RUSSIAN ACADEMY OF SCIENCES
INSTITUTE OF WORLD ECONOMY AND
INTERNATIONAL RELATIONS

RUSSIA: ARMS CONTROL, DISARMAMENT AND INTERNATIONAL SECURITY

IMEMO SUPPLEMENT
TO THE RUSSIAN EDITION
OF THE SIPRI YEARBOOK 2008

MOSCOW 2009

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(IMEMO)

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Compiled and edited by
ALEXANDRE KALIADINE AND ALEXEI ARBATOV

Moscow 2009

УДК 327
ББК 64.4 (0)
Rus 95

Rus 95

Russia: arms control, disarmament and international security / IMEMO supplement to the Russian edition of the SIPRI Yearbook 2008 / Compiled and edited by A. Kaliadine, A. Arbatov. IMEMO, 2009. – 88 p.

ISBN 978-5-9535- 0183-5

Your comments and requests for obtaining the book should be sent to:
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ISBN 978-5-9535- 0183-5

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PREFACE

The Institute of World Economy and International Relations presents in this volume the 9th edition of *RUSSIA: ARMS CONTROL, DISARMAMENT AND INTERNATIONAL SECURITY*.

This publication is an offshoot of the joint IMEMO – SIPRI project '*The Russian edition of the SIPRI Yearbook: Armament, Disarmament and International Security*'. Our aim is to contribute to transparency on arms control matters as well as to unbiased assessments of Russia's security needs.

The studies in this volume reflect two major developments of the past year affecting the Russian security environment: the crisis in the North Caucasus in August (with its local, regional and global ramifications) and the beginning of the worldwide financial and economic down-turn.

The 9th edition offers analyses of various critical issues: the political fallout of the Caucasian conflict; the standoff over Iran's nuclear program; the prevention of the placement of weapons in outer space; naval arms control and countering terrorism at sea; the humanitarian and military aspects of cluster munitions.

Problems of Russian defense-industrial complex are addressed in chapters describing Russia's military-technical cooperation with foreign states and resource allocation for defense needs in the 2009–2011 Federal Budget.

The volume contains the brief overview of key Russian official documents on security and arms control.

The book represents a collective effort. I would like to offer special thanks to Corresponding Member of the Russian Academy of Sciences, Dr Alexei Arbatov and Dr Alexandre Kaliadine for contributing, compiling and editing this volume. My appreciation also extends to George Bechter, Boris Klimenko and Vladimir Svarichovsky for helping to prepare the manuscript for publication.

I gratefully acknowledge the support of this project by the Swiss Federal Department of Defence, Civil Protection and Sports.

Academician Alexander Dynkin
Director
Institute of World Economy and International Relations
Russian Academy of Sciences
February 2009

ACRONYMS

AAD	–	anti-air defense
ABM	–	anti-ballistic missile
ASP	–	additional safeguards protocol (IAEA)
ALCM	–	air-launched cruise missile
ASEAN	–	Association of Southeast Asian Nations
ASAT	–	anti-satellite weapon
ASW	–	anti-submarine warfare
ATT	–	arms trade treaty
BMD	–	ballistic missile defense
CBM	–	confidence-building measure
CCM	–	Convention on Cluster Munitions
CD	–	Conference on Disarmament (in Geneva)
CFE Treaty	–	Treaty on Conventional Armed Forces in Europe
CIS	–	Commonwealth of Independent States
CSBM	–	confidence- and security-building measure
CST	–	Collective Security Treaty (Tashkent Treaty)
CSTO	–	Collective Security Treaty Organization
DIC	–	defense-industrial complex
DP	–	defense products
DPRK	–	Democratic People's Republic of Korea
ESDP	–	European Security and Defense Policy
ERW	–	explosive remnants of war
EU	–	European Union
FA	–	Federal Assembly (Russia)
FC	–	Federation Council (Russia)
FBR	–	fast-breeder reactor
FBS	–	forward-based system
FEP	–	fuel enrichment plant
FGUP	–	federalnoe gosudarstvennoe unitarnoe predpriatie (federal state unitary enterprise, Russia)
FMCT	–	Fissile Material Cut-Off Treaty
FSMTC	–	Federal Service on Military-Technical Cooperation (Russia)
FSP	–	federal special program (Russia)
FZ	–	federal law
G8	–	Group of Eight
GDP	–	gross domestic product
GK	–	gosudarstvennaya korporatsia (state corporation, Russia)
GLONASS	–	Global Navigation Sputnik System (Russia)
GMD	–	global missile defense (the U.S.A.)
GPS	–	Global Positioning System

