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Options for Securing Free Trade Navigation in the Black Sea

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Russia's withdrawal from the grain deal poses again the risk of destabilising the global food market. However, it is a reflection of a much larger problem represented by the Russian year-and-a-half-long blockade of the Black Sea, which has allowed it to gradually weaken Ukraine and drive up the cost of providing it with assistance from foreign partners. The international community should not pursue reactivation of the grain deal, which granted Russia de facto control of Ukrainian exports, and instead, the common objective should be to finally break the Russian blockade and effectively secure maritime trade across the Black Sea to Ukrainian ports.

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On 17 July, Russia announced its withdrawal from the Black Sea Grain Initiative,¹ concluded last July to unblock grain exports from the Ukrainian Black Sea ports. Simultaneously, it threatened that all commercial vessels navigating across the Black Sea towards Ukrainian ports would be considered military targets, contrary to the international law of armed conflicts at sea. Russian forces then launched massive rocket attacks on Ukrainian port infrastructure, destroying grain stockpiles stored in the ports. In response, Ukraine announced its readiness to continue exporting grain even without Russia's participation in the agreement. Notwithstanding the Russian threats, several smaller merchant vessels entered the Black Sea and called at Ukrainian ports at the mouth of the Danube river without facing any obstructions. Representatives of the U.S. and the UK, however, publicly warned that Russia was preparing to attack merchant ships.² Also, international insurance companies have suspended issuing policies for vessels bound for Ukrainian ports.³

Intentions of Russia's Black Sea blockade

Already in mid-February 2022, on the eve of its invasion of Ukraine, under the pretext of military exercises, Russia significantly restricted navigation in the northwestern part of the Black Sea, introducing a *de facto* naval blockade of Ukraine. Shortly after the invasion began, Russia completely

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closed off this part of the basin, declaring that any vessels in the area, including commercial ones, would be considered a terrorist threat.⁴ The ongoing blockade of the Black Sea, particularly of the maritime trade route leading to the Ukrainian ports on its northern coast, has been of strategic importance from a Russian point of view in terms of depriving Ukraine of the ability to further defend itself. It prevents Ukraine from obtaining weaponry and energy resources by sea, forcing it to use only land routes. Furthermore, it hits directly the

foundations of the Ukrainian economy,⁵ dependent on access to Black Sea ports where, before the war, as much as two-thirds of its exports—equivalent to more than \$45 billion—were carried out by sea.

The Black Sea blockade has also provided Russia with additional instruments for reaping political and financial benefits. Depriving Ukraine, one of the world's most important grain producers, of the use of a maritime trade route, entailed the risk of a world food crisis. Russia sought to opportunistically exploit this situation under the umbrella of the grain deal in order to extort from the EU and the U.S. derogations to sanctions on its own agricultural and banking sector, and to consolidate its influence in the countries of the Global South.⁶ The provisions of the agreement, which stipulated Russia's participation in the supervision of merchant vessels sailing to/from Ukrainian ports,

The provisions of the grain agreement granted Russia the *de facto* right to control transit through the Turkish straits.

¹ D. Szeligowski, "Deal Signed to Unblock Ukrainian Grain Exports," *PISM Spotlight*, no 108/2022, 25 July 2022, www.pism.pl.

² "Britain warns Russia may start targeting civilian ships," *Reuters*, 25 July 2023, <https://www.reuters.com/world/uk/britain-warns-russia-may-start-targeting-civilian-ships-2023-07-25>.

³ "Ukraine cargo insurance policy suspended after Russia quits grain deal - Marsh," *Reuters*, 18 July 2023, <https://www.reuters.com/world/europe/ukraine-cargo-insurance-policy-suspended-after-russia-quits-grain-deal-marsh-2023-07-18>.

⁴ "Russian Forces Seize Port of Berdyansk," *The Maritime Executive*, 27 February 2022, <https://maritime-executive.com/article/russian-forces-seize-port-of-berdyansk>.

⁵ D. Szeligowski, "The Economic Impact of the Russian Invasion on Ukraine," *PISM Spotlight*, no 74/2022, 31 March 2022, www.pism.pl.

⁶ J. Czerep, "Russian Foreign Minister Completes Africa Tour," *PISM Spotlight*, no 109/2022, 29 July 2022, www.pism.pl.

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granted it the *de facto* right to control both the route itself as well as transit through the Turkish straits, while also offering the possibility to sabotage the deal by delaying inspections.⁷ Therefore, the grain deal, with the exception of agricultural exports, effectively permitted Russia's maritime embargo on Ukraine under the auspices of the UN, allowing Russia to unilaterally block the international sea route.

