

# 5. STATE AND PROSPECTS OF UKRAINE-RUSSIA COOPERATION IN THE MILITARY SECTOR

Assessing the state of bilateral partnership in the military sector, it should be admitted that pessimistic forecasts of both Russian and Ukrainian experts have largely come true. Differences in geopolitical positions of the two states hinder cooperation in the defence policy and military operations sectors. Euro-Atlantic integration of Ukraine is seen by Russia as a threat to its national security. Bilateral cooperation in the military and technical sector is on the down, whereas the Russian Federation pursues the principle of self-sufficiency, creating domestic closed cycles of production of military equipment.

This section gives assessment of the current state and prospects of Ukraine-Russia cooperation in the sectors of defence policy, military-operational and military and technical cooperation.

## 5.1. COOPERATION IN DEFENCE POLICY AND MILITARY OPERATIONS

Cooperation in the defence policy sector rests on the general national political priorities of provision of state security by military means. Military-operational cooperation encompasses relations between military agencies of the countries, their Armed Forces, and deals with concrete measures (military education, combat training of troops, exchange of experience, etc.).

Politically, Ukraine builds military cooperation with the Russian Federation on the provision of the Law of Ukraine “On Fundamentals of National Security of Ukraine”, describing as the priority line in the security policy “provision of full participation of Ukraine in pan-European and regional collective security systems, membership in the European Union and the North Atlantic Treaty Organisation, while maintaining good-neighbourly relations and strategic partnership with the Russian Federation, other CIS states and other countries of the world”.

The defence policy stand of Russia rests on the following provisions of Russia’s National Security Strategy passed recently: “Development of relations of bilateral and multilateral cooperation of CIS member states is the priority line of foreign policy for Russia. Russia will seek to promote the potential of regional and sub-regional integration and coordination in the space of CIS member states, first of all, within the framework of the CIS, as well as the Collective Security Treaty Organisation (CSTO) and Eurasian Economic Community... unacceptability for Russia of the plans of movement of the military infrastructure of the Alliance to its borders and attempts to impart it global functions, contrary to the norms of the international law, will remain the determinant factor in relations with the North Atlantic Treaty Organisation”<sup>1</sup>.

In line with those documents, the legitimate for Ukraine declaration of the course of Euro-Atlantic integration and refusal from participation in large-scale defence policy projects in the CIS is seen by Russia as Ukraine’s defection to the hostile camp. However, while in relations with NATO countries, Russian defence policy principles are “adapted” to its practical needs (in particular, economic), in relations with Ukraine those principles are used as a pretext to restrict cooperation. According to Russian, Western and Ukrainian experts alike, the scale of Russia’s cooperation with NATO (except the latest period, when it was frozen) far exceeds even the prospects of the Ukraine-NATO partnership.

Russian disapproval of eastward NATO enlargement became an obstacle for the Ukraine-Russia cooperation in defence policy and military operations. In particular, wider participation of Russia in antiterrorist operations in the Black Sea was hindered by its negative attitude to ships of NATO countries (France and Great Britain) arriving in the area from outside the Black Sea basin.

Ukraine-Russia military cooperation was also affected by Russia’s moratorium on observance of the Treaty of Conventional Armed Forces in Europe (December 11, 2007), the conflict in the Caucasus and the Ukraine-Russia gas conflict that also affected the European countries. Those events substantially undermined prospects of cooperation of the two countries and made them dependent on the results of the dialogue between the West and Russia on a wide range of issues of the European security system.

As part of such dialogue, the world policy conference in Evian (October 2008) discussed proposals of Russia’s President D.Medvedev that contained five basic principles of the new system European security: (1) observance of the international law; (2) inadmissibility of use of force or

<sup>1</sup> See: Strategy of National Security of the Russian Federation. – Official web site of Security Council of the Russian Federation, <http://www.scrf.gov.ru/documents/98.html>



threat of its use in international relations; (3) guarantees of equal security; (4) refusal of states and international institutes from the exclusive right to maintain peace and stability in Europe; (5) introduction of basic parameters of arms control and reasonable sufficiency in defence building. According to Western experts, the proposals are rather abstract, but in our opinion, they may provide the basis for negotiation of each of their aspects and resumption of mutually advantageous bilateral cooperation.

