



RESOURCE SECURITY WATCH

The American Foreign Policy Council's Review of
Changes to the Global Strategic Environment

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Related Categories: Energy Security; Human Rights and Humanitarian Issues; International Economics and Trade; Resource Security; Global Health; Middle East; Pakistan; Russia

SIBERIAN DISASTER A WAKE UP CALL FOR THE KREMLIN

Vladimir Potanin, the Russian oligarch who controls Siberia's Norilsk Nickel conglomerate, is on the outs with the Kremlin following a massive late-May fuel spill for which his firm is responsible. Russian President Vladimir Putin has criticized Potanin's delay in notifying authorities and declaring a state of emergency after a company thermal power plant collapsed or sank, dumping 21,000 tons of diesel fuel into the region's soil and water sources. The spill is being described as the "worst environmental disaster to impact the Arctic."

The Norilsk disaster, however, seems to be prompting a broader policy rethink in Moscow. The accident, scientists say, was caused by increasing industrialization and rising global temperatures, which caused thawing permafrost in the region and destabilized the area on which the power plant stood. In the aftermath of the accident, President Putin has ordered the country's Prosecutor General to carry out a review of all hazardous objects built on permafrost within the Russian Federation. Comparing the size of the spill to that of the 1989 *Exxon Valdez* disaster just off the Alaskan coast, Greenpeace estimates that clean-up costs will top 10 billion rubles (\$145 million.) (Reuters, June 5, 2020; *New York Times*, June 10, 2020)

CRUDE RISES, SHALE STAGNATES

Oil prices doubled in May-June due to record production cuts by OPEC+ members, leading to a 10% reduction in global supplies of crude. In an effort to maintain this momentum, and avoid a price collapse similar to the one that buffeted the economies of oil-producing states back in April, the cartel has agreed to extend the cuts through July, and demanded that countries which exceeded production quotas in late spring (e.g., Nigeria and Iraq) compensate with extra cuts from July through September. While U.S. officials have applauded the move as helpful to the stabilization of the global energy market, oil prices remain below the production costs of most U.S. shale producers, and the result has wreaked havoc on the industry, which has experienced shutdowns, layoffs and cost cutting measures. (Reuters, June 5, 2020; *New York Times*, June 6, 2020)

YEMEN'S DEEPENING HUMANITARIAN CRISIS

In Yemen, more than 24 million people, roughly 80% of the country's population, remain reliant on humanitarian relief and protection due to years of fighting between the Saudi-backed Yemeni government and Houthi rebels. Eight million Yemenis, half of them children, are now dependent on UNICEF's dangerously underfunded water, sanitation and hygiene (WASH) program. Without adequate donations from the international community, that program is proving unable to keep pace with the scope and impact of the civil war, and just half of the country's estimated 3,500 medical facilities are said to be fully functioning, while nearly 20 million people do not have access to adequate healthcare. As a result of this situation, as well as a reduction in funds from donor nations who are grappling with their own national responses to the coronavirus, Yemen is experiencing a severe shortfall in aid. (*UN News*, June 12, 2020; *BBC*, June 19, 2020; *PBS*, June 29, 2020)

PAKISTANI FARMERS BECOME BUG COLLECTORS

Amid an ongoing water crisis and the global coronavirus pandemic, farmers in Pakistan are facing yet another foe: locusts. In what has been called the worst locust plague in the past quarter-century, these insects are decimating entire harvests, leaving many scrambling for income while nudging commodity prices upward. In response, the Pakistani government instituted a pilot program in the Punjab province this summer to pay 20 rupees (12 cents) per kilogram of locusts collected. The dead bugs gathered in this fashion would subsequently be used as chicken feed.

"While the project is not a solution to the devastation caused to crops, it can provide hard-hit farmers with a fresh revenue stream and relieve pressure on authorities struggling to distribute locust-beating pesticides," reports the BBC. The UN's Food and Agriculture Organization estimates Pakistan could suffer about \$5 billion in losses if 25 percent of its national crops are damaged. However, the insect collection effort has proven to be so successful that funding for the project ran out after 20 tons were collected. (*BBC*, June 10, 2020; *National Geographic*, June 16, 2020)