GUP	–	gosudarstvennoe unitarnoe predpriatie (a state unitary enterprise, Russia)
HEU	–	highly-enriched uranium
IAEA	–	International Atomic Energy Agency
ICBM	–	intercontinental ballistic missile
IMEMO	–	Institute of World Economy and International Relations
LWR	–	light-water reactor
MTC	–	military-technical cooperation
MW	–	megawatt
MIRV	–	multiple independently targeted re-entry vehicle
MOD	–	Ministry of Defense (Russia)
MPC&A	–	material protection, control and accounting
MTC	–	military-technical cooperation
MTCR	–	Missile Technology Control Regime
NAM	–	Non-aligned movement
NATO	–	North Atlantic Treaty Organization
NFC	–	nuclear fuel cycle
NGO	–	non-governmental organization
NIS	–	new independent state
NMD	–	national missile defense (USA)
NNWS	–	non-nuclear-weapon state
NPT	–	Treaty on the Non-Proliferation of Nuclear Weapons (Nuclear Non-Proliferation Treaty)
NSG	–	Nuclear Suppliers Group
NTM	–	national technical means (of verification)
NW	–	nuclear weapon
NWFZ	–	nuclear-weapon-free zone
NWS	–	nuclear-weapon state
O&M	–	operations and maintenance
OSCE	–	Organization for Security and Co-operation in Europe
PAROS	–	prevention of arms race in outer space
PPWOS	–	prevention of the placement of weapons in outer space
PPWOST	–	treaty on the prevention of the placement of weapons in outer space, the threat or use of force against outer space objects
PSI	–	Proliferation Security Initiative
R&D	–	research and development
RAF	–	Russian Armed Forces
RF	–	Russian Federation
RNC	–	Russia-NATO Council
SALW	–	small arms and light weapons
SCO	–	Shanghai Cooperation Organization
SC	–	state corporation

SD	–	State Duma (Russia)
SDO	–	State defense order (Russia)
SIPRI	–	Stockholm International Peace Research Institute
SLBM	–	submarine-launched ballistic missile
SLCM	–	sea-launched cruise missile
SNDS	–	strategic nuclear delivery system
SNF	–	Strategic nuclear forces
SORT	–	Strategic Offensive Reductions Treaty
SRF	–	Strategic Rocket Forces (Russia)
SSBN	–	nuclear-powered ballistic missile submarine
SSN	–	nuclear-powered submarine
START	–	Strategic Arms Reduction Treaty (I, II, III)
TCBM	–	transparency and confidence-building measure
TNW	–	tactical nuclear weapons
TMD	–	theatre missile defense
UCF	–	uranium conversion facility
UEF	–	uranium enrichment facility
UF6	–	uranium hexafluoride
U.N.	–	United Nations
UNDC	–	United Nations Disarmament Commission
UNGA	–	U.N. General Assembly
UNSC	–	U.N. Security Council
UNSCR	–	U.N. Security Council Resolution
WMD	–	weapon of mass destruction
WTO	–	Warsaw Treaty Organization

PART I. ANALYSES, FORECASTS, DISCUSSIONS

1. INTERNATIONAL SECURITY AFTER THE CAUCASIAN CRISIS*

Alexei ARBATOV

Events around the conflict in South Ossetia that happened in August 2008 are less serious by all standards than most clashes in the post Soviet space and Yugoslavia, let alone local wars in the Cold War period. However, the political fallout of the Caucasian crisis may exceed all crucial episodes after the break-up of the USSR, including the impact of NATO attack against Yugoslavia in 1999 and 'the black September' in the U.S.A. in 2001.

Consequences of the crisis have local, regional and global dimensions.