Noteworthy, at present, both NATO and Ukraine are reassessing the results (not goals) of NATO-Ukraine partnership towards greater realism and pragmatism, with account of a wider range of factors critical for security in the European region. Reassessment covers the pace of Ukraine's Euro-Atlantic integration, mechanisms of cooperation, capabilities of both parties, external factors (including priorities of relations of the leading European states with Russia)<sup>2</sup>.

Ukraine's abilities of full-scale military-operational cooperation with Russia are hindered by Ukraine's non-participation in CSTO. Of late, the number of events in that field substantially dropped: in 2007, 44 joint events were held, in 2008 – only 7, out of 57. For 2009, 42 events of cooperation in military operations were planned.

New prospects of Ukraine-Russian defence policy and military-operational cooperation may be opened by the EU, Russian and Ukrainian initiatives of fighting piracy at sea. In this connection, certification of naval means (ships and equipment) of Russia and Ukraine under NATO standards, their participation in joint anti-piracy operations can play a positive role and provide an example of fruitful trilateral cooperation.

**Differences in political goals, priorities and means of their attainment between Ukraine and Russia narrows room for defence policy cooperation. Too tough linkage of means of implementation of current tasks with political guidelines limits the scale of military-operational cooperation of the two countries.**

## 5.2. MILITARY AND TECHNICAL COOPERATION

Military and technical cooperation covers a wide range of activities involving international transfers of military goods and services, joint development, production, repair, modernisation, disposal of redundant and obsolete arms and military equipment.

The main components of military and technical cooperation include: exports of domestic military and dual-purpose products (including services of repair, extension of service life, personnel training, etc.); defence-industrial cooperation in production of arms and military equipment, other military and dual-use products; participation in joint projects (including development and production of arms

and military equipment, their joint use, disposal, etc.); procurement of arms and military equipment for Ukraine's Armed Forces, other Ukrainian military formations and law-enforcement bodies; participation in export control regimes.

The Euro-Atlantic thrust of Ukraine became a pretext (but not a reason) for Russia's refusal from many Ukrainian initiatives in the fields of defence industry, law-enforcement, creation of joint ventures, disposal of arms and military equipment. There is a steady trend towards reduction of the scope and potential of Russia-Ukraine cooperation in the military and technical sector. Its main reason lies in Russia's transition, starting from mid-1990s, to the strategy of independence of the defence industry from foreign parts through creation of closed production cycles on its territory<sup>3</sup>. However, drawbacks of the defence policy component of Ukraine-Russia cooperation are not decisive in this respect but provide a "hidden political motive" for decisions passed in the military and technical sector.

Non-accession of Ukraine to CSTO is seen by many experts as the main negative factor limiting Ukraine's ability to equip its Armed Forces with Russian-made equipment and develop its the defence industry. Russia, indeed, opened a "green line" supplying arms and military equipment to CSTO member states. However, one should keep in mind that supplied equipment is far from new (mainly, of Soviet production), which in the long run will contain technical modernisation of the Armed Forces and development of the national defence industry of the countries – recipients of technical aid (firmly "tying" them to Russian defence industry capabilities and priorities).

The Russian-Georgian events of 2008 delivered a serious blow to Ukraine-Russia military and technical cooperation. Russian accusations of Ukraine of alleged illegal deliveries of weapons to Georgia on the eve of those events became another pretext for Russia's refusal from a number of initiatives (in particular, creation of a joint venture for modernisation and repair of air defence systems)<sup>4</sup>. For the sake of justice, it should be said that formally, Ukraine did not break the principles of the international law on arms deliveries. Meanwhile, its deliveries to Georgia run contrary to one of the key provisions of the EU Code of Conduct on Arms Export (the supplier country should abstain from arms deliveries breaking stability in the region). However, not being an EU member, Ukraine is formally not obliged to observe the provisions of that Code. So, Russia's rejection of the mentioned Ukrainian initiatives is most probably caused by the mentioned desire to create own closed production (and operation) cycles, and intention to get rid of a rival on the market of military and technical services.

