

1. Military Policy: NSDC Meeting

17.11.10. A meeting of the National Security and Defence Council presided over by the President of Ukraine, Viktor Yanukovich, took place. The overarching topic of the meeting was assessment of threats to the nation in 2011.

Comment: *In the course of the meeting, President Yanukovich emphasises the need for improvement and optimization of the NSDC work.*

The NSDC is a Presidential national security and defence coordinating body. It coordinates and controls executive agencies in the national security and defence sector. The NSDC is headed by the President of Ukraine.

The previous meeting of the NSDC was held on 5 August 2010 in the Crimea. It was a special extraordinary meeting convened to work out measures to fight forest fires.

2. Military Policy: Military Cooperation Plan with NATO for 2011

According to the Chief of the General Staff – the Commander-in-Chief of the Ukrainian Armed Forces, Colonel-General G.Pedchenko, the Ukrainian Defence Ministry submitted the draft Plan of Military Cooperation with NATO in 2011 for consideration by the President of Ukraine.

Comment: *The Plan provides for 21 exercises, including 12 in Ukraine and 9 outside the country.*

In 2010, the Defence Ministry and the General Staff have effectively carried out all planned cooperation activities with NATO.

It will be recalled that the Plan of Multinational Exercises in Ukraine Involving UAF units and their Participation in Multinational Exercises outside Ukraine in 2010 provided for 21 international exercises, including 9 in Ukraine and 12 outside Ukraine.

See Annex to IAR DN 46/2010 for more information on exercises in 2010.

3. Military Policy: Pulling the Financial Plug on State Programmes

According to the Defence Minister, M.Yezhel, the Government is pulling the financial plug for such state projects as building of a corvette and An-70 aircraft as well as modernization of helicopters.

Comment: *The key projects of the State Programme of the Ukrainian Armaments and Military Equipment till 2015 currently include creation of the operational-tactical missile system "Sapsan", BM-tank "Oplot", a new corvette for the Navy, the short take-off-and-landing military transport aircraft An-70 as well as upgrade of the air defence system, modernization of Mig-29 fighters and combat helicopters Mi-8.*

The new corvette for the Ukrainian Navy was to have been commissioned in 2012; however, due to lack of public funding in 2010 the date has been postponed for 2015 at the earliest. According to expert estimates, some 500 million UAH will be required in 2011 to recover the pace and tempo of the project.

Modernization of the Ukrainian combat helicopters Mi-24 is done in cooperation with the French company "Sagem".

It will be recalled that last year the Russian Defence Ministry transferred 150 million RUB to the Antonov Company for a flight testing programme for the military transport aircraft An-70. The money received by the Ukrainian partner on 21 December was appropriated by the Russian side under the Annex (signed in November 2009) to the contract (signed in 1993) between the customer and the designer of the aircraft, namely the defence agencies of the two countries.

4. Defence Planning: Defence Budget Appropriations

16.11.10. Defence Ministry appropriation from the General Fund have been funded by 97,4% over the past 11 months. This information was given by the Director of the MoD's Department of Finance, Lieutenant-General Ivan Marko at a briefing in Kiev.

Comment: *The anticipated Defence Ministry's appropriations for this year amount to 12477,1 million UAH (49% increase compared to 2009).*

9 052,8 million UAH are earmarked for the General Fund and 2 664 million UAH for the Special Fund. As of 15 November, the General Fund has been filled by 97,4% and the Special Fund by 61,6%.

It is anticipated that in 2011 the Defence Ministry will get 13,6 billion UAH including 11,39 billion for the General Fund. No appropriations are planned for the Stabilization Fund next year in the draft State Budget.

5. UAF Reform: UAF Downsizing

18.11.10. According to the Chief of the General Staff, Colonel-General Grygoriy Pedchenko, the UAF will be downsized by 40 000 personnel by 2015.

Comment: *The UAF personnel number is currently at 200000. In 2015, the UAF are to have 160000 personnel. Besides, 20000 civilian employees and 20000 servicemen are to have been made redundant by 2015.*

The UAF Command and Control personnel are to be downsized by 20% as well. The reduction will also include disbandment of an Army Corps and military units that have no prospects. Within the next five years, the UAF plan to dispose of over 200000 tons of ammunition as over 10000 tons of liquid rocket fuel components. Implementation of these projects will make it possible to disband some 27 arsenals, bases and depots and hand over 500 military bases over to the state.

6. UAF Funding: Redistribution of Budget Appropriations

The Cabinet's Decree № 969 of 18.10.10 increased the MoD's appropriations for the General Fund to 350,8 million UAH and 384 million UAH as a result of redistribution of the Stabilization Fund allocations for design, procurement and modernization of armaments and military equipment.

Comment: 350,8 million UAH were redistributed from the Budget Programme 3511340 "Subvention from the State Budget to Local Budgets". This sum includes 72,8 million UAH for increased pay for servicemen; 70 million UAH for purchase of 1158 pieces of medical equipment and one spiral computerized tomographic scanner for radiological diagnosing; 70 million UAH for purchase of special equipment; 80 million UAH for construction or purchase of service flats for servicemen; 58 million UAH for clothing and ablutions.

In addition, the Cabinet's Decree of 18.10.10 appropriates 19,8 million UAH to the Defence Ministry with which to provide 49741 contract servicemen with one free meal per day from 01.12.10 forward. The average cost of one lunch is 15,75 UAH.

7. Personnel Training: Internship at "Alrosa" Submarine

16-22.11.10. Crew members from the Ukrainian Navy submarine "Zaporizhia" completed the second phase of their internship at the Russian Black Sea Fleet submarine "Alrosa".

Comment: The overarching aim of the internship is to train the Ukrainian submariners for operation according to their intended purpose and improvement of their skills when in the sea.

The first phase of the internship took place on 6-15 October. "Zaporizhia" crew members practices standard procedures for evacuation from an emergency submarine in the surfaced position using individual and collective life saving equipment as well as some practical procedures at "Alrosa" submarine.

Dockside trials of "Zaporizhia" submarine are scheduled for December 2010.

8. International Cooperation: Ukrainian-Polish Relations

16-17.11.10. A Polish military delegation headed by the Chief of the General Staff, General Mieczysław Cieniuch.

Comment: In the course of the negotiations the two delegations identified prospective areas of military cooperation, discussed military aspects of regional security and cooperation in the framework of "The Vyshegrad Four".

The Ukrainian and Polish Chiefs of the General Staff signed a Technical Agreement between the Ukrainian Defence Ministry and the Polish Ministry of National Defence on joint participation in international peacekeeping operations. A joint project of priority is forming of a Polish-Lithuanian-Ukrainian peacekeeping brigade. A working group has been formed in the Ukrainian Armed Forces for this purpose.

Furthermore, a Memorandum of Understanding on the joint unit and a draft concept of logistics support for the brigade (proposed by Poland) is currently undergoing the process of interagency coordination and countersigning in Ukraine.

9. Development of Armaments and Military Equipment: Funding of Armaments and Military Equipment Projects

16.11.10. According to the Director of the Department of Finance (MoD), Lieutenant-General Ivan Marko, 1,781 billion UAH are to be appropriated for development of armaments and military equipment in 2011.

Comment: 592 million UAH were allocated for this purpose in 2009 and 1,396 billion UAH in 2010.

Development of armaments and military equipment is funded through four budget programmes: research and development, acquisition of armaments and military equipment, its repair and modernization.

Appropriations for repair and modernization of armaments and military equipment are to be increased from 350 million UAH to 505 million UAH in 2011.

Besides the Ukrainian Defence Ministry plans to celebrate the 20th anniversary of Ukraine's independence by adopting 10 tanks "Oplot" and purchasing 30 modernized tanks BM "Bulat".

BM "Bulat" was adopted in 2004. The tank T-64B was upgraded to BM "Bulat" in three main characteristics: firepower, protection and mobility. 56 BM "Bulat" tanks have already been modernized and delivered to the troops. Last year, the Defence Ministry concluded a state contract with the Malyshev Plant in Kharkiv for modernization of another 29 tanks. The contract expires in 2011. The Ukrainian Armed Forces will have got the total of 85 tanks BM "Bulat" by the end of 2015.

The tank "Oplot" was adopted in 2009. A contract for purchase of 10 tanks was concluded with the Malyshev Plant in 2009. 14% of the total value of the contract have been funded so far.

Some 300 pieces of repaired and modernized armaments and military equipment have been handed over to the Defence Ministry by Ukrainian defence enterprises in 2010.

13 fighters MiG-29, three antiaircraft systems C-300, five ships, 61 pieces of military equipment for the Navy and 207 pieces of military equipment for the Army have been repaired for the Defence Ministry in 2010. According to the Ukrainian Defence Ministry, the repair of the frigate "Hetman Sagaidachny" will have been completed by the end of 2010; the submarine "Zaporizhia" will be repaired in the spring of 2011.

Exercises in 2010

No	Location	Name	Execution
	In Ukraine		
1		Bilateral: Ukrainian-Slovak exercise "Slavs for Peace 2010"	<i>Not conducted</i>
2		Ukrainian-Romanian exercise	<i>Not conducted</i>
3		Ukraine-US exercise "Sea Breeze 2010"	<i>Conducted (Odessa, 09-28.07.10);</i>
4		Ukraine-US exercise "Rapid Trident 2010"	<i>Conducted (Lviv region, 04-19.09.10)</i>
5		Ukrainian-Belorussian exercise	<i>Conducted (Lviv region, 19-21.10.10)</i>
6		Multilateral: "Barrier 2010"	<i>Conducted (Ochakiv, 26.07-07.08.10)</i>
7		Ukrainian-Polish-Lithuanian exercise "Maple Arch 2010"	<i>Not conducted</i>
8		"Blonde Avalanche2010"	<i>Vynogradiv, Transcarpathian region, 27.09-01.10.10</i>
9		"Cossack Steppe 2010"	<i>Not conducted</i>
	Outside Ukraine		
1		Bilateral: Ukrainian-German exercise "Golden Mask 2010"	<i>Conducted (Germany, 12-22.04.10)</i>
2		Ukrainian-Romanian exercise	<i>Conducted (Romania, 13-26.06.10)</i>
3		Ukrainian-Russian exercise	<i>Not conducted</i>
4		Ukrainian-Belorussian exercise	<i>Not conducted</i>
5		Ukrainian-Moldovan exercise "South 2010"	<i>Not conducted</i>
6		Multilateral: Multinational exercise "Brilliant Ardent 2010"	<i>Not conducted</i>
7		"Barrier 2010"	<i>16-26.09.10, Poland</i>
8		"Combined Endeavour 2010"	<i>01-20.09.10, Germany, Romania</i>
9		"Cooperative Maco 2010"	<i>Not conducted</i>
10		"Jackal Stone 2010"	<i>16-26.09.10, Poland</i>
11		"Medcare 2010"	<i>08-22.09.10, Montenegro</i>
12		"Bold Avenger 2010"	<i>Not conducted</i>