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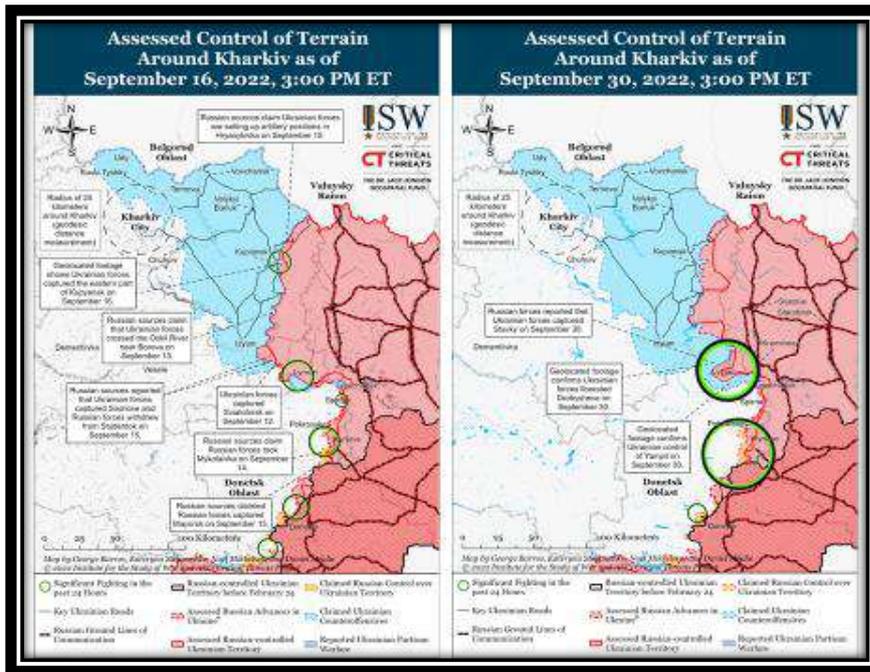
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Ukraine War Update 16-30 Sep 2022

During the last fortnight, Ukrainian forces have made incremental gains in the northern Kharkiv sector. Ukrainian troops have nearly encircled Lyman. As per media reports, the majority of Russian troops have withdrawn from their positions in Drobysheve (around 6km northwest of Lyman) and Yampil (about 13km southeast of Lyman). Lyman is located around 160 kilometres southeast of Kharkiv, Ukraine’s second-largest city. For months, it has served as a logistics



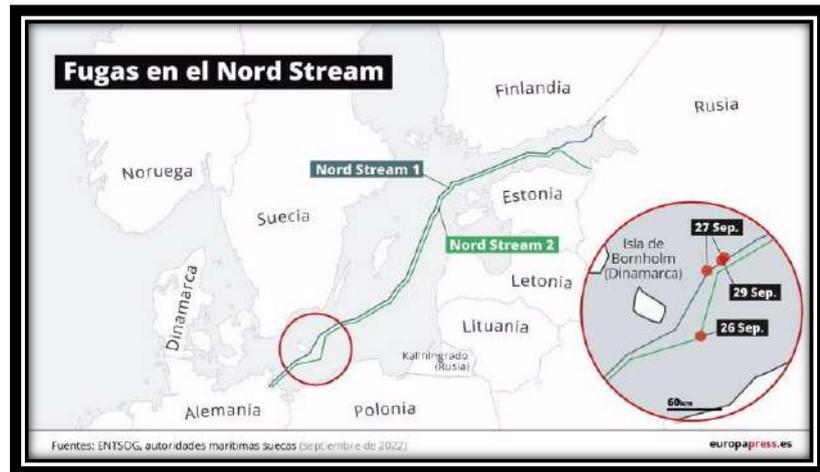
and transport hub anchoring Russian operations in the Donetsk region. Retaking Lyman will offer Ukrainian forces a strategic foothold for further advances into the Donbas region

In the South, Ukrainian military officials maintained operational silence regarding Ukrainian ground manoeuvres

in Kherson Oblast but stated that Russian forces are deploying newly-mobilized troops to reinforce the Kherson Oblast frontline. On the other hand, Russian forces continued routine artillery, air, and missile strikes throughout the line of contact in Donetsk Oblast along with repeated ground assaults near Bakhmut with few territorial gains

On 21 September 2022, Russian President Vladimir Putin announced a "partial mobilisation" of military reservists in Russia. The announcement came after the successful Ukrainian counteroffensive in Kharkiv Oblast and a day after the announcement of referendums on the accession of the Donetsk, Luhansk, Kherson and Zaporizhzhia oblasts. While the exact mobilisation target was not made public, Defense Minister Sergei Shoigu announced that Russia has a "huge mobilization reserve" and plans to mobilize 300,000 in reserve. There have been reports of widespread discontent over the way the mobilisation has been handled including errors in sending enlistment notice. Russian authorities have stated that these mistakes were being corrected. Experts doubt the operational effectiveness of hastily mobilized troops due to insufficient training before their deployment on the battlefield.