Reduction of military and technical cooperation between Ukraine and Russia is observed in all sectors that previously seemed promising.

<sup>2</sup> Security of Ukraine in XXI century: challenges and needs of collective measures. – Materials of Ukraine-NATO Partnership Network for Civil Society Expertise for a conference in Garmisch-Partenkirchen on March 23-25, 2009, Kyiv, 2009.

<sup>3</sup> This especially applies to politically unstable countries, i.e., countries having significant political risks, including Ukraine. In mid-1990s, Russia prioritised cooperation in hi-tech sectors with Germany, France and Great Britain, using proceeds from arms sales under contacts with China, India, Iran, Egypt, Algeria and Syria.

<sup>4</sup> Russian President's Decree "On Measures Banning Delivery of Military and Dual-Purpose Products to Georgia" No.64 of January 16, 2008, imposed restrictions on military and technical and economic cooperation with foreign states supplying arms and military equipment to Georgia.



**Missile technology programmes.** Now, Russian arms experts say that in the field of development and production of a new generation of means of delivery of nuclear weapons, Russia no longer depends on Ukraine, and all latest systems accepted for service by the Strategic Missile Forces of the Russian Federation are Russian-made (in ICBM systems “Topol-M” Russia refused even from the Byelorussian tractor). In the near future (till decommissioning of missile systems of Soviet production) the only probable sphere of participation of Ukraine is the design supervision (assessment of technical condition, extension of service life, etc.)<sup>5</sup>.

Russia quitted the agreement with Ukraine on the use of radar stations of the missile attack warning system in Mukacheve and Sevastopol.

**Modernisation of aviation equipment.** Ukraine refused from Russian proposals of modernisation of the Ukrainian fleet of MIG-29 fighters (adopting the “light” variant of modernisation of Ukrainian fighters) and Mi-8, Mi-17, Mi-24 helicopters. Regarding modernisation of the helicopter fleet, Russia opposes plans of cooperation of Ukrainian and French enterprises and insists on inadmissibility of unauthorised modernisation without the main designer. The cost of modernisation of one helicopter is estimated by the designers at approximately \$4.5 million, and the cost of research and development (R&D) to determine the possibility of employment of Ukrainian enterprises – \$10-12 million. Now, Mi-24 helicopters are modernised by Ukrainian aircraft repair works “Aviakon” jointly with French companies. In late February 2009, Russia’s Foreign Ministry sent a note to Ukraine’s Foreign Ministry demanding termination of “illegal” repair and modernisation of helicopters without the designer’s permission.

**Military transport aviation.** The situation in that sector is characterised by the common approach of Russian leadership aimed at utmost employment of domestic production capacities.

- In the light military transport aviation class, the Russian approach to long-term planning of the light military transport aviation fleet looks as follows: the tasks of a light transport airplane are vested in Il-112V (MIG Design Bureau, Myasishchev Factory, Tupolev JSC, Voronezh Joint-Stock Aircraft Building Association) designed to replace An-26. Furthermore, specialists do not rule out that in case of commercial success of the joint Ukrainian-Russian airplane An-148 on the Russian market, its ramp modification may entirely assume the tasks vested in the light transport airplane and partially perform the functions of a medium transport airplane.
- In the medium military transport aviation class: the joint project of An-70 airplane is actually stalled. The debt to Antonov Aeronautical Scientific-Technical Complex under the project admitted by the Russian Federation in 2000 (and still outstanding) is estimated at \$48.2 million. Completion of the airplane development, according to different estimates, will require some \$300 million. Russia

views Tu-330VT and Il-214 as domestic alternatives to that project.