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Russia's withdrawal from the grain deal and its announcement that it was re-establishing a full naval blockade of Ukraine are an attempt to politically and economically blackmail the international community, which supports Ukraine in the face of Russian aggression. On the one hand, the purpose is to put additional pressure on the EU and the U.S. to liberalise the sanctions regime, primarily against the Russian banking sector.

On the other hand, it is calculated to destabilise the global food market, which, coupled with rising Russian agricultural exports—grain sales jumped by almost 30% year on year—would further strengthen Russia's position in the Global South, effectively making those states dependent on Russian grain supplies. Russia's proposal of free shipments of grain to selected African countries, presented at the Russia-Africa Summit in Saint Petersburg in July, was intended not only to contribute to these efforts but also to mitigate the Global South's reaction to the re-establishment of the blockade.

Military Threats from Russia

Russia still possesses huge forces and means to disrupt or block lines of communication in the Black Sea.⁸ Further decisions by Russia in this area will be determined by its strategic and tactical calculus. In the context of its capabilities and perceived risks, Russia may consider the following military options:

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Sabotage in ports

Russia might organise small-scale attacks through its network of intelligence agents. More extensive damage to ports, infrastructure, or vessels might be achieved by Russian Spetsnaz (Naval Special Forces) divers, especially if coordinated with attacks by maritime drones (Unmanned Surface Vehicle, USV). Risks for Russia under this option are related to the possible interdiction of its saboteurs and collection of USV debris, as well as making it hard to deny responsibility for such an attack.

Broader naval mining of waters

Russia has a strong submarine group in the Black Sea and has already partially mined the approach to Odesa, so it might broaden this tactic.⁹ This option could be preferable as it carries plausible deniability for the potential sinking of a civilian vessel. It is very likely that in this scenario, Russian diplomacy and disinformation would try to attribute to Ukraine responsibility for such an incident or series of them.

⁷ "Inspections of Ukrainian grain ships halved since October," AP, 20 January 2023, <https://apnews.com/article/politics-health-russia-government-united-nations-business-b2f6bb9e50b7440ea6c18f66e016e145>.

⁸ Compare H.I. Sutton, "Ways Russia Could Attack Merchant Ships If Black Sea Grain Initiative Ends," *Covert Shores*, 10 July 2023, www.hisutton.com. Information about Russian forces from "Russian Federation – Navy," *Jane's World Navies*, 14 July 2023, www.janes.com (subscription).

⁹ For covert deployment of naval mines, Russia is using *Kilo*-class submarines, capable of delivering in one mission up to 24 mines. Russia's Black Sea Fleet usually has 6-7 operational *Kilo*-class subs.

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Torpedo and USV attacks

Besides submarines, Russia is deploying more maritime drones in the Black Sea. Like naval mines, Russian torpedoes and USV strikes might be used against civilian vessels. This option may be preferable for Russia because of the more complicated detection, surveillance, and collection of evidence by Ukraine and its partners.

Seizure of ships

Russia might take control of selected ships via an assault squad deployed by helicopter or military vessel. Russia has dedicated Spetsnaz units for this and many patrol boats in the Black Sea Fleet and

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FSB Border Guard (Federal Security Service). An intercepted ship could be redirected to Sevastopol or Novorossiysk. In this case, Russia might also prepare “evidence” that the ship was being used to transfer weapons and use it in its propaganda and disinformation. This type of operation would be meant to force negotiations between Russia and the owner’s or flagged country

and/or the countries of citizenship of the crew members, on the condition of releasing their nationals.

Missile strikes against ships

The Russian Navy in the region has many vessels with anti-ship missile capabilities and land-based coastal defence systems. Use of these platforms by Russia carries a higher risk of detection by reconnaissance means and the radars of Ukraine or its partners. Russia might prefer to use mobile launchers in occupied Crimea because of the already restricted operational area of its Black Sea Fleet because of Ukrainian capabilities. Russia’s Bal coastal-defence missile systems might be used to strike ships along the whole coastline of Ukraine, while its Bastion systems might strike further to the Bulgaria coastline or the approaches to the Bosphorus Strait.