In addition, inadequacy of the existing international security organizations, which are called upon to resolve such conflicts, has become obvious. Notwithstanding the great number and possibly because of their diversity and complexity – all of them proved to be practically paralyzed: the U.N. Security Council, OSCE, NATO, RNC, EU (ESDP), CIS, and CSTO.

If the Southern Caucasus crisis is followed by a conflict in Ukraine, around the Crimea and Sevastopol, unfolding according to the same model, events may get out of control.

The post Soviet space is becoming one of the major arenas of international contradictions and risks to global security on the level with the Extended Middle East and South Asia.

Of special concern is the likelihood that the rivalry will not be limited to the economic and political spheres but escalate to military confrontation of leading powers and alliances in the conflict zones.

A new 'Cold War' could become a real possibility (with all the reservations made in regard to this parallel).

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* The article is based on Dr Arbatov's presentation at the session of the IMEMO Scientific Council on 8 October 2008.

What are the goals, which Russia has succeeded in achieving during the conflict and at its conclusion?

First. Russia has been true to its commitments as the guarantor of the 1992 and 1994 Peace Accords, by giving protection to the tiny peoples of South Ossetia and Abkhazia against armed suppression, and, possibly, genocide practiced by the Tbilisi nationalist and adventurous regime.

Second. Moscow has demonstrated to all the world, that henceforth its words are no longer at variance with its deeds and that its warnings against unilateral arrogant handling of such issues as the Southern Caucasian conflict, the recognition of Kosovo, NATO expansion to the post Soviet space and the deployment of a third U.S. GMD site in Europe should have been taken seriously in the past and definitely must be considered earnestly in the future.

Third. Russia has shown that its increased economic power and domestic consolidation allow it to stand up as an independent and bold player in international politics capable of applying force and challenging the mightiest power of the world.

What has Russia failed to attain?

First. Russia has not succeeded in convincing the outside world, and not only the West, of the lofty aims of its military operation. (The operation was preceded by 16 years of fruitless negotiations on South Ossetia with Russian mediation; by mass distribution of Russian passports to residents of the enclave; by the restoration of economic relations with the unrecognized republics after the West's unilateral action on Kosovo; by the calls of many Russian politicians, experts and TV showmen to recognize the independence of the enclaves prior to 7 August 2008. 'The five-day war' was quickly followed by the recognition of the independence of South Ossetia and Abkhazia by Russia and the conclusion of the treaties providing for the establishment of military bases.)

Second. Moscow has failed to win wide support of the Russian version of the development of the conflict. (In this connection one should mention differing estimations of the timing of the Georgian army's attack on Tskhinvali and of engagement of the Russian forces, conflicting versions of the number of victims from shelling and of operations in 'security zones' and air strikes against the infrastructure, and so on).

Moscow's assessments of the dynamics of the events imply a continuous and logically sustainable sequence of its moves – from the engagement of troops up to the conclusion of the security treaties with the two republics. Outside Russia this assessment is precisely split in three parts. Now, when the initial wave of the anti-Russian isteria has passed, very few individuals (not only in Europe, but in the United States, as well) cast doubt on the judgment that overt battle actions were initiated by the Georgian side upsetting the status quo in South Ossetia and come to the con-

clusion that Russian military intervention in those conditions was entirely natural, predictable and even justified.

But the trespassing of the borders of South Ossetia by Russian troops; collateral damage of the strikes against the Georgian infrastructure (especially in Gory), the introduction of troops and the action in Abkhazia – these moves are perceived as 'overreaction'. However, this too could be accepted following the logic of the military operation (especially in contrast to the immeasurably greater application of force by NATO against Yugoslavia in 1999).

But the recognition of the independence of two republics by Russia, which quickly followed the cessation of hostilities, is perceived as absolutely unacceptable, and not only in the West. This step is viewed as an infringement of the six-point ceasefire plan.

The recognition issue is the main target in the campaign criticizing Russia and the principle cause for the rift between Russia and foreign states (not only locally but on a regional and global scale). It is from this that Moscow's intentions are retrospectively viewed. the Russian operation in the Southern Caucasus is not assessed as a step to rescue innocent local residents and peacekeepers. It is viewed as: (1) a 'public flogging' of the most disobedient and impertinent regime in the CIS; (2) a tough warning to the Ukrainian authorities in connection with their plans to secure NATO membership; (3) a demonstration to the West of Russia's determination to uphold its interests, including by force; (4) 'a public slap in the face' of the United States and a reprisal for all Russia's humiliations and concessions made in the last twenty years.