- In the heavy military transport aviation class, the focus is on Il-76 and superheavy An-124 (on the condition of modernisation and maintenance of operability of the existing airplane fleet and possible procurement of a few airplanes of the new versions). Production of An-124 “Ruslan” started at “Aviastar-SP” CJSC (Samara). According to the project coordinator, some \$1.4 billion will be needed to resume serial production of upgraded An-124-100 airplanes: at the first stage (R&D and trial production) – \$407 million, at the second (serial production) – \$982 million. In Ukraine, the project involves Antonov Aeronautical Scientific-Technical Complex (design supervision of the entire project), Progress Zaporizhya Machine-Building Design Bureau (design supervision of engines), “Aviant” Kyiv State Aircraft Plant, “Motor Sich” JSC. In August, 2007, Russian “Volga-Dnepr” company and Ukrainian companies (Antonov Aeronautical Scientific-Technical Complex and “Motor Sich” JSC) signed an agreement of serial production of the upgraded version of An-124-100G-150 “Ruslan” airplane. Issues of intellectual property of the project participants have long remained unresolved. They were settled in a special agreement signed by the Governments the two countries, effective since June 26, 2008. Under cooperative contracts, Aviant Kyiv State Aircraft Plant and “Motor Sich” JSC will supply to Samara parts of airframe and aircraft engines. The project’s success largely depends on the orders. The Programme of resumption of production of An-124-100 was included in the Strategy of Aircraft Industry Development of the Russian Federation till 2015. In that period, 40-50 airplanes are planned to be built – 3-5 a year. Readiness to buy 41 An-124-100 airplanes by 2025 was reported by “Volga-Dnepr” Group, “Polyot”, Antonov Airlines and a company from the United Arab Emirates<sup>6</sup>.

**Aircraft engine building.** The bulk of Ukrainian exports to Russia (and other countries under Russian contracts) falls on helicopter engines, air-to-air missiles, aircraft fuel and hydraulic units. Production of the relevant systems involves deep inter-factory cooperation (for instance, “Motor Sich” OJSC employs for production of aircraft engines dozens of Russian enterprises, and the share of Russian components is close to 80%). However, cooperation in that field, too, is intentionally reduced and now largely conditioned by the uniqueness of some Ukrainian scientific-technological solutions and economic expediency. Production of helicopter engines is commencing at enterprises “Klimov” Company, “Aerosila”, “Saturn”, “Chernyshev” Moscow Machine-Building Enterprise. In aircraft missile production, Russia also prefers domestic products (alternative to missiles of “Artyom” State Joint-Stock Holding Company).

**Shipbuilding.** The bulk of Ukrainian export deliveries to Russia in the field of shipbuilding falls on the produce

<sup>5</sup> According to open sources, 12 out of 20 types of land-based launch vehicles in the inventory of the Russian Federation were designed in “Pivdenne” Design Bureau in Dnipropetrovsk and built at “Pivdenmash” plant, and among some 600 missiles in the inventory of the Russian Strategic Missile Forces, only around 40 are Russian-made. See: Petrov N. Interrupted flight of An-70. – “AviaPORT. Digest” internet publication, March 6, 2006, <http://www.aviaport.ru/digest/2006/03/06/101739.html>

<sup>6</sup> Information from the web site of the Centre for Army, Conversion and Disarmament Studies “Defence-Express”, <http://www.defense-ua.com/rus/news/?id=25086>



of Mykolayiv-based “Zorya-Mashproekt” enterprise. The enterprise performed contracts of delivery of systems for main power units of ships built in Russia for foreign customers (in particular, “Murena” assault hovercraft for the South Korean Navy, “Molniya” fast missile boats for Vietnam). However, even in that field Russia cuts cooperation with Ukrainian enterprises. Russia’s Saturn Scientific-Production Association in cooperation with other Russian enterprises commences design and production of locally developed naval systems.

**Land-based air defence means.** Cooperation in modernisation and repair of air defence systems of Soviet design for foreign customers and minimal employment of Ukrainian enterprises at development and production of new systems. This is demonstrated by cooperation in production of SA-10/12/20 and new SA-21 systems: while production of SA-20 involved more than 100 enterprises from Russia, Ukraine, Belarus and Armenia, development and production of SA-21 is almost entirely Russian.

**Automotive equipment and armour, artillery and small arms, ammunitions, radar and communication systems.** Cooperation in development and production of those types of arms and military equipment is actually absent.

**Range use.** Up until recently, Russia and Ukraine exchanged services (irregular though) of provision of ranges (firing of Ukrainian air defence units at Russian ranges, use of the Ukrainian “Nytka” aviation simulation centre by Russians). Lack of pragmatism and extreme politicisation of those issues by both sides bring losses – both military-operational (level of training of troops) and financial. The plan of construction of carrier aviation training centre in Krasnodar province in 2009-2012 envisages allocation phase one facilities alone RUR 8 billion. The value of phase two is RUR 14 billion<sup>7</sup>. Experts from the Ukrainian Centre for Army, Conversion and Disarmament Studies calculated that with those funds, Russian carrier aviation pilots could train piloting skills for 1,500 years<sup>8</sup>. According to Ukraine’s Defence Minister Yu. Yekhanurov, in February 2009, Ukraine and Russia agreed to resume training of Russian pilots at “Nytka” carrier aviation training centre<sup>9</sup>.

**Export control.** Ukraine and Russia cooperate in the field of export control within the framework of international regimes to which they acceded. Bilateral cooperation is developing on the intergovernmental level. In particular, on May 22, 2009, the Governments of Ukraine and Russia signed an agreement of exchange of information about SA-18 and SA-7 man-portable air defence systems (MANPADS) exported to third countries or imported from third countries. The agreement envisages account of transferred (obtained) MANPADS and exchange of information about their transfer (receipt), in order to enhance the effectiveness of fighting international terrorism.

**By and large, the scale of Ukraine-Russia military and technical cooperation is inconsistent with the two countries’ needs, their industrial-technological potential and capabilities of cooperation.**

**To build up capabilities of both Ukraine and Russia in the attainment of the tasks faced by their industries,**

**it makes sense to consider the following measures aimed at the development of their military cooperation.**

1. Drop confrontational issues of Ukraine’s accession to NATO in the bilateral dialogue and begin a constructive dialogue of establishment of a pan-European security system with account of priorities of all European countries in political, economic, energy, environmental sectors. To concentrate on creation of the climate of trust in the Ukraine-Russia-NATO triangle, joining efforts in search of adequate responses to new challenges to the European and global security.

2. Initiate talks about the Black Sea Fleet stationing in Crimea with account of the actual state of the Fleet, security requirements in the Black Sea basin, economic ability of the parties to redeploy the Fleet and creation of an alternative and adequate to Ukraine’s economic needs “peaceful” infrastructure in Sevastopol. Till the withdrawal of the Black Sea Fleet, to provide for steadfast observance of the assumed commitments.

3. Intensify participation of Ukraine and Russia in multilateral projects in the military sector (including in BLACKSEAFOR, “Black Sea Harmony” operation, in anti-piracy operations).

4. Promote military-operational cooperation in sectors of mutual interest:

- restoration and creation of new effective channels of exchange of experience between the defence ministries and general staffs of the two countries;
- resumption of operation of test centres, mutual provision of ranges for military unit training;
- conduct of joint exercises of fighting terrorism, removal of effects of emergency situations.

5. Provide conditions for productive interaction in the field of military and technical cooperation. Development of contacts in that field will contribute to:

- more effective use of the potential of partnership in missile and space projects;
- solution of problems hindering development of cooperative ties among aviation concerns of Ukraine and Russia;
- creation of conditions for organisation (including with third countries) of joint ventures for production of air defence means, radar and missile systems, radio electronics, modernisation of weapons;
- implementation of joint projects of control of movement of man-portable air defence systems, disposal of redundant stocks of arms, ammunitions, and missile fuel;
- preparation of the legislative framework and guarantee of mutually acceptable and mutually advantageous participation of third countries in privatisation of strategic enterprises (including of defence industry) in Ukraine;
- provision of a mutually coordinated policy and cooperation of Ukrainian and Russian industrial enterprises and agencies on markets of third countries.

<sup>7</sup> Combat training centre for naval aviation pilots will be built in Krasnodar province. – Official web site of Russian Naval Forces, May 7, 2009, <http://www.navy.ru>

<sup>8</sup> Russia might use “Nytka” for another 1,500 years. – “Defence-Express”, <http://www.defence-ua.com/rus/news/?id=28454>

<sup>9</sup> Russian pilots will again train at “Nytka” centre in Crimea – Defence Minister. – Interfax-Ukraine, May 19, 2009.