On 26 September 2022, three separate leaks erupted from the Nord Stream 1 and 2 pipelines. Both pipelines were not actively transporting gas at the time of the incidents. The fourth leak on one of the two Nord Stream pipelines was reported on 29 Sep 2022. Damaged pipelines were not carrying gas at the time of the explosion. While the operationalization of Nord Stream 2 got shelved due to the Ukraine conflict, Russia throttled back Nord Stream 1 in end Aug 2022, citing technical issues. The leaks occurred a day before the ceremonial launch of the Baltic Pipe, which carries gas from Norway to Poland, a project that is part of Poland's attempt to reduce its dependence on Russian energy. While the exact cause of the leak has not been ascertained, sabotage as a reason for the damage has not been ruled out. While the EU and the United States hinted at Russia, Moscow has blamed the US and its allies. Even though the pipelines were not operational, an attack on gas lines under the Baltic Sea exposes the vulnerability of an already jittery Europe. EU leaders will discuss the security of their critical infrastructure next week.



On 30 September 2022, Putin signed “accession treaties” to incorporate four partially occupied Ukrainian provinces—Kherson, Zaporizhia, Donetsk and Luhansk into Russia. Accession referendums began in Russian-controlled areas of four provinces on 23 Sep and concluded on 27 Sep. According to the Kremlin, in each province, at least 87% of voters (99% in Donetsk) voted to become part of Russia. Of the four regions, Luhansk and Kherson are the only territories that Russia is close to having total control over. Even though Russia has not promulgated its international boundary post accession of Ukrainian provinces, Kremlin has indicated that Russia would “de jure” incorporate parts of Ukraine which are not under the control of Russian forces. In his speech during the accession ceremony, President Putin promised to “protect” the newly incorporated territory “with all the forces and means at our disposal”. Ukraine has indicated it will fight to reclaim all its lands, while the US and its allies have indicated that they would never recognise Russia’s claims on Ukraine’s territory. Defiant Ukraine has also applied for NATO membership.

German Chancellor’s Visit to the Gulf

German Chancellor Olaf Scholz recently paid his first visit to the Gulf countries on 24 September in a quest to seek alternative sources of gas as tensions with Russian supplies continue to mount in Europe. A sizable business delegation

accompanied him on the trip where Scholz met the Saudi crown prince, and visited the United Arab Emirates and also Qatar.



Being Europe's largest economy, Germany needs to secure new oil and gas supplies, but at the same time, it doesn't want to be seen as soft on human rights. Therefore, the German Chancellor's visit is being seen as a diplomatic balancing act. Even though human rights abuses are a major issue in the region, Germany would like to steer clear of them while exploring

energy supply options in the Gulf. Berlin is also on the lookout for sources of green hydrogen produced using renewable energies that it may hope to source from the Gulf.

In Saudi Arabia, Scholz met with Saudi crown prince Mohammad bin Salman to kick off his visit to the region. The chancellor insisted that he discussed human and civil rights with his Saudi counterpart, though he did not offer many details. Falling German exports to Saudi Arabia could have been a reason for German reticence. While the Gulf region still has an insatiable appetite for German industrial machinery, Europe's largest economy faces stiff competition from China. German carmakers are also keen to grab a bigger slice of the auto market, as the transition to electromobility gathers pace.

The outcome of the visit has resulted in the German multinational energy company RWE signing a deal with Abu Dhabi National Oil Company (ADNOC) to deliver liquefied natural gas to Europe's largest economy by the end of this year. It is to be noted that the cargo to be delivered this year by ADNOC will be 137,000 cubic metres of LNG and will be the first LNG to be supplied to the German gas market via the floating LNG import terminal at Brunsbüttel near Hamburg.

ADNOC further reserved an unspecified number of LNG cargoes for Germany in 2023. The deal with Abu Dhabi also includes a memorandum of understanding for multi-year supplies of LNG. Germany's two new planned floating LNG terminals will eventually be able to receive up to 12.5 billion cubic meters of LNG a year, equivalent to about 13% of the country's gas consumption in 2021. This marks an important milestone in building up an LNG supply infrastructure in Germany and setting up more diversified gas supplies from the globe. Berlin hopes that more deals on similar lines as with Abu Dhabi for LNG will help ease the skyrocketing prices of energy.

