air Missile Fired at Israeli Jets over Syria for First Time: Report," *The Drive*, May 16, 2022.

[24] Emanuel Fabian, "Shuttering Damascus airport, Israel ramps up its efforts to foil Iran arms transfers," *Times of Israel*, June 12, 2022.

[25] Barak Ravid, "Scoop: Israel rejects U.S. request to approve missile transfer to Ukraine," *Axios*, May 25, 2022.

[26] Patrick Kingsley, "Israel's Cautious Tone on Ukraine Puts Focus on Israeli Oligarchs," *New York Times*, April 11, 2022. For more information on Israeli responses to Russia's invasion of Ukraine, see CRS Report R44245, *Israel: Background and U.S. Relations in Brief*, by Jim Zanotti.

partly owing to Western pressure.[27] Later in May, the Israeli defense ministry announced an initial shipment of helmets and flak jackets to Ukrainian rescue forces and civilian organizations.[28]

Diplomacy

Governments in the MENA region have adopted varying diplomatic positions toward the Russian invasion and the war. An Arab League statement released on February 28, 2022 called for dialogue to preserve security and end the fighting and did not condemn Russia's invasion.[29] The Arab League subsequently offered to mediate between Ukraine and Russia and sent a delegation to Moscow and Poland for consultations in April 2022. Gulf state officials consistently have called for dialogue. They engaged with Russian Foreign Minister Sergei Lavrov in June 2022.[30] Analysts note Gulf state concerns for preserving international norms against aggression, but suggest that some Gulf governments may accept Russia's stated rationale about potential security threats from Ukraine and may seek to preserve their own prerogatives with regard to acting against potential cross-border threats.[31]

Among Arab states, only Syria has voted with Russia consistently in United Nations bodies (see **Appendix**). Others have voted against Russia, abstained, or chosen not to vote on various questions. The UAE, while holding the U.N. Security Council presidency in February 2022, notably abstained in the Council vote that month on convening a special emergency session of the U.N. General Assembly to address the situation in Ukraine. The UAE later voted to condemn Russian aggression but joined Saudi Arabia and several other MENA region states in abstaining in the vote on suspending Russian participation in the U.N. Human Rights Council.

Israel has publicly condemned Russia's 2022 invasion of Ukraine through statements and votes in international fora, while seeking to retain constructive bilateral relations with Russia.[32] Israeli officials reportedly have served in some instances as communicators between their Russian and Ukrainian counterparts.[33] As noted above, as of May 2022, Israel's government remained unwilling to provide lethal military assistance to Ukraine or approve the third-party transfer of weapons using Israeli-licensed technology,[34] but reportedly has contemplated providing defensive equipment. Meanwhile, Israeli leaders appear to have sought to provide some political support for Ukraine and humanitarian relief for Ukrainians—including allowing over 15,000 Jewish and non-Jewish refugees to enter Israel—without alienating Russia.[35] Israel-Russia diplomatic tensions

[27] Yaniv Kubovich and Jonathan Lis, "Israeli Officials Inclined to Increase Ukraine Aid in Face of Russian Atrocities," haaretz.com, May 3, 2022; Anna Ahronheim, "Israel to increase military, civilian aid to Ukraine – report," jpost.com, May 4, 2022.

[28] "In first, Israel sends 2,000 helmets, 500 flak jackets to Ukraine," *Times of Israel*, May 18, 2022.

[29] Mohammed Abu Zaid, "Arab League following Ukraine developments with 'great concern,'" *Arab News*, February 28, 2022.

[30] Saudi Gazette, "Lavrov meets GCC foreign ministers in Riyadh," June 01, 2022.

[31] For discussion, see Kristian Coates Ulrichsen, "The GCC and the Russia-Ukraine Crisis," Arab Center in Washington, DC, March 22, 2022; and Hudhaifa Ebrahim, "Saudi Arabia Offers To Mediate Russian-Ukrainian Crisis," themedialine.org, June 1, 2022.

[32] Within Israel's coalition government, Prime Minister Naftali Bennett has condemned some occurrences without specifically blaming Russia, while Foreign Minister (and Alternate Prime Minister) Yair Lapid has directly accused Russia of war crimes. "Lapid explicitly accuses Russia of war crimes, a first for a top Israeli official," *Times of Israel*, April 5, 2022.

[33] Barak Ravid, "Israel's Bennett emerges as key mediator between Putin and Zelensky," *Axios*, March 9, 2022.

[34] Barak Ravid, "Scoop: Israel rejects U.S. request to approve missile transfer to Ukraine," *Axios*, May 25, 2022.

[35] Isabel Kershner, "Israelis Debate How Many, and What Kind of, Refugees to Accept," *New York Times*, March 24,

spiked in early May 2022 over comments by Russian officials suggesting that Israel was supporting neo-Nazis in Ukraine,[36] though leaders of the two countries later appeared to have moved past the controversy.

While expressing support, in principle, for Ukraine's territorial integrity and opposition to the use of force to settle international disputes, through May 2022, **Morocco** declined to participate in U.N. General Assembly votes on resolutions condemning Russia's invasion of Ukraine and suspending Russia from the U.N. Human Rights Council.[37] Morocco's decision may be linked to its efforts to strengthen economic ties with Moscow, its growing reliance on Russian coal exports, its interest in Russian wheat imports amid severe drought at home, and/or concerns about potential fallout for U.N. Security Council resolutions on the disputed territory of Western Sahara, which Morocco claims.[38] Ukraine recalled its ambassador to Morocco in March 2022.

Algeria has close historic and defense ties with Russia, while its foreign policy emphasizes independence and sovereignty, including opposition to unilateral foreign military interventions.[39] Algeria abstained on the U.N. General Assembly resolution condemning Russia's invasion and voted against the resolution suspending Russia from the U.N. Human Rights Council.