All these interpretations were implied by A. Lukashenko, the closest ally of Russia, during his visit to Moscow immediately after the cessation of hostilities when he noted that 'Moscow acted quietly, calmly and thoroughly'.

The increase of tensions between Russia and the West, unmatched for the last twenty and, possibly, thirty years, has raised the specter of a new Cold War.

The Caucasian conflict is unprecedented in a number of ways:

- It is the first time since 1979 that Moscow resorted to military force against another state;

- It is the first time that Russia has used force against a state party to the CIS and questioned the principle of territorial integrity, as far as the states in the post Soviet space are concerned, and followed the Kosovo precedent for the OSCE space;

- Probably, for the first time in the history of bilateral relations, Russia militarily defeated a factual, if not official, ally of the U.S.A. and threw into a helpless rage 'the sole superpower'. All the more so, since Washington, undoubtedly, incited Tbilisi's military adventure (whether

officially or nearly so), trained and equipped the Georgian army, made use of its assistance in Iraq and assured the Georgian elite of its patronage and support in securing NATO membership. in addition to this, the defeat of the Georgian army occurred during the American election campaign.

- Whatever may have been said officially, Russia has embarked at high profile military activity in the following two months, obviously challenging the USA and NATO and demonstrating its ability to counter any actual or hypothetical adversary. (In this connection one may mention the bomber Tu-160 flights to Venezuela; visits to this country of a group of naval ships led by the nuclear cruiser 'Pyotr Velikiy'; military-staff exercises jointly with Belarus with the view of repulsing terrorists and air-space attacks; the flight-testing of the naval strategic missile 'Bulava').

This military demonstration hardly impresses the strategic expert community in the West but allows some circles there to start campaigns against the 'Russian military challenge'.

The new 'Cold war', if the current tense situation leads to it, is likely to become to some extent more dangerous than the previous one.

- There is no approximate parity in the military capabilities between the Russian Federation and the USA. in a possible confrontation Russia would try to prove that it had become much stronger than in the 1990s while the USA would try to demonstrate that it has not become weaker.

-No zones of influence, tacitly recognized both by Russia and the West, exist any more. the post Soviet space, Latin America, the zone of the Persian Gulf may be affected by the rivalry escalating to stand-offs.

- The great powers lack sufficient control of their allies and partners, which are capable of drawing them into confrontation against their will.

At the same time, a number of important features conditioned by the multipolarity of the international system and increasing interdependence and globalization contrast strikingly with the 'classical' Cold War period. This was vividly demonstrated by the current global financial crisis which had begun in the USA and immediately affected Russia, Europe and Asia.

In addition, other factors emerged.

For the first time in history a serious military operation launched by Moscow has not led to NATO's cohesion. On the contrary, a deep rift occurred within NATO and the EU over the issue of reprisals.

The EU, for the first time in a similar situation, stood up both as an economic and political center of power, taking upon itself (through President Nicolas Sarkozi) an intermediary role between Russia and Georgia and indirectly – between Russia and the U.S.A.

Such international organizations as the CIS, CSTO, and SCO have not demonstrated unity, either. During the conflict they had kept silent and after the cessation of hostilities approved Russian peacekeeping efforts in

a general way though they did not support the recognition of the independence of the two republics.

It is especially indicative since the Russian Federation has invoked Art. 51 of the U.N. Charter (regarding the right to self-defense), as well as Art. 4 of the CST (Tashkent Treaty), on mutual assistance in contrast to this, NATO in 2001 for the first time had invoked an analogous provision (Art. 5) of the North Atlantic Treaty after the 11 September events.

In the multipolar system the third parties had taken advantage offered by the crisis between Russia and the West and begun to raise stakes in their dealings with the RF and USA: China, India, Venezuela, Iran, DPRK, Turkey, the Islamic world, Russia's allies in the CIS, etc.