The European industrial giant has been desperately investing in floating LNG terminals to cut down its dependence on cheap natural gas from Russia that came directly to Europe through a network of gas pipelines. Because of cost-effectiveness, resilience in energy supply chains was not accounted for and as a result, Germany did not invest in LNG terminals in time. This, however, has changed ever since gas supplies to Europe have been weaponised by Russia and abruptly suspended to ramp up pressure on European economic stature. In addition, the damage to Nord Stream 1 and 2 through suspected sabotage has highlighted the vulnerability of pipelines. In such circumstances, it is even more important for Germany to seek and cement a diversified basket of energy imports along with timely investments in renewable energy as well. The current reach out to the Gulf States is an attempt for the same.

The US Unveils Pacific Islands Strategy at Historic Summit

The US-Pacific Island countries Summit held on September 28 -29 at the White House was a symbolic occasion to denote the extent of Washington's historical connection with the Pacific Islands as well as its recent re-engagement. While other presidents of the United States in the past have held summits with Pacific nations, for the first time all Pacific Island countries have been invited to Washington for Biden's summit. The summit occurred amid Washington's increased focus on countering China's global influence in general and the Pacific region in particular. As per the US Officials, the summit was an acknowledgement that the Pacific islands have gotten "short shrift" as the United States has focused its attention elsewhere.

Reiterating the United States' renewed commitment to the Pacific Islands in his address to summit leaders, President Biden said "a great deal of the history of our world is going to be written in the Indo-Pacific over the coming years and decades, and the Pacific Islands are a critical voice in shaping that future". Amid a broad



set of announcements about new commitments to the Pacific region, the White House said that "the United States has directly provided over \$1.5 billion to support the Pacific Islands over the past decade and today has announced over \$810 million in additional expanded programs." The US will also recognize the Cook Islands and Niue.

Despite the tone of friendship and a shared common cause that have been expressed in the lead-up to the summit, there existed numerous controversies simmering beneath the surface. One is that the U.S. did not initially invite all the members of the Pacific Islands Forum to the summit, leaving out the Cook Islands and French Territories. Protests from the forum members, who place great emphasis on regional unity, prompted a reversal. Other detractors have claimed that the Partners in the Blue Pacific concept of the US “rides roughshod over established regional processes” and questioned whether the Pacific Islands are “partners or pawns” in U.S. strategy.

On the eve of the summit, the draft summit statement came under a cloud with the Solomon Islands seeking time to reflect on a draft statement, and Micronesian leaders raising serious concerns about “insufficient” financial assistance to the region. Some hectic diplomatic parley ultimately resulted in the endorsement of the 11-point statement of vision by all of the visiting leaders including Solomon Island.

The administration released a US-Pacific Island Strategy for the first time, a plan meant to complement the earlier release of the Indo-Pacific strategy. Acknowledging crucial geographical linkages between the US and the Pacific, the strategy argues that U.S. prosperity and security depend on the Pacific region remaining free and open. Signalling the commitment of the US for a broader and deeper engagement with the Pacific Islands as its foreign policy priority, the strategy maps an array of existing and recalibrated U.S. programs onto ‘the Pacific Island Forum’s ‘2050 Strategy for the Blue Pacific Continent.’

Along with climate change and the extreme burdens of economies crushed by the pandemic, the U.S. Pacific Partnership Strategy explicitly names China as one of the “urgent challenges”. It considers “pressure and economic coercion by the People’s Republic of China” a critical risk which undermines the peace, prosperity, and security of the region, and by extension, of the United States.

The US assured the centrality of the Pacific Islands Forum (PIF) in the regional architecture of the Pacific and projected its Indo-Pacific Strategy and Blue Pacific Partnership as complementary frameworks. In addition, the strategy aims to coordinate and encourage connectivity with existing multilateral groupings, including the Association of Southeast Asian Nations (ASEAN) and the Quad.

The strategy includes efforts to expand US diplomatic missions in the Pacific and commits to deploying additional personnel across the region. The strategy would also establish the first US envoy to the Pacific Island Forum and make several climate commitments, increasing the presence of the Coast Guard, National Oceanic and Atmospheric Administration and Department of Defense in the area.

After years of benign neglect, a robust Pacific agenda with an enhanced U.S. presence in the Pacific Islands has attracted bipartisan backing in Washington. While the summit and its initiatives indicate solid steps in U.S. engagement with the Pacific Islands, it will ultimately be Washington’s actions, and not its words, that will be evaluated by those in and beyond the region.