

1. Security Policy: Meeting of the Subcommittee on the Black Sea Fleet of the Russian Federation

Next meeting of the Subcommittee on the Russian Black Sea Fleet and its stationing in Ukraine will be held in December 2010.

Comment: *Ukraine-Russia political consultations were held in Kiev on 25 August 2010. In the course of the consultations the parties discussed topical issues of the bilateral relations. They considered the possibility of prospective expansions of Russia's contribution to development of the social-economic sector of Sevastopol as well as other population aggregates where elements of the Russian Black Sea Fleet are stationed.*

Besides, the Ukrainian and Russian sides are drafting an Agreement on the Movement of Personnel and Vessels of the Russia's Black Sea Fleet. This Agreement will regulate movement of the Fleet's servicemen within Ukraine.

2. Military Policy: New Promotions

20.08.10. The President of Ukraine, Viktor Yanukovich, issued Decree № 841/2010 promoting Chief of the General Staff, Lieutenant-General Grygorii Mykolaiovych Pedchenko, to Colonel-General and Commander of the Ukrainian Navy, Vice-Admiral Viktor Volodymyrovych Maksimov, to Admiral.

Comment: *G.M.Pedchenko was born in 1955. During 1973-1975 he did conscription service in the Soviet Armed Forces. In 1979 he graduated from the Moscow Higher Combined Arms College (named after the USSR Supreme Council). In 1988 he graduated from the Frunze Military Academy. In 1996 he graduated from the operational-strategic department of the Ukrainian Armed Forces Academy. During 1980-1985 he served as an active duty officers in the positions of motorized infantry platoon leader, motorized infantry company commander and chief of staff of a motorized infantry battalion. From 1988 to 1993 he served in various command positions in the Western Group of Forces. From 1993 to 1998 – a mechanized brigade commander in the Carpathian Military District then a mechanized division commander in the Northern Operational Command of the Ukrainian Army. From 1998 to 2000 worked as Army Inspector – Deputy Main Inspector of the Defence Ministry; Inspector General of the Ukrainian Army – Deputy Main Inspector of the Defence Ministry. During 2000-2002 – Commander of the 8th Army Corps, Northern Operational Command; in 2002-2003 – Chief of Staff – First Deputy Commander of the Northern Operational Command. From 2003 to 2005 – Commander of the Northern Operational Command. From 2006 to 2010 a member of the Odessa Regional Council. From the 31st of March to the 31st of May 2010 – First Deputy Defence Minister. G.M.Pedchenko has been Chief of the General Staff since May 2010.*

V. Maksimov was born in 1951. In 1969 he finished Kalinin Suvorov military school and 1974 was graduated from Chernomorsk Higher Navy School named P. Nahimov. He had also been graduated from Leningrad Navy Academy in 1985. During 1974 – 1979 he had been servicing in Poland and then experiencing on Black Sea from 1985 till 1997. Since 1997 he acted as deputy of Ukrainian Navy C-in-C with particular responsibility for Navy combat training. Then he has been in charge for a maritime equipment and ship maintenance service. V.V.Maksimov has been Navy Commander since March 2010.

3. Defence Planning: Defence Budget for 2011

23.08.10. According to the Defence Minister, Mykhailo Yezhel, the Defence Budget for 2011 will be increased by 2,8 billion UAH as compared against this year's one.

Comment: *In its Budget proposition for 2011, the Defence Ministry requested 13,6 billion UAH. Almost all of this money is to be appropriated from the General Fund of the State Budget. In the past few years, 90% the General Fund of the MoD's budget consisted of various allowance and pay items. Force training, upkeep and maintenance of weapons and equipment were to have been funded from the Special Fund which was never filled.*

See Annex to IAR DN 34/2010 for detailed information on the Defence Ministry's expenses in 2004-2011.

4. Force Training: Conscription Campaign "Autumn 2010"

25.08.10. The Cabinet of Ministers issued Decree №729 establishing the number of Ukrainian citizens subject to call-up in October-November 2010.

Comment: *Under the Decree, 20000 citizens are to be conscripted into the military service in October-November 2010 and 1,3 million UAH are to be allocated to cover the cost of the Autumn Conscription Campaign. Preparation and call-up of one conscript costs 64,5 UAH (this sum doesn't include the cost of food and transportation of conscripts from assembly stations to their respective military units).*

There is a plan to draft 20000 citizens this autumn and reduce the number of conscripts next year.

5. International Exercises: BLACKSEAFOR Activation

27.08.10. Ships of the Black Sea Naval Cooperation Group BLACKSEAFOR called at the Bulgarian port of Varna.

Comment: *As provided for by the Activation Plan, on their way to Varna, the multinational Task Force conducted an exercise in antimine defence, surface targets warfare and air defence.*

The ongoing activation of the Black Sea Naval Cooperation Group BLACKSEAFOR will end on 30 August 2010.

Under the Agreement on Establishment of the Black Sea Naval Cooperation Group (signed in Istanbul on 2 April 2001), the key tasks of BLACKSEAFOR are search-and-rescue operations, humanitarian operations, antimine operations, environmental protection operations, goodwill visits, as well as other tasks by consent of its member states (Bulgaria, Georgia, Russia, Turkey and Ukraine).

The BLACKSEAFOR Commander is appointed for one year. The transfer of authority among the member states is done by rotation in alphabetical order.

6. International Cooperation: A Ukrainian Navy Delegation Visiting a US Navy Base

On 25-28.08.10, a delegation of the Ukrainian Navy Search-and-Rescue Centre paid a working visit to a US Naval Base located in the Italian town of Sigonella.

Comment: *The aim of the visit was for the Ukrainian seamen to familiarize themselves with the work of US diving units as well as diving preparation procedures employed by US Naval medics.*

Furthermore, in the course of their visit, the Ukrainian servicemen also took part in the practical diving job.

7. International Cooperation: Russian Chief of the General Staff to Visit Ukraine

According to the Ukrainian Defence Minister, Mykhailo Yezhel, a visit of the Russian Chief of the General Staff to Ukraine is scheduled for this year.

Comment: *According to the Plan of Cooperation between the Defence Ministry of Ukraine and the Defence Ministry of the Russian Federation for 2010, 37 events are scheduled for this year.*

In 2009, the Ukrainian Armed Forces carried out cooperation with defence agencies of 48 countries.

Bilateral cooperation activities with NATO and EU member states constituted 40% of the total number of planned bilateral cooperation events. 24 events (5% of the total number) were conducted between the Ukrainian and Russian defence agencies in 2009.

8. International Cooperation: Military Engineers of Ukraine and US Exchanging Experience

27.08.10. A delegation of the US Engineer Troops finished their visit to the UAF EOD Centre located in Kamianets-Podilsk (Khmelnitsk region).

Comment: *In the course of their visit, the US delegation were exposed to the specialist training system at the UAF EOD Centre, its key tasks as well as research, scientific and technical activities.*

The US delegation met servicemen who were preparing for the next rotation of the Ukrainian peacekeeping personnel operating as part of the Lithuanian Provincial Reconstruction Team in the Ghor Province (ISAF).

Ukrainian peacekeepers have been operating as part of the ISAF since May 2007.

As of today, the Ukrainian peacekeeping contingent consists of 14 officers. One of them works in the ISAF HQ in Kabul, two officers are part of the National Support Element in Kabul, and eleven servicemen are officers and medics of the Lithuanian Provincial Reconstruction Team in the Ghor Province (Chagcharan).

9. Conversion Challenges: Funding of Disposal Activities

26.08.10. According to the Director of Department for Rocket Fuel Components, Missiles and Ammunition Disposal (MoD), Yuriy Brovchenko, 106,6 million UAH have been earmarked for disposal of conventional ammunition unfit for further use and storing in 2010.

Comment: *Out of the 106,6 million UAH, 20,8 million UAH are to be appropriated from the General Fund and 85,8 million UAH from the Special Fund. The actual sum appropriated to date is 8 million UAH. Besides, the Defence Ministry made a decision to direct 80 million UAH from the Stabilization Fund towards ammunition disposal.*

At the moment, the UAF have some 1,19 million tons of ammunition stored at 130 sites. Approximately 500000 tons out of this volume are to be disposed of by 2017. Besides, there are 4 depots with some 13000 tons of liquid rocket fuel components that have already been stored for 15-20 years (which is thrice their warranty period) and lost their certified characteristics.

10. Force Training: Purchase of Fuel and Lubricants

The Department of Material Resources Supply (MoD) plans to purchase approximately 8000 tons of fuel and lubricants on a tender basis by the end of September.

Comment: *Under the contract signed by the Department in early August, some 5300 tons of fuel are to be delivered to UAF units by the end of September. The Defence Ministry expects to finalize very soon all necessary procedures to purchase another 2500 tons of fuel for the Ukrainian Armed Forces.*

**Expenses
of the Ukrainian Defence Ministry in 2004 - 2011**

Item		UAF maintenance	UAF training*	Investment in development of weapons, equipment and infrastructure	Reformation of military forces	TOTAL
2004	Appropriated	3 622,1	888,3	489,1	159,3	5 158,8
	% of expenses	70,2%	17,2%	9,5%	3,1%	
2005	Appropriated	4 337,8	937,5	467,9	102,5	5 845,7
	% of expenses	74,2%	16,0%	8,0%	1,8%	
2006	Appropriated	4 895,2	920,8	522,1	107,4	6 445,5
	% of expenses	75,9%	14,3%	8,1%	1,7%	
2007	Appropriated	6 005,7	1 101,5	983,6	71,5	8 162,3
	% of expenses	73,6%	13,5%	12,1%	0,9%	
2008	Appropriated	7 323,5	1 208,9	875,4	65,0	9 472,8
	% від видатків	77,3%	12,8%	9,2%	0,7%	
2009	Appropriated	7 008,5	716,5	592,2	17,1	8 334,3
	% of expenses	84,1%	8,6%	7,1%	0,2%	
2010	Appropriated <i>(as of 25.08.10)</i>	4 924,4	560,4	176,8	47,5	5 709,1
	% of expenses	86,3%	9,8%	3,1%	0,8%	
2011	Project of the Ukrainian State Budget	10 585,8	1 214,0	1 761,1	39,1	13 600,0
	% of expenses	77,8%	8,9%	12,9%	0,3%	

* UAF Training item includes Budget Programme 2101100 that incorporates appropriations covering cash security and pay.

** The 2009 and 2010 figures include appropriations from the Stabilization Fund.