After the August crisis the main challenge can be formulated in the following way: Will the event remain an isolated episode in the post Soviet space and in relations between Russia and the West (which can be remedied quickly enough on a new basis of a more differential and serious attitude of NATO partners to Russian declared interests and on a more specific and realistic articulation of these interests by the Russian side)? Or should one view the events around South Ossetia as 'a first swallow', a new phase in the disintegration of the Soviet empire similar to the Yugoslavian model? Subsequently these developments may be followed by crises and armed conflicts involving reviews of the frontiers with Ukraine in respect of the Crimea, with Kazakhstan – in its Northern and Western provinces populated by Russian-speaking communities and in other states. Conflicts may flare up between Armenia and Azerbaijan over Northern Karabachos involving Turkey and Russia; between Tajikistan and Kirghizia over Fergana and fresh water.

Conflicts in the Southern Caucasus could quickly spread to the Northern Caucasus and transformed the whole region into a vast zone of instability and violence with most harmful direct consequences for Russia.

Such developments would have involved political, and, in the long term, probably, military intervention by countries 'of the distant abroad'. As an extreme case one cannot exclude an armed conflict between Russia and NATO (or between Russia and China) in the post Soviet area, in which Russia would most likely loose combat engagements with the use of conventional forces and might be forced to resort to nuclear means with unpredictable consequences for all the world.

Two basic points of view on this key subject are advanced in Russia. in the view of the country's leadership articulated by President D.A. Medvedev, 'a final full stop' should be put to what had occurred. He also indicated that cooperative relations must be built on a new basis.

An alternative thesis is colorfully expressed by some individuals in the State Duma, political circles, mass media and the public. They perceive the combat operation in South Ossetia as a prelude to the restoration

of the Soviet Union or the Russian empire, and a process, which should transform Russia again into a superpower capable of challenging the West.

In the West similarly the 2008 August crisis has brought about two differing approaches to the developments in the post Soviet space directly related to Georgia and Ukraine.

Proponents of the first school of thought argue that NATO expansion to the CIS against Russia's wishes generates dangerous conflicts and should be postponed, while cooperation with Russia should be encouraged and developed.

Advocates of the second approach insist on accelerating such expansion in order to thwart 'Moscow's ambitions to subordinate by force disobedient neighboring countries' and resuscitate the traditional strategy of 'Russian imperialism'.

Several essential circumstances will determine which vision is likely to prevail.

First. Results of the investigation into the origin of the conflict, including, a more precise assessment of the number and causes of victims among the civilian population of South Ossetia (at the time of writing the figures vary from 500 up to 2100 killed).

Second. A future pattern of negotiations on security in the Southern Caucasus and Russia's attitude to them.

And, finally, a crucial role will be played by Moscow policies toward Ukraine, Crimea and Sevastopol, which will be assessed abroad from the point of view of the likelihood of the repetition of 'the Caucasian model'. in the circumstances one may suggest two interconnected directions for Moscow strategic course. First. There is a need as soon as possible to alter Ukrainian elite's perception of NATO as a guarantor of the Ukrainian territorial integrity and sovereignty, and of Russia as a threat. Second, it is necessary to highlight the factual value of Russia to the EU and the West, as a whole, through diverse channels of cooperation (the so called 'capitalization' of the relations).

Practical implementation of this twin-track strategy necessitates that Russia should at the highest level make the main focus on its role as a most important and influential guarantor of the territorial integrity and sovereignty of its CIS neighbors (provided they continue to hold on to their current neutral military-political status). It is especially important to accomplish this mission after the August events in order to strengthen the shaken unity of the CIS and CSTO.

Having effectively applied military force and won greater esteem, Russia needs to enhance its improved standing by prudent restraint, pursuing flexible and constructive diplomatic line toward the West.

The Russian Federation should activate its Afghan policy, in addition to humanitarian and economic assistance, by sending more Russian advi-

sors and increasing military deliveries, taking due account of the growing difficulties and high NATO stakes in the Afghan operation.

At the same time it would be useful to involve Russian allies – party to the CSTO in the effort and by pursuing this line to facilitate the formal recognition of this organization by NATO. It is especially important to do this since Russia not less and even more than NATO is interested in the prevention of Taliban's return to power.