Missile and drone strikes on ports

This option would be an extension of the increased volume of strikes on Odesa in July. Such strikes are partially conducted by strategic bombers with Kh-101 cruise missiles and Crimea-based Iskander and Bastion/Onyx system launchers, but the majority is conducted with Kalibr cruise missiles from ships and submarines in the Black and Caspian seas. Russia might also increase the volume of strikes with Shahid-131/136 drones in the areas of Odesa and the Danube, as these are currently launched from Krasnodar Krai in Russia.¹⁰

Air strikes

Since April 2022, Russia has significantly reduced airstrikes against targets beyond the frontline, out of concern about the effectiveness of Ukraine's air defences . However, it still has several hundred modern aircraft (several dozen in Crimea) that can attack ports and ships throughout the region. In the context of the intensified missile and drone attacks, Russia may therefore try to break through the limited anti-aircraft defences around Odesa.

¹⁰ The first Shahid drone strikes on Odesa were conducted in autumn last year with assistance from Iranian advisors.

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Ukraine's Military Gaps and Responses

Ukraine ability to neutralise threats are complicated by availability, the determination of its partners, and the time necessary for filling the capability gaps.

Ukraine still has limited capabilities for deterring and neutralising Russian threats to maritime exports. These capabilities might be broadened and strengthened with deliveries of further defensive and offensive system by Ukraine's partners. Its ability to neutralise threats are complicated by availability, the determination of its partners, and the time necessary for filling the capability gaps.¹¹ Ukraine's current and potential response might include the following options:

Counter-sabotage protection

Ukraine may still have Special Operations Forces and Ministry of Interior subunits that counter saboteurs in harbour areas. It seems that Ukraine also to possess effective counter-intelligence services in these places. However, some of these capabilities might already be reduced by their inclusion in the high-intensity and demanding counter-offensive.

Naval demining

Ukraine has only two minesweepers, both currently securing the Odesa harbour. Even two vessels of this class might be too limited a force and should be augmented quickly by Ukraine's partners with similar or larger vessels or naval drones capable of patrolling and de-mining sea lines of communication.¹²

Countering USVs

Ukraine's likely priority is defence of its small fleet and Coast Guard bases, so these forces might be insufficient in case of more intense use of USVs by Russia, which also would demand additional detection and countering capabilities.

Protection of civilian ships

Ukraine is currently without vessels for constant escort and protection of commercial ships within its territorial waters. Equally unrealistic is the option of attaching Ukrainian troops to such ships. However, quick transfers of additional multi-role helicopters would permit much quicker reaction of Ukraine in case of any Russian attempt to interdict civilian ships closer to Ukraine's ports.

Air and Missile Defence

Clearly, Ukraine needs additional radars, HAWK, NASAMS and IRIS-T systems for its defence.

Ukraine is currently unable to provide this kind of defence for all its ports and foreign civilian ships. However, Ukraine still possesses some capabilities for defence of Odesa in case of limited strikes by Russia with cruise missiles or airplanes. Clearly, Ukraine needs additional radars, HAWK, NASAMS and IRIS-T systems for its defence. Moreover, Ukraine needs some

¹¹ M.A. Piotrowski, "Military-Technical Assistance to Ukraine An Assessment of Its Short- and Medium-term Needs," *PISM Report*, December 2022, www.pism.pl. Up-to-date information on Ukraine based on profiles in the databases "Jane's Inventories" and "Jane's ORBAT", Jane's, www.janes.com (subscription).

¹² In July 2023, Ukraine's Navy received two former Royal Navy minesweepers of the *Sandown*-class (currently in the Atlantic area) and is expecting two Netherlands-Belgian minesweepers of the *Alkmaar*-class (date of transfer still unknown), as well as a few dozen different types of naval drones from Belgium, Germany, and the Netherlands.

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extra units of PAC and/or SAMP-T systems to defend itself from Iskander-M and Kinzhal missiles.¹³

Countering kamikaze drones

Ukraine has been generally successful across the country in intercepting Russian loitering munitions (kamikaze drones). The volume of such strikes in the Odesa area might increase with higher production of drones by Iran and Russia (likely also Belarus). This threat demands that Ukraine's partners deliver to the Odesa area additional short-range mobile air-defence systems like the ZSU-23, Gepard, or Avenger.

Striking Russia's ships and ports

In the beginning of August, Ukraine demonstrated that its USVs could attack Russian Navy ships and tankers. However these drones are asymmetric and improvised capabilities, and Ukraine has only

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a prototype launcher of the indigenous Neptun coastal defence system with a range of 300 km (which it used to sink the missile cruiser *Moskva* last year) and 2-3 U.S. HCDS/Harpoons with a range of 120 km. These systems limit the operations of the Russian Navy, but should be augmented by systems with longer ranges, like NSM and RBS-15 cruise-missile systems, both with a 200 km range.

Ukraine urgently needs additional land-attack cruise missiles like Storm Shadow/SCALP, similar to these German Taurus or French Apache, as well as American ATACMS ballistic missiles.¹⁴

Multi-role jet fighters

Ukraine in the next few months will face a full degradation of its post-Soviet jet fleet. The priority for Ukraine now is a successor to the MiG-29 fighter, which is currently combating Russian airplanes, drones, and cruise missiles, sometimes also striking ground targets (a typical task for Su-24 tactical bombers and Su-25 close-air-support jets). Rearmament of the Ukrainian Air Forces with F-16s or European fighter jets is expected in 2024, which makes even more urgent the delivery to Ukraine of other offensive systems and armed USVs or UAVs.

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International Initiatives

In light of Russian blackmail attempts, the international community has made several efforts to uphold the grain deal. UN Secretary-General António Guterres proposed a compromise regarding Russian demands to liberalise sanctions on the country's banking sector involving the creation of a dedicated payment mechanism bypassing the SWIFT international payment system.¹⁵ Also involved in the search for a compromise has been Turkish President Recep Tayyip Erdoğan, who, on the one

¹³ So far, the most precise, destructive and effective Russian strikes have been with Iskander-M ballistic missiles and Onyx cruise missiles against the Odesa area. Both missiles have specific flight profiles and are used rarely, with confirmed Onyx strikes in May 2022 and in July 2023.

¹⁴ M.A. Piotrowski, "Ukraine Seeking to Narrow Long-Range Missile Gap," *PISM Bulletin*, no 94 (2213), 13 July 2023, www.pism.pl.

¹⁵ "UN chief regrets Russia's decision to withdraw from grain deal," *UN News*, 17 July 2023, <https://news.un.org/en/story/2023/07/1138752>.

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hand, called on Russia to return to the grain agreement, and, on the other, urged the EU and the U.S. to consider the Russian demands.¹⁶

The EU High Representative for Foreign and Security Policy Josep Borell announced support for efforts by the UN and Turkey to revitalise the deal, but also pledged additional EU assistance to

The greater use of land routes for Ukrainian grain exports involves additional transport costs, which would translate into a further increase in grain prices on world markets.

Ukraine for the export of agricultural products through so-called solidarity lanes—alternative land routes leading to European ports, including in Poland and Romania.¹⁷ Lithuania has come up with a proposal to increase the use of ports in the three Baltic States in this context. The Ukrainian authorities are also interested in greater access to ports in Germany, the Netherlands, Croatia, Italy, and

Slovenia.¹⁸ The use of land routes, however, involves additional transport costs that would likely have to be borne by the EU, which would translate into a further increase in grain prices on world markets. Also, the transport and reloading infrastructure in Ukraine’s neighbouring countries, as well as the capacity of border crossings are still insufficient to take over the total volume of the sea exports.

Both the facilitation of Ukrainian grain exports by land and the possible reactivation of the grain deal will help to mitigate the risk of a food crisis and bring additional revenue to the Ukrainian budget. However, both comprise transitional mechanisms only and do not address the underlying problem of

Both the facilitation of Ukrainian grain exports by land and the possible reactivation of the grain deal do not address the underlying problem of the Russian blockade of the Black Sea.

the Russian blockade of the Black Sea, so barely alleviating its effects on an *ad hoc* basis. Neither of these is an effective response to the maritime embargo that Russia has actually imposed on Ukraine. Moreover, the reactivation of the grain deal would again provide Russia with the possibility to control commercial shipping going to/from Ukrainian ports, and thus further sabotage Ukrainian exports.

A systemic solution could be the formation of an international coalition for a convoy of merchant vessels bound for Ukrainian Black Sea ports, comprising countries with a substantial interest in the resumption of maritime trade with Ukraine and/or those Ukrainian partners with adequate capabilities. A wide range of flexible, potential options and combinations of them is available for use, from symbolic protection of ships and re-flagging them (e.g., to a close partner of Ukraine), through deploying armed teams onboard, to organising regular patrols and escorting merchant vessels by coalition warships. There are a number of precedents for such operations, such as the anti-piracy and counter-terrorism missions of the last decade, and the numerous missions unilaterally initiated by the U.S. in the Persian Gulf since the period of the “tanker war” accompanying Iran’s war against Iraq.

¹⁶ “Turkey’s Erdogan emphasises importance of grain deal in Putin call,” *Reuters*, 2 August 2023, <https://www.reuters.com/world/turkeys-erdogan-emphasises-importance-grain-deal-putin-call-2023-08-02>.

¹⁷ “We Can Get Russia to Resume Its Participation in Grain Deal With Unified Voice, Column of EU Top Diplomat,” *European Pravda*, 2 August 2023, <https://www.eurointegration.com.ua/eng/articles/2023/08/2/7166849>.

¹⁸ “EU has no easy options to help Ukraine shift its grain,” *Politico*, 27 July 2023, <https://www.politico.eu/article/eu-ukraine-russia-black-sea-grain-deal-food-security-war>.

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Recommendations

Russia is intentionally depriving global markets of access to Ukrainian agricultural products, which results in higher food prices, puts pressure on countries in the Global South, and allows Russian agribusinesses to reap additional financial benefits. By maintaining the naval blockade of Ukraine, Russia also has systematically increased the costs of international assistance to the country, both for

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maintaining its macroeconomic stability and for the country's post-war reconstruction.¹⁹ Finally, by violating the international law of the sea, Russia has unilaterally imposed a blockade of an international maritime route, a tactic that may be repeated by China in the South China Sea or Iran in the Persian Gulf.

Under these circumstances, the international community should attempt to fully unblock and secure the maritime trade route leading to Odesa and the surrounding Ukrainian ports on the northern Black Sea coast. To do this, countries supporting Ukraine, as well as those interested in resuming or continuing trade with it, can turn to a range of political, legal, economic, and military instruments:

- A necessary precondition is helping Ukraine establish an effective, multi-layered and integrated missile- and air-defence system around the Black Sea and Danube ports to protect their infrastructure from Russian air strikes. This requires the transfer of additional radar systems, missile- and air-defence systems and mobile counter-drone capabilities of Ukraine.
- Apart from ongoing assistance, reconnaissance, and situational awareness in the region, Ukraine's partners should focus on the long-term reconstitution of its capabilities for self-defence and protection of sea lines of communication. Crucial also are means to counter naval mines, submarines, and drones of different classes, as well as helicopters for special operations and coast guard forces. No less important and complementary to these are coastal defence systems with longer ranges and multi-role jet fighters, including weapons packages against surface and subsurface ships.
- The international community should exert diplomatic pressure on Russia to refrain from attacks on merchant vessels sailing to or from Ukrainian ports, stressing that under international law, only a military object can be the target of an armed attack. In case of merchant vessels attempting to break a naval blockade, regardless of their flag, any attack must be preceded by a real attempt at detention. Violation of this norm of the international law of armed conflicts at sea should result in subsequent criminal liability for Russian naval commanders and officers.
- Diplomatic pressure should also be aimed at forcing Russia to stop missile attacks on Ukrainian port infrastructure. Given the importance of the Black Sea maritime route to global food security, there is a chance to build a broad international coalition consisting of the EU, the U.S., and other partners supporting Ukraine, together with countries of the Global South.²⁰
- The countries supporting Ukraine should organise an information campaign directed towards the Global South and China highlighting Russian strategic goals related to the Black Sea blockade and Russia's attempts to attain them by intentionally trying to create a food crisis.

¹⁹ D. Szeligowski, "Ukraine's Reconstruction Already on the Agenda," *PISM Bulletin*, no 34 (2153), 28 March 2023, www.pism.pl.

²⁰ J. Czerep, "Africa Seeks Global Agency with Mission to Ukraine and Russia," *PISM Bulletin*, no 82 (2201), 28 June 2023, www.pism.pl.

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- It is also worth considering and initiating a discussion among interested countries and Ukraine's partners on an international "coalition of the willing" for the protection of commercial vessels sailing to or from Ukrainian Black Sea ports. In this discussion, a gradual approach to any operation would be advisable, ranging from re-flagging of ships to coalition patrols and escorts in the Black Sea.
- Additionally, it will be crucial to develop an international insurance mechanism for commercial vessels sailing to or from Ukraine's Black Sea and Danube ports, as private insurers will likely remain reluctant to offer relevant policies in view of the Russian threats of attacks on ships. A suitable mechanism could be set up with the involvement of the World Bank as well as the European Bank for Reconstruction and Development, and complement the national insurance fund set up for a similar purpose by the Ukrainian government in February.
- In the event of Russian attacks on merchant vessels sailing to or from Ukrainian ports, or continued missile attacks on Ukrainian port infrastructure, the EU and the U.S. should consider extending the ban on the use of European ports to all vessels bound for or coming from Russia, regardless of their flag. In addition, the financial sanctions on Russia could be extended by excluding more Russian banks from the SWIFT international payment system and banning Western operators from transactions with them.