In **Iran**'s tightly controlled political system, the Russia-Ukraine war reportedly has exposed some differences of opinion between those who view with sympathy Ukraine's resistance against a larger power and those who back what they see as Russia's fight against the West.[40] Official Iranian government statements (and Iran's U.N. votes) have supported Russia, including by blaming the United States and NATO for the conflict, a reflection of close Russia-Iran bilateral ties. Bilateral Iran-Ukraine tensions also persist over Iran's 2020 shooting down of a Ukrainian airliner.[41]

The Russia-Ukraine War and Nuclear Negotiations with Iran

Indirect multilateral negotiations over a mutual U.S. and Iranian return to compliance with the 2015 Iran nuclear deal (Joint Comprehensive Plan of Action, or JCPOA) had appeared to many observers to be reaching their conclusion in early 2022 until a last minute demand from Russia related to the Russia-Ukraine war. Russian Foreign Minister Sergei Lavrov told reporters on March 5 that Russia had requested U.S. written guarantees that foreign governments' sanctions imposed in response to Moscow's invasion of Ukraine would "not impinge in any way on our free full-scale trade, economic, investment and military-technical cooperation" with Iran.[42] On March 11, European Union (EU) High Representative for Foreign Affairs and Security Policy Josep Borrell posted on Twitter that "external factors"—presumably a reference to Lavrov's statement—necessitated a "pause" in the JCPOA negotiations.[43] Lavrov indicated during a March 15 press conference that the matter was resolved, stating that Russia had "received written guarantees" which are "incorporated into the text of the agreement itself" and

2022.

[36] Reuters, "Russia says Israel supports neo-Nazis in row over Ukraine," May 3, 2022.

[37] Statement by Moroccan Foreign Ministry on Twitter, March 2, 2022, 3:13pm.

[38] International Crisis Group (ICG), "The Impact of Russia's Invasion of Ukraine in the Middle East and North Africa," April 14, 2022; and Francisco Serrano, "War in Ukraine and drought at home: A perfect storm in the Maghreb," Middle East Institute, March 21, 2022.

[39] See CRS In Focus IF11116, *Algeria* and CRS Report R46937, *Russian Arms Sales and Defense Industry*.

[40] "In Iran, Russia's war on Ukraine is a political flash point," *Associated Press*, April 19, 2022.

[41] Nicole Grajewski, "As the world shuns Russia over its invasion of Ukraine, Iran strengthens its ties with Moscow," Atlantic Council, March 7, 2022.

[42] Russian Foreign Ministry, "Foreign Minister Sergey Lavrov's Statement and Answers to Media Questions at a Joint News Conference Following Talks with Foreign Minister of the Kyrgyz Republic Ruslan Kazakbayev," March 5, 2022.

[43] Borrell statement on Twitter at https://twitter.com/JosepBorrellF/status/1502230567047335941.

"reliably protect all projects and areas of activities envisioned by the JCPOA."[44] Russia was "in favor of the soonest possible full-scale implementation" of the agreement, he added.[45] U.S. officials told Congress in May 2022, that prospects for reviving the accord were not high, for reasons mostly unrelated to Russia's war in Ukraine.[46]

The United States previously waived sanctions for non-U.S. persons participating in JCPOA-permitted Iranian nuclear activities, including those in which Russia participated.[47] If necessary, the Biden Administration would issue similar waivers, State Department spokesperson Ned Price said during a March 15 press briefing.[48] Price also stated that the JCPOA "is not going to be an escape hatch for the Russian Federation and the sanctions that have been imposed on it because of the war in Ukraine."[49] There appear to be no provisions in applicable law that would allow Russia to evade Ukraine-related sanctions via JCPOA-permitted activities.

In Congress, some Members who oppose the JCPOA have argued since Russia's 2022 invasion of Ukraine that reviving the Iran accord would be a "massive win for Vladimir Putin," and have encouraged the Biden Administration to "stop doing business with the Russians."[50] Other Members support continued engagement in negotiations and rejoining the JCPOA.[51] Among various related proposals, some Members have introduced legislation to mandate an Administration report on "benefits that will accrue to" Russia as a result of a renewed Iran nuclear agreement (H.R. 7490); to terminate waivers under the Iran Freedom and Counter Proliferation Act (IFCA, P.L. 112-239) that have allowed Russia to engage in specified activities related to Iran's nuclear program (H.R. 7159/S. 3857); and to express opposition to Russia's involvement in JCPOA talks (H.Res. 1020 and H.Res. 990).[52]

Sanctions and Enforcement

Most MENA countries have not enacted economic sanctions against the Russian government or Russian business leaders; some countries, such as the UAE, may even be quietly welcoming an influx of Russian capital.[53] Cryptocurrency exchanges in the UAE reportedly have been deluged with requests from Russians to convert billions of dollars of cryptocurrencies.[54] Amid speculation that wealthy Russian figures—some of whom hold Israeli citizenship—may seek to bring assets into Israel, Israeli Foreign Minister Yair Lapid said in March 2022 that Israel was determined to prevent Russians from using Israel to bypass sanctions.[55] In a March 2022 interview on Israeli

[44] "Russia Gets Guarantees from U.S. That Sanctions Won't Affect Moscow-Tehran Nuclear Cooperation," *Interfax,* March 15.

[45] Ibid.

[46] Testimony of Special Envoy for Iran Robert Malley before the Senate Foreign Relations Committee, "The JCPOA Negotiations and United States' Policy on Iran Moving Forward," hearing, May 25, 2022.

[47] CRS Report RL34544, *Iran's Nuclear Program: Status*, by Paul K. Kerr. Russia imported Iranian low-enriched uranium and also participated in a project to convert Iran's Fordow enrichment facility into a center that does not produce enriched uranium.

[48] U.S. Department of State, "Department Press Briefing," March 15, 2022.

[49] Ibid.

[50] Andrew Mark Miller, "GOP senators slam Biden for working with Russia on Iran Deal during Ukraine invasion: 'Insane,'" *Fox News,* March 9, 2022.

[51] E.g. Rep. Alan Lowenthal, "Biden is working to stop Iran's nuclear program—it's time for Democrats to get behind him," *The Hill,* May 12, 2022.

[52] For more on waivers, granted several times by the Trump Administration through 2020 and then restored by the Biden Administration in February 2022, see CRS Report RL34544, *Iran's Nuclear Program: Status*, by Paul K. Kerr.