It would be imperative to activate negotiations (linked to an indefinite postponement of NATO expansion) on such subjects as U.S. missile defense facilities in Europe; reductions of nuclear arms; revival of the CFE Treaty.

In this context it should also be reasonable to pursue more consolidated policies towards Iran (through the U.N. Security Council) and on DPRK (at the Six-Party Talks).

2. THE STANDOFF OVER IRAN'S NUCLEAR PROGRAM

Alexandre KALIADINE

Requirements of the U.N. Security Council

In its first resolution on Iran's nuclear program passed on 31 July 2006 on the basis of Art. 41 of Chapter 7 of the U.N. Charter ('Action with respect to threats to the peace, breaches of the peace, and acts of aggression'), the U.N. Security Council called for a halt to all works related to uranium enrichment and reprocessing of spent nuclear fuel (SNF)[1] in Iran until international confidence in the exclusively peaceful nature of Iran's nuclear program is restored, with the threat of sanctions in the case of non-compliance[2].

Originally Iran's nuclear work aroused international concern when it was revealed (in late 2002) that for a number of years Iran had been conducting undeclared activities in the nuclear field, including the covert purchase, acquisition and development of dual-purpose (civilian and military) technologies, in violation of its obligations under the Nuclear Non-Proliferation Treaty (NPT) and its Safeguards agreement with the International Atomic Energy Agency (IAEA)[3].

In the beginning of 2006, Iran stopped to comply with the 1997 IAEA Additional Safeguards Protocol[4] and its cooperation with the IAEA

[1] The most sensitive nuclear technologies are those for enriching uranium or producing plutonium, materials that can be made into reactor fuel or, if refined, into the fissile core of a bomb.

[2] U.N. document S/RES 1696 (2006). 31 July 2006.

[3] Iran ratified the NPT in 1970, bringing its nuclear program under the inspection regime of the IAEA. The NPT entered into force in Iran in 1974 followed by the Safeguards agreement. In its resolution of 24 September 2005, the IAEA Board pointed out that Iran's policy of concealment has resulted in many breaches of its obligation to comply with its NPT Safeguards agreement.

[4] The 1997 IAEA Additional Protocol to the existing Safeguards Agreements, ASP (IAEA INFCIRC/540) aims at strengthening safeguards agreements through increased confidence about the absence of undeclared nuclear material and activity in a state as a

suffered as a result. Thus, the Agency's ability to assess the character of the Iranian nuclear activity was reduced[5]. Such behavior reinforced suspicions about objectives of the Iranian nuclear program and, ultimately, provoked confidence crisis in relations between Iran and the international community.

It should be emphasized that under the NPT the right of the parties to this treaty to develop research, production and use of nuclear energy for peaceful purposes is not limited (Art. 4 of the NPT), but the IAEA should be properly notified about nuclear facilities, such as uranium enrichment and reprocessing and these activities must be placed under the IAEA safeguards. With Iran, this was not the case.

Teheran has been censured by both the IAEA Board[6] and the UN Security Council for failing to take the steps demanded of it. Since 2006, confronted with continued Teheran's defiance (including its refusal to halt uranium enrichment), the U.N. Security Council imposed three series of U.N. sanctions targeting certain elements of the Iranian nuclear complex – resolutions 1737 (26 December 2006), 1747 (14 March 2007) and 1803 (3 March 2008).

These resolutions require Iran to suspend uranium enrichment and other activities related to nuclear fuel cycle until all issues are removed which have been raised by the IAEA in connection with Iran's past activities in the area of nuclear and missile materials and technologies which did not comply with Iran's obligations under the NPT Safeguards Agreement.

UNSC Resolution 1803 contains a significant new feature: citing the work plan agreed on 23 August 2007 between the IAEA and Iran (IAEA GOV/2007/48), the UN Security Council welcomed the progress in implementation of this work plan and in resolving outstanding issues relating to Iranian past nuclear activities[7].

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whole. The ASP allows broader and more intrusive inspection of nuclear facilities and includes provisions for carrying out IAEA inspections of practically any nuclear facility (including undeclared ones) in the state party to the NPT. As of March 2008 over 80 states have additional protocols in force.

