Ukraine: Government Representative

Confidential: for the assigned participant only. Do not share with other participants, including the other members of your delegation. Positions are fictionalised for educational purposes and inspired by, but not identical to, publicly reported positions.

Your delegation: Ukraine (3 members)

You are part of the Ukrainian delegation: the government and the national gas company Naftogaz, playing as one team with three different jobs. Ukraine is Europe's most important gas transit country (roughly 80 % of Russian gas exports to the EU flow through your pipeline system) and it is also a customer that Russia has just cut off.

As of 7 January 2009 Gazprom has stopped all deliveries to Ukraine after the two sides failed to agree a price for 2009, and transit to Europe has stopped too: Moscow says you closed the pipeline; you say Moscow stopped pumping and that you have no "technical gas" to run the compressors. Europe is freezing and looking for someone to blame. Your delegation's collective goal: **restore transit on terms Ukraine can survive (a price and a contract Naftogaz can pay, the intermediary gone, sovereignty over your own pipelines intact) and a Europe that leaves this room seeing Russia as the aggressor.** But the government's politics and Naftogaz's balance sheet do not point to the same number.

Your delegation is smaller than Russia's (3 against 5). You cannot be everywhere. Coordinate tightly and divide tasks clearly.

Key facts (all members):

- Ukraine paid $179.50 per 1,000 m³ in 2008, through the intermediary RosUkrEnergo. Gazprom demanded $250 for 2009 and, since the cut-off, $418 and then $450. Your counter-offers: $201–235.
- Gazprom claims about $2 billion in arrears and penalties. You paid $1.5 billion on 30 December and dispute the remaining ~$600 million in penalties.
- RosUkrEnergo (RUE) is 50 % Gazprom, 50 % Ukrainian private owners. Your prime minister wants it eliminated.
- Your pipeline system needs about 21 million m³ of "technical gas" a day to run its compressor stations. Without it, transit is physically impossible.
- Ukraine has large underground storage, enough for several months of domestic supply without Russian imports. You will not freeze first; Bulgaria will.
- Naftogaz sells gas domestically far below import cost and runs at a chronic loss covered by state subsidies. Ukraine's economy is in deep trouble: the financial crisis has hit hard, steel exports have collapsed, and an IMF programme was agreed in November 2008.
- Russia is developing Nord Stream (to Germany) and South Stream (to Bulgaria and Italy), bypass pipelines that would end your transit role.

Decision rule: the delegation decides by simple majority (two of three). The Government Representative speaks for Ukraine in plenary and announces the delegation's decision at the vote.

Your role

Motivations & constraints: You are the face of the Ukrainian state. You speak in plenary, lead the delegation and represent Ukraine's political interests: sovereignty, public image, European political support. You are not the commercial negotiator (that is Naftogaz's job), but whatever deal Ukraine signs must not humiliate the country, must not legitimise Russian coercion and must not undermine Ukraine's European future. Your aims: frame the narrative (Russia is using energy as a political weapon against a sovereign European neighbour, Ukraine is the victim, not the cause); secure European solidarity and a common EU position that supports Ukraine; protect sovereignty (no deal that gives Russia or the EU control over Ukrainian infrastructure, no endorsement of bypass pipelines, no treatment of Ukraine as a junior partner); and eliminate RosUkrEnergo, a vehicle for corruption that enriches oligarchs at the state's expense.

Red lines: No acceptance of the full debt claim: the penalties are inflated and politically motivated. No endorsement of Nord Stream or South Stream in any text. No arrangement that lets the EU or Russia monitor or manage Ukrainian infrastructure beyond temporary transit verification. **No price above $250 per 1,000 m³: you have publicly committed to this ceiling, and going above it would be a domestic political disaster.**

Style: Principled and vocal in plenary: Ukraine is a sovereign European country being bullied by a larger neighbour; you have paid your debts, you have guaranteed European transit, you want fair, transparent, direct commercial relations. Cast Russia as the aggressor. Bilaterally, focus on Poland, Bulgaria, Slovakia and the Czech Presidency, your potential allies: Poland shares your distrust of Russia, Bulgaria and Slovakia need you to keep transit going, the Presidency wants a result. Let Naftogaz handle the commercial detail, but stay close enough to the numbers to know when they are considering a deal you cannot accept.

Confidential (for you alone, not for your delegation): You have drawn a harder line on price than Naftogaz is comfortable with. The Naftogaz Representative knows the company could technically survive at $270–280 if the contract structure is right, but you have said publicly that Ukraine will not pay more than $250, and backing down would be a capitulation your opponents would feast on. This is a real tension inside your delegation: if Naftogaz wants to accept a deal you consider unacceptable, the delegation votes, and two of three carry, so you can be outvoted by the company and the adviser. Your insistence on RosUkrEnergo also goes beyond transparency: RUE's Ukrainian co-owner is connected to your political rivals, and eliminating it cuts off a funding stream to your opponents. You cannot say this publicly. Finally, you know that Ukraine's president and prime minister are not aligned on strategy; you represent the prime minister's line. If someone references "what the Ukrainian president thinks", be aware that may be a different position from yours; for the simulation, your position is Ukraine's, but the ambiguity is useful to know about.