[53] Sameer Hashmi, "Wealthy Russians flee to Dubai to avoid sanctions," *BBC,* May 5, 2022.

[54] Cryptocurrency exchanges allow users to exchange cryptocurrencies for more usable fiat currencies. See Yousef Saba, Lisa Barrington, Riham Alkousaa and Alexander Cornwell, "Russians liquidating crypto in the UAE as they seek safe havens," Reuters, March 11, 2022.

[55] Rina Bassist, "Israel vows country won't become safe haven for sanctioned Russian oligarchs," *Al-Monitor,* March 14, 2022.

television, U.S. Under Secretary of State for Political Affairs Victoria Nuland warned, "You don't want to become the last haven for dirty money that's fueling Putin's wars."[56]

Energy Markets

Russia's prominent position in international oil and natural gas markets has led to significant uncertainty in the wake of its invasion of Ukraine, with existing energy trade flows and transactions receiving new scrutiny. With prices continuing to rise, the Biden Administration has sought greater cooperation with certain MENA states in increasing global oil supply. As of June 2022, high global oil demand coupled with tightening supplies has led to spiraling global oil prices. Russia and MENA countries' decisions are a focal point in global energy discussions. Russia and several other nations are party to an oil supply management agreement with the Organization of the Petroleum Exporting Countries (OPEC), which includes several MENA producers. Collectively known as OPEC+, the group had continued through May 2022 with planned gradual oil production increases agreed to initially in April 2020, although many members were producing below their OPEC+ quota levels.[57] On June 2, OPEC+ members agreed to raise the target volume of production increases planned for July and August, including expanding Russia's production quota under the agreement.

Spare crude production capacity in the MENA region and globally is generally concentrated in **Saudi Arabia** and the **UAE**. Through May 2022, officials in these countries reportedly had declined some requests from officials in the United States to engage in discussions on increasing production more rapidly.[58] Saudi officials said in early May 2022 that they considered the global oil market to be supplied adequately and called for expanded global investment in production to ease what they say are systemic limits responsible for higher prices.[59] In June, Saudi and Emirati officials supported the OPEC+ decision to increase the volume of planned production for July and August 2022. Russian Foreign Minister Lavrov visited the kingdom to discuss Ukraine and oil policy in June; Saudi officials have continued to support Russia's participation in the OPEC+ framework and production agreement.

At the outset of Russia's 2022 invasion of Ukraine, optimism about the potential for a nuclear agreement led some observers to expect that **Iran**'s oil could return to the market at sufficient levels to partially offset declines or redirection of Russian oil exports.[60] As of April 2022, China (which remains the largest consumer of Iranian oil, having continued its purchases despite the 2018 reimposition of U.S. sanctions) appeared to have increased its imports from Iran since Russia's invasion.[61] Iran, like other producers, benefits from higher per barrel prices. Iranian officials reportedly express optimism about Iran's oil exports in light of the war in Ukraine, but through May 2022 the war's effect on Iran's oil production and export volumes seemed limited compared to the potential effects that observers expect from any future lifting of U.S. sanctions.[62] It remains to be seen how the Russia-Ukraine war and corresponding changes in natural gas markets may shape consideration of potential natural gas exports from Iran.

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[56] "US official warns Israel: 'Don't be last haven for dirty money fueling Putin's war,'" *Times of Israel*, March 11, 2022.

[57] "Saudi Arabia is increasing supply—so why is the oil price holding firm?" *Financial Times*, June 7, 2022.

[58] Dion Nissenbaum, Stephen Kalin, and David S. Cloud, "Saudi, Emirati Leaders Decline Calls with Biden During Ukraine Crisis," *Wall Street Journal*, March 8, 2022.

[59] Phil Rosen, "Saudi Arabia warns that the world is running out of energy capacity," *Business Insider*, May 10, 2022.

[60] Robin Mills, "Could Iran replace Russian oil and gas?" Arab Gulf States Institute in Washington, March 30, 2022.

[61] "Iran ramps up oil exports as China pulls back on Russian crude," *Wall Street Journal*, April 28, 2022.

[62] Ibid.

Discord in **Libya** has disrupted oil production there in 2022, even as uncertainty about Russian exports and other market factors increases the potential importance of stability in Libya to energy markets.

While some European countries have engaged gas producers in the MENA region in search of alternative supplies, Europe's flexibility on natural gas supply is limited because most of Russia's gas exports to Europe, its largest market, are by pipeline. Construction of new liquefied natural gas (LNG) import terminals and associated pipelines—along with the availability of alternative supplies for contract—could increase European countries' flexibility over time, but current options remain limited.

Algeria and **Qatar** have committed to maintaining (and expanding as possible) supplies of natural gas to Europe. Algeria, already the EU's third-largest natural gas supplier, has drawn increased engagement from U.S. policymakers in the current context.[63] Algiers has agreed to increase supplies to Italy via the Transmed pipeline and has sought to expand its capacity to ship gas to Spain via the Medgaz pipeline. However, several factors are likely to limit Algeria's ability to increase exports in the short-term, including production constraints, a challenging business environment for energy firms, and high domestic demand.[64] Algeria also has threatened to disrupt gas supplies to Spain if Spain re-exports any of its gas to **Morocco**, with which Algeria ruptured diplomatic ties in 2021.[65] Meanwhile, Germany and **Qatar** have agreed to discuss new long-term gas import arrangements, and other potential European customers reportedly are in negotiations with officials and executives in Doha.[66] At present, gas supplies from Qatar and other gas exporters are largely committed to buyers in Asia and elsewhere under long-term contracts, and Qatari energy officials have stressed that no combination of major gas exporters could supply enough natural gas to Europe, on short notice, to completely compensate for a shutoff of gas supplies from Russia.

On June 15, 2022, **Israel**, **Egypt**, and the EU signed an agreement that will enable Israeli natural gas liquefied at Egyptian processing plants to be exported to Europe. Egypt currently imports Israeli natural gas (at 85bcm over 15-year period) and will re-liquefy Israeli gas at its two liquefied natural gas terminals at Damietta port for re-export to Europe (in 2021 Israel exported 4.25bcm to Egypt).[67]Lack of transport and processing capacity is a major challenge for Israel and Egypt in becoming significant suppliers to Europe. There are only two pipelines capable of transporting Israeli gas to Egypt and Egypt's LNG facilities are working at maximum capacity to meet both domestic and foreign demand.[68] Israel is reportedly considering constructing a new onshore pipeline to Egypt.[69]

[63] State Department, "Secretary Blinken's Meeting with Algerian President Tebboune," March 30, 2022.

[64] Fuad Shahbazov, "Algeria Makes for a Risky Partner to Help Solve Europe's Energy Crisis," World Politics Review, May 11, 2022; Heba Saleh, "Algeria Struggles to Meet Rising Demand for its Gas After Russian Invasion of Ukraine," April 20, 2022.

[65] Reuters, "Algeria warns Spain not to re-export gas supplies," April 28, 2022.

[66] "Germany agrees gas deal with Qatar to help end dependency on Russia," *The Guardian*, March 20 2022.

[67] John Ainger and Alberto Nardelli, "EU, Egypt Near Gas Supply Deal in Shift Away From Russia," *Bloomberg*, June 3, 2022.

[68] Marc Espanol, "Egypt's Gas Imports from Israel Hit all-time High," *Al Monitor*, June 7, 2022.

[69] Ron Bousso and Ari Rabinovitch "Israel Considering New Pipeline to Boost Gas Exports to Egypt," Reuters, October 21, 2021.

Economic and Fiscal Stability

The effects of the Russia-Ukraine war on energy prices also are having secondary implications for oil and gas exporters and importers in the MENA region. Price increases create a fiscal and economic boon to exporters and impose an additional fiscal and economic burden for importers. In April 2022, the International Monetary Fund (IMF) reported that in the MENA region, "financial conditions for oil exporters remained unchanged or improved as oil and gas prices surged" while projections for non-oil exporters were more negative given a range of spillover effects.[70] Energy demand uncertainty and the potential for price decreases also translate into fiscal uncertainty for key producers. Across the region, higher social spending and decreased revenues during the COVID-19 pandemic placed new demands on national budgets, while consumers have struggled with pandemic-induced global supply-chain disruptions and corresponding price increases. If Ukraine-related financial pressures persist or grow stronger, social welfare spending, including state subsidies for goods such as food and fuel, could be cut, risking unrest.[71] In the absence of cuts, subsidy costs may balloon for net energy and food importers, posing fiscal and debt challenges.

In **Egypt**, the effects of the Russia-Ukraine war may exacerbate already difficult economic and fiscal circumstances.[72] Egypt's central bank devalued the pound by 15% against the U.S. dollar in March 2022 while also raising interest rates to attract foreign capital. The devaluation, coupled with rising global food and fuel prices, has led to increased local inflation (13% in April 2022). Egypt also requested new IMF lending in March; from 2016-2021, Egypt borrowed $20 billion from the IMF, exceeding its credit quota and making Egypt the Fund's second largest client after Argentina.[73] Perhaps to increase the likelihood of the IMF supporting Egypt, Saudi Arabia, the UAE, and Qatar in 2022 have pledged well over $22 billion in various forms of assistance to Egypt (currency deposits in the Central Bank, joint investments).[74] However, unlike previous instances of Gulf assistance to Egypt, in 2022 Gulf Arab states are seeking to purchase Egyptian state-owned assets or private companies.[75]

In **Tunisia**, the government has indicated plans to increase domestic fuel prices at the pump significantly each month in 2022, placing new strains on households already battered by high inflation and a 9% economic contraction in 2020.[76] Economic grievances initially helped generate

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[70] See "Propagation Channels of the War in Ukraine and Sanctions" in IMF, *Regional Economic Outlook - Middle East and Central Asia - Divergent Recoveries in Turbulent Times,* April 2022.

[71] The Economist Intelligence Unit projects that in Egypt, "Elevated prices for essentials will be testing for the regime in a country historically accustomed to state largesse. We had expected subsidy reform, but not on the accelerated timeframe that now appears necessary.... The risk of unrest has consequently risen, which the regime would respond to with force." Economist Intelligence Unit (EIU), *Egypt*, May 4, 2022.

[72] Prior to the war, Egypt had accrued significant foreign debt; deficit spending has supported subsidy programs, mega infrastructure projects, and social welfare programs to counter the effects of the COVID-19 pandemic. According to the Egypt's Central Bank, from 2014 to 2021, medium-and long-term external debt more than tripled to $121.5 billion. Egypt's project 2022 national deficit is $30 billion. Interest on its national debt accounts for 45% of total domestic spending. See "Egypt Faces Sharp Rise in Costs to Finance Proposed $30 bln Deficit," Reuters, May 16, 2022.

[73] Robert Springborg, "Snapshot – Follow the Money to the Truth about Al-Sisi's Egypt," Project on Middle East Democracy (POMED), January 7, 2022.

[74] In November 2021, Saudi Arabia deposited $3 billion in the Central Bank of Egypt. It has since extended that deposit and added $2.3 billion more. Qatar has pledged $5 billion in various investments. Various UAE wealth funds and conglomerates (ADQ, Al Futtaim Group) also have pledged to invest several billion dollars in Egypt. Saudi Arabia's Public Investment Fund has pledged $10 billion more in investments.

[75] "Egypt Gets Gulf help Again as Eyes Turn to Currency Flexibility," Reuters, April 4, 2022.

[76] *Al Arabiya*, "Tunisia will raise local fuel prices every month this year," April 14, 2022.

support for President Kaïs Saïed's decision in July 2021 to suspend parliament and assert sweeping executive powers; price inflation and other worsening hardships may augur increased instability.[77] Saïed ordered parliament dissolved in March 2022 and has sought greater executive control over the judiciary and electoral commission ahead of a planned referendum to adopt a new constitution in July 2022.

Saudi Arabia is benefitting from higher oil prices, with dividends from state-owned Saudi Aramco helping generate a $15 billion national budget surplus in the first three months of 2022 and creating fiscal options for Saudi leaders.[78] In June, press reports stated that Saudi Arabia was earning $1 billion per day from oil exports.[79] **Iraq** and other oil producers are also seeing higher revenues, easing pressures on their state finances.

Food Insecurity

Overview

Declines in food commodity exports as a result of the Russian invasion of Ukraine are reducing supplies of some goods in international markets and leading to increases in prices for commodities and derived products.[80] Higher energy prices (discussed above) and competition for reduced supplies also contribute to price increases. Russia and Ukraine in 2021 respectively were the first and sixth largest exporters of wheat worldwide; many countries in the MENA region heavily rely on both countries for their wheat and vegetable oil imports, though the share of imports in overall supply varies among MENA countries.[81]

The Russian government has imposed some restrictions on the export of Russian grains and other food products and has alleged complications in the export of Russian agricultural products (including fertilizers) due to difficulties with shipping, logistics, and financial transactions that arose with the onset of international sanctions against Russia.[82] In response, Western officials have underlined that U.S. and European sanctions explicitly permit transactions related to the export of Russian agricultural commodities, including grains and fertilizers.[83]

Some Western officials and observers contend that Russian officials are using their leverage over Ukrainian and Russian agricultural exports to achieve diplomatic, economic, and, potentially,

[77] *The National,* "Tunisian Union Announces General Strike Amid Economic Turmoil," May 31, 2022.

[78] Abeer Abu Omar and Matthew Martin, "Saudi Arabia Rewrites Playbook for How to Spend Oil Windfall," Bloomberg, May 26, 2022.

[79] Sylvia Westall, Grant Smith and Anthony Di Paola, "Soaring Oil Prices Force Biden to Engage With Spurned Saudis," *Bloomberg News,* June 9, 2022.

[80] See monthly reports from U.N. Food and Agriculture Organization (FAO) Food Price Index (FFPI) available at https://www.fao.org/worldfoodsituation/foodpricesindex/en/.

[81] FAO, "The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict," March 25, 2022.

[82] Camille Gijs, "Russia Threatens to Limit Agri-food Supplies Only to 'Friendly' Countries," *Politico,* April 1, 2022; Reuters, "Russian Ministry Recommends Fertilizer Producers Halt Exports," March 4, 2022; Agence France-Presse, "Russia Halts Grain Exports to Some Countries to Secure Food Supply," March 15, 2022; and Jack Nicas and Andre Spigariol, "Good News for Food, Bad News for War: Brazil Buys Russian Fertilizer," *New York Times,* May 8, 2022.

[83] Giorgio Leali and Jacopo Barigazzi, "Don't Fall for Russian Lies on Food Crisis, EU Warns Africa," *Politico,* May 31, 2022; Associated Press, "US Backs Shipment of Russian Grain Exports amid Global Food Insecurity," June 1, 2022; and David M. Herszenhorn, "At UN, EU's Michel Blames Russia for Food Crisis," June 6, 2022. Also see Office of Foreign Assets Control, Russian Harmful Foreign Activities Sanctions Regulations (31 CFR part 587), General License No. 6A, March 24, 2022, at https://home.treasury.gov/system/files/126/russia_gl6a.pdf.

military gains.[84] President Vladimir Putin and other Russian officials have suggested Russia would be willing to facilitate increased agricultural exports from Ukraine and/or Russia in exchange for at least some measure of sanctions relief.[85] Russian officials also have expressed a readiness to export seized stocks of Ukrainian grain that have come under Russia's military control.[86] Russian officials call for the de-mining of shipping lanes from unoccupied Ukrainian ports and a right of inspection of vessels departing Ukraine, actions Ukrainian officials fear Russia would exploit for military purposes.[87]

International negotiations, including efforts led by the United Nations and Turkey, have sought to open Ukraine's maritime trade and, possibly, to increase Russian agricultural exports.[88] Efforts to increase rail- and road-based exports of Ukrainian agricultural goods also have intensified, although infrastructural, logistical, and political obstacles hinder the scaling up of Ukraine's land-based export routes.[89] On June 14, President Joseph Biden said, "We're going to build silos, temporary silos in the borders of Ukraine, including in Poland. So we can transfer [grain] from those cars into those silos into cars in Europe and get it out into the ocean, and get it out across the world. But it's taking time."[90]

In March 2022, to help meet domestic food needs, Ukraine initially imposed controls on the exports of grain and other food products, including the establishment of export licenses for wheat.[91] Ukraine has resumed some exports, but stalled exports of Ukraine's current agricultural commodity stores, disruptions in the April planting season, and a reported prioritization of planting autumn harvest crops for domestic food use are expected to have immediate and potentially longer-term agricultural implications, including for future harvests and livestock production.[92]

Some countries may replace disrupted Russian and Ukrainian wheat imports with higher priced wheat from other exporters. Others may choose to replace relatively higher priced wheat with less expensive commodities such as rice. Countries that subsidize supplies of wheat, flour, and other

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[84] Mark Landler, Matina Stevis-Gridneff, Erika Solomon and Patricia Cohen, "War Raises Famine Fears as Russia Chokes Off Ukraine's Farms and Exports," *New York Times*, May 24, 2022

[85] Reuters, "Putin Says Large Russian Grain Harvest to Support Higher Exports," May 12, 2022; and Huileng Tan, "Putin Says He'll Open Up Grain and Fertilizer Exports if the West Agrees to Lift Sanctions," *Insider*, May 27, 2022.

[86] Reuters, "Russian-Controlled Kherson Region in Ukraine Starts Grain Exports to Russia – TASS," May 30, 2022; and Reuters, "Russia Says Two Ukrainian Ports Ready to Ship Grain but Kyiv Must Demine Coast," June 7, 2022.

[87] Ukrinform, "Ukraine Responds to Russian Assurances of Not Taking Advantage of Port Demining to Attack from Sea," June 7, 2022; and Associated Press, "Russia's Lavrov in Turkey to Discuss Plan to Ship Ukrainian Grain," June 8, 2022.

[88] Meredith Lee, "U.S. Skeptical U.N.-Russia Talks Will Free Trapped Ukrainian Grain," *Politico*, June 5, 2022; Ayse Wieting and Suzan Fraser, "Russia, Turkey Back Plan to Export Grains; Ukraine Doubtful," Associated Press, June 8, 2022; and, Eddy Wax and Lili Bayer, "Ukraine wants guarantees Russia won't attack ports if grain corridor opens," *Politico*, June 9, 2022.

[89] Patrick Wintour, "G7 to Discuss Action to Break Russian Blockade of Ukraine Grain Exports," *Guardian*, May 12, 2022; and Andrew Higgins and Erika Solomon, "As Food Shortages Loom, A Race to Free Ukraine's Stranded Grain," *New York Times*, June 1, 2022.

[90] Kelly Hooper and Meredith Lee, "Biden: U.S. to build silos on Poland border to export Ukrainian grain," *Politico*, June 14, 2022.

[91] Reuters, "Ukraine Introduces Export Licenses for Key Agricultural Commodities," March 6, 2022.

[92] Famine Early Warning Systems Network, "War in Ukraine Likely to Exacerbate Food Insecurity in FEWS NET-Monitored Countries," May 4, 2022; *RFE/RL*, "Ukraine Says Grain Exports Drop by More than Half in May," May 12, 2022; and Maytaal Angel, "Ukraine Grain Exports Capped at 2 Mln Tonnes/Month if Ports Remain Blocked," Reuters, June 7, 2022; Reuters, "Ukraine spring wheat sowing 98% complete, ministry says," May 20,2022; and, WFP, "War in Ukraine: Fears for impact on global hunger after 'agricultural fields turned into battlefields,'" April 13, 2022.

higher-priced food commodities for their populations may see a reduced ability to pay for those commodities.[93] Governments with food surpluses may consider options to make more agricultural commodities available for food use.

Specific Effects in MENA Countries

Many countries in the MENA region heavily rely on Ukraine and Russia for their wheat and vegetable oil imports, though the share of imports in overall supply varies among countries in the region.[94] **Egypt**, **Lebanon**, the **United Arab Emirates (UAE)**, **Tunisia**, and **Yemen** have been the largest importers of wheat from Russia and Ukraine by volume in the region since 2019.[95] Domestic production factors (e.g. weather, irrigation, and fertilizer), market conditions (prices and substitute availability), fiscal resources, and social, political, and security conditions may influence food security in individual countries. As of May 2022, WFP expected that "export disruptions could incur potentially serious food supply constraints for **Egypt** … and **Yemen**, which are among the world's top ten importers of wheat from both Ukraine and the Russian Federation, and for **Lebanon**, which is the ninth biggest importer of wheat from Ukraine."[96]

The effects of increased food staple prices across the MENA region may vary depending on importer wealth and countries' underlying social and security conditions. Domestic production factors (e.g. weather, irrigation, and fertilizer), market conditions (prices and substitute availability), fiscal resources, and social, political, and security conditions may influence food security in individual countries. **Yemen** and **Syria,** among the poorest and most conflict-affected countries, already are feeling the effects of higher prices. WFP warned in May 2022 that "the war will incur potentially significant consequences on certain food crises in the Middle East" and that higher prices, burgeoning global humanitarian needs, and supply strains will constrain its ability to deliver emergency assistance.[97]

According to the WFP, as of March 2022, 17.4 million people in **Yemen** were food insecure, 3.5 million were acutely malnourished, and 31,000 were in "famine-like conditions."[98] The WFP has stated that, "the current level of hunger in **Yemen** is unprecedented" since the conflict began in 2015.[99] **Yemen** imports over 50% of its total wheat supply from the Black Sea region, including flour re-exports from other MENA states.[100]

In **Syria and Iraq,** U.S. government sources report: "The Russian invasion of Ukraine exacerbated dire economic and humanitarian conditions. The disrupted supply of wheat and other food staples led to increased food prices in both countries, higher costs for humanitarian

[93] See for example, Jennifer Holleis and Mohammed Magdy, "Egypt: Soaring wheat prices turn food security into a priority," March 26, 2022; Middle East Eye, "'Economic surgery is killing us': Iranians complain as subsidies slashed on basic foods," May 17, 2022.

[94] FAO, "The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict," March 25, 2022.

[95] U.N. COMTRADE data, HS-1001 – Wheat and Meslin, 2019-2020, available at https://comtrade.un.org/data/.

[96] WFP, *Global Report on Food Crises, 2022*, May 2022; also see WFP Cairo Regional Bureua (RBC) Ukraine Conflict - Impact on RBC operations and MENA economies, March 2022.

[97] WFP, "Ukraine war: More countries will 'feel the burn' as food and energy price rises fuel hunger, warns WFP," March 11, 2022.

[98] WFP Yemen Situation Report #3, March 2022, posted May 4, 2022.

[99] WFP, *Yemen Emergency*, 2022, at https://www.wfp.org/emergencies/yemen-emergency.

[100] International Food Policy Research Institute, "The Russian invasion of Ukraine threatens to further exacerbate the food insecurity emergency in Yemen," March 23, 2022.

organizations in **Syria**, and street protests in **Iraq**."[101] Nearly 60% of Syria's population was already considered food insecure at the start of 2022, which the WFP described as "an increase of 4.5 million [people] in the last year alone, and the highest number ever recorded" in the context of the post-2011 Syria conflict.[102] **Syria** imports two-thirds of its food and oil supply, and imports most of its wheat from Russia.[103]

Lower-middle income economies (as classified by the World Bank with gross national incomes per capita of $1,046 to $4,095) also are facing difficulty in financing purchases of higher-priced commodities. In the MENA region this category comprises **Egypt**, **Iran**, **Morocco**, and **Tunisia**, along with **Algeria**, which is a minor importer of Russian and Ukrainian wheat and whose increased energy revenues may compensate for higher costs. In North Africa, food price spikes can produce fiscal crises, due to the cost of state subsidies for basic foodstuffs, along with political crises, given the region's history of bread riots sparking wider political instability.[104]

Cuts to subsidies for flour and other staples announced by the government of **Iran** in May 2022 have further increased prices in an economy already struggling with inflation and sanctions-related financial pressure.[105] Protests that have erupted in some Iranian cities since May 2022 appear tied to those price increases as well as other grievances against the government.[106]

In **Egypt**, the world's top importer of wheat by volume (more than 70% of which comes from Russia and Ukraine), the government has taken steps to reduce the exporting of wheat and find new sources for wheat imports to compensate for the loss of imports. The government banned wheat and flour exports for a three-month period starting March 11, and Egypt's General Authority for Supply Commodities (GASC) has approved 16 countries-of-origin for its wheat imports and is negotiating with India, Argentina, Australia, Kazakhstan, and France for new purchase agreements on the spot market. GASC also is accepting wheat with a higher moisture content in order to adapt to tightened market conditions.[107] Shipping costs for this wheat are much higher than for wheat sourced from the Black Sea region.[108]

As of May 2022, Russia's continued blockade of Ukrainian ports has left 300,000 metric tonnes (mts) of wheat purchased by GASC before the invasion undelivered (Egypt imported 4.7 million mts of wheat in 2021).[109] On June 1, GASC announced one of its first international tenders since the start of the Ukraine invasion. Egypt is to purchase 465,000 mts of wheat from Russia, Romania, and Bulgaria at a cost of $480 per tonne, a 41% hike from Egypt's last tender before

[101] LIG-OCO Quarterly Report to Congress on OIR, January 1, 2022–March 31, 2022, May 2022.

[102] WFP, *Syrian Arab Republic*, 2022 at https://www.wfp.org/countries/syrian-arab-republic.

[103] World Bank, "Compounded stress: The impact of the war in Ukraine on the Middle East and North Africa," March 7, 2022.

[104] See, e.g., Leyla Dakhli, "The Fair Value of Bread: Tunisia, 28 December 1983-6 January 1984," *International Review of Social History*, 66: 2021; Fadila Khaled, "45 Years On: Remembering the Egyptian Bread Intifada," *Egyptian Streets*, January 18, 2022.

[105] Najmeh Bozorgmehr, "Iran's Raisi cuts back on bread subsidies," *Financial Times*, May 10, 2022.

[106] Babak Dehghanpisheh, "Economic protests challenge Iran's leaders as hopes for nuclear deal fade," *Washington Post*, May 27, 2022.

[107] "Egypt Raises Accepted Moisture Level for Imported Wheat," Reuters, May 26, 2022.

[108] One report notes how GASC contracted with a Japanese trading company based in the state of Washington for 60,000 metric of tons of wheat, which had to be shipped from Vancouver to ports in Egypt. Jesse Newman and Patrick Thomas, "Countries Race to Avert Grain Crisis—With Ukraine War Disrupting Wheat Trade, Soaring Prices put Poor Nations at Risk," *Wall Street Journal*, May 3, 2022.

[109] "About 300,000 T of Wheat Bought by Egypt Stranded in Ukraine –Trade," Reuters, May 17, 2022.

the invasion.[110] The World Bank and the European Union have pledged $600 million in combined support to help the government purchase additional stocks of wheat from abroad and increase its domestic grain storage capacity.[111]

Egypt's food subsidies cost an estimated $4-$5 billion annually,[112] with the price of subsidized bread essentially remaining unchanged since the late 1970s, when proposed changes to subsidies led to riots and hundreds of protesters were killed in clashes with police. Cuts to the bread subsidy could generate protests and pose a challenge to President Sisi. The government has instituted price controls on the cost of unsubsidized bread.

Tunisia is particularly vulnerable to ripple effects on food prices and supply. The U.S. Department of Agriculture reported that Tunisian farmers planted fewer acres of grain crops in early 2022 due to general economic uncertainty; it also forecasted that the country would need to import about two-thirds of the wheat needed for domestic consumption in 2022-23.[113] Over a five-year average, Ukraine has been Tunisia's top source of wheat imports (48%), with Russia providing another 8%.[114] In addition, the state-owned Cereal Board is reportedly in debt to Ukrainian exporters, disrupting planned deliveries.[115] President Kaïs Saïed—who has asserted sweeping executive powers and seeks to reshape Tunisia's political system—has blamed speculators and political opponents for price hikes and empty shelves in markets.[116] Socioeconomic hardships initially drove some popular support for Saïed's actions; his inability to curtail current price inflation and other economic pressures is fueling increased public pressure on Saïed, which some analysts argue could lead to greater repression and instability.[117]

Lebanon, nominally an upper-middle-income country, has seen per-capita income and quality of life plummet since 2019 amid a severe economic crisis. In March 2022, the World Bank reported that Lebanon imports more than 90% of its grain from Ukraine and Russia and had only about a month of grain reserves at that time.[118] Lebanon has struggled to replace Ukrainian imports due to factors stemming from the country's ongoing economic crisis; Iran has stated that it is prepared to ship wheat to Lebanon.[119] In May 2022, the World Bank approved a $150 million emergency loan to import wheat into Lebanon.[120]

Israel, a high-income country**,** appears to purchase about half its wheat imports from Russia and Ukraine. As of March 2022, its officials expected to be able to access wheat as necessary from alternative suppliers at higher prices.[121]

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[110] "Egypt's GASC Buys 465,000 tonnes of Wheat in Tender," Reuters, June 1, 2022.

[111] "Egypt Stands to Receive $600 mln in Wheat Import, Silo Funding from World Bank, EU," Reuters, June 2, 2022.

[112] Amira El Fekki and Chao Deng, "Egypt's Bread Crisis Fuels Fears of Unrest," *Wall Street Journal*, May 24, 2022.

[113] U.S. Department of Agriculture, Foreign Agriculture Service, Grain and Feed Annual, "Tunisia," March 30, 2022.

[114] Ibid.

[115] ICG, "The Impact of Russia's Invasion of Ukraine in the Middle East and North Africa," April 14, 2022. See also, Elizia Volkmann, "Tunisia's food shortages shine a spotlight on its core economic failings," Middle East Institute, April 28, 2022, which states "Tunisia has already run into problems with payment when six ships were blocked in the port of Sfax in December due to non-payment. The amount due was eventually paid, but food shortages are a manifestation of Tunisia's serious economic problems and the state's debilitated spending power."

[116] Middle East Institute, "Tunisia's food shortages shine a spotlight on its core economic failings," April 28, 2022.

[117] *The National,* "Tunisian Union Announces General Strike Amid Economic Turmoil," May 31, 2022.

[118] Ibid.

[119] "Iran ready to supply wheat to Lebanon, says presidency," *The National*, March 25, 2022.

[120] "World Bank approves loan to fund wheat imports," *L'Orient Today*, May 9, 2022.

[121] Danny Zaken, "Israel's trade with Ukraine, Russia to be affected by conflict," *Al-Monitor*, March 2, 2022.

Outlook and Possible Options for Congress

Russia's invasion of Ukraine, the course of the Russia-Ukraine war, and its effects on global markets may have several policy implications for the United States in the MENA region. The extent to which MENA governments are willing to coordinate their diplomatic, economic, and security decisions with U.S. policymakers are likely to continue to vary. If Russia's military performance and setbacks undercut its appeal as a potential security partner for MENA governments, the United States might be able to put less emphasis on monitoring and responding to Russian security initiatives in the region. Alternately, Russia could seek to compensate for perceived weaknesses or erosion in its global influence by redoubling its attempts to seek partnerships with MENA countries, especially U.S. adversaries such as Iran or partners such as Saudi Arabia, the United Arab Emirates, and Egypt, who find themselves at odds with the United States over other issues. Another possibility is that the Russian government could seek to use its remaining regional influence to oppose U.S. priorities in places such as Libya and Syria.

The extent to which U.S. policymakers prioritize diplomatic coordination vis-à-vis Russia as opposed to other policy goals may have long-term effects on perceptions of the United States in the region on other issues, including human rights. More intense U.S. scrutiny of MENA governments' U.N. votes and their relationships and transactions with Russia and Russian entities could prove a lasting irritant in U.S. ties across the region. Alternatively, there may also be opportunities for the United States to build on cooperation with the Gulf states and others on the Russia-Ukraine war to achieve progress on other regional or global issues.

The most practical and immediate implications for the United States in the MENA region may come as a result of fiscal, societal, and humanitarian effects of energy and food commodity market changes. In particular, fiscal strain on governments and pressure on consumers from higher energy and food prices could create or exacerbate political tension or unrest. The governments of energy exporters, buoyed by increasing oil revenues and demand for natural gas, may wield increased global and domestic leverage, but also may face new demands for economic support from their citizens and from their regional partners. If new instability or confrontations emerge in the MENA region because of the Russia-Ukraine war, U.S. partners in the region may prioritize limiting risks to themselves when they consider U.S. requests for cooperation related to the war or other issues.

Congress may consider a number of policy options in response to the effects of the Russia-Ukraine war in the Middle East and Africa, including

- Congress may examine the global food security implications of the wide range of U.S. responses to the Russia-Ukraine war, and how and if diplomatic, financial, military, and assistance-based responses to the war can be calibrated to reduce food security impacts. Consideration of FY2023 appropriations and defense authorization measures may provide opportunities for Members to shape future resources and authorities available to the executive branch, as well as to require the provision of information to Congress.
- Congress may conduct regular oversight of Administration engagement with MENA countries and U.S. assistance efforts, including by monitoring how the executive branch allocates food assistance appropriated by Congress, and assessing whether such activities are sufficient to meet increasing needs and U.S. foreign policy objectives.
- Congress might examine whether or how oversight mechanisms developed to enable U.S. foreign and security assistance to MENA partners could inform the

development of oversight tools for U.S. assistance to Ukraine and other partners affected by the Russia-Ukraine war;

- Congress might review proposed security assistance and arms sales to MENA partners in light of partners' support for U.S. policy toward the Russia-Ukraine war and Russia's potentially diminished attractiveness as a security partner.
- Congress might explore legislative options to engage with MENA partners and others to help encourage the expansion of non-Russian energy sources; and,
- Congress might consider whether or how regular appropriations and authorizations for enduring U.S. assistance might build greater resilience in the MENA region, especially for lower-income countries facing growing food insecurity and fiscal pressure because of the Russia-Ukraine war.

Appendix. MENA Country Votes on Selected United Nations Measures Responding to the Russia-Ukraine War

Table A-1. MENA Country Votes on Selected United Nations Measures Responding to the Russia-Ukraine War

United Nations General Assembly and Security Council Votes

Selected Measures	Yes	No	Abstention	Not Voting
Suspension of the rights of membership of the Russian Federation in the Human Rights Council A/RES/ES-11/3 April 7, 2022	Israel, Libya	Algeria, Iran, Syria	Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Tunisia, UAE, Yemen	Lebanon, Morocco
Humanitarian consequences of the aggression against Ukraine A/RES/ES-11/2 March 22, 2022	Bahrain, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, UAE, Yemen	Syria	Algeria, Iran	Morocco
Aggression against Ukraine A/RES/ES-11/1 March 2, 2022	Bahrain, Egypt, Israel, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, UAE, Yemen	Syria	Algeria, Iran, Iraq	Morocco
Security Council Resolution 2623 (2022) [On convening an emergency special session of the General Assembly on Ukraine.] S/RES/2623(2022) February 27, 2022			United Arab Emirates	
Situation of human rights in the temporarily occupied Autonomous Republic of Crimea and the city of Sevastopol, Ukraine A/RES/76/179 December 16, 2021	Israel	Iran, Saudi Arabia, Syria	Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Libya, Oman, Qatar, Tunisia, UAE, Yemen	Lebanon, Morocco

Problem of the militarization of the Autonomous Republic of Crimea and the city of Sevastopol, Ukraine, as well as parts of the Black Sea and the Sea of Azov A/RES/76/70 December 9, 2021	Israel	Iran, Syria	Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, UAE, Yemen	Morocco
Territorial Integrity of Ukraine A/RES/68/262 March 27, 2014	Bahrain, Jordan, Kuwait, Libya, Qatar, Saudi Arabia, Tunisia	Syria	Algeria, Egypt, Iraq	Iran, Israel, Lebanon, Morocco, Oman, UAE, Yemen

Source: United Nations Digital Library.

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