[5] After February 2006 Teheran did not allow to the IAEA inspectors to visit Iranian nuclear facilities in the absence of prior notification.

[6] On 4 February 2006 the IAEA Board of Governors called on Iran to take a number of concrete measures to confirm the absence of undeclared nuclear activity or materials in Iran. The IAEA Board of Governors demanded that Iran returns to the system of complete and consistent suspension of activities related to enrichment and reprocessing activities subject to control by the Agency, including scientific research and design and construction work; that it reconsider the construction of a research reactor with a heavy-water moderator; that it immediately ratify and fully implement the IAEA Additional Protocol; in expectation of ratification, that it continue to act in compliance with the provisions of the Additional Protocol; that it implement transparency measures (including, in part, access to persons and documents related to the acquisition of dual-purpose equipment). Document IAEA GOV/2006/15.

[7] IAEA GOV/2007/48, see Attachment 2.4.

Resolution UNSC 1803 underlines the importance of Iran producing tangible results rapidly and effectively, by completing implementation of this work plan by providing answers to all the questions asked by the IAEA.

It should be noted that Iranian leaders continue to acknowledge their commitment to the NPT and the agreement with the IAEA on NPT safeguards, and willingness to continue cooperating with the Agency to resolve issues related to the implementation of the work plan between Iran and the IAEA. However, it must be also recognized that the Teheran authorities have not yet provided a sufficient level of transparency, which would allow the IAEA to offer a credible assurance about the absence of undeclared nuclear material and activities in the country. Thus, uncertainties persist.

Resolution 1803 focuses on the fact that the Iranian authorities failed to implement key provisions of previous UNSC resolutions. For example, they did not establish full and sustained suspension of all enrichment related and reprocessing activities and heavy water related projects, nor resumed its cooperation with the IAEA under the Additional Protocol, or taken the other steps required by the IAEA Board of Governors.

Teheran's non-compliance with UNSC resolutions was noted in UNSCR 1803 'with serious concern'. The Resolution expanded the circle of Iranian individuals and organizations linked to the sensitive nuclear field subject to sanctions. Their number increased from 22 in December of 2006 to 75 in March of 2008. Sanctions were also extended to cover a broad range of dual-use items (goods and technologies) controlled by the Nuclear Suppliers Group (NSG).

In addition, all states are called upon to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat in order to avoid such activities contributing to the proliferation of sensitive nuclear activities or to the development of nuclear weapon delivery systems. All states are also called upon to inspect the cargoes to and from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Lines, provided the aircraft or vessel is transporting prescribed goods.

Nevertheless, sanctions have preserved their targeted and restricted character. They are linked to those aspects of the nuclear activities that directly challenge the NPT regime. The sanctions do not affect the nuclear power plant in Bushehr built by Russia[8], or assistance rendered by the IAEA to Iran[9].

[8] In December 2008 the final stages of preparing the station for launch were under way. Among the P5 + 1 there is a full understanding that the work at Bushehr poses no proliferation risk.

[9] The IAEA has some 40 nuclear projects in Iran ranging from medical, agriculture, industry and safety of nuclear power plants.

On the other hand, the Statement of the foreign ministers of the six countries (five permanent members of the UNSC plus Germany – the P5 +1 group), which was made simultaneously with the approval of UNSCR 1803 and should be considered 'in a package' with this resolution, develops a 'twin-track approach': moves to gradually expand sanctions in case of continuous defiance are supplemented with offers of international cooperation projects, which are of interest to Iran, and which will to be implemented, if Iran chooses to take steps to comply with the provisions of UNSCR 1696 (2006), 1737 (2006) and 1747 (2007).

The six foreign ministers reaffirmed the willingness of their countries to show a creative approach in a search for ways leading to a negotiation process in the course of which it would be possible to jointly outline and coordinate agreements, action procedures, and timeframes for achieving the necessary level of trust toward the nuclear effort of Teheran. The six also declared that once trust in the peaceful character of the Iranian nuclear program is restored it will be treated in the same way as the programs of the other non-nuclear-weapon states party to the NPT. The six ministers expressed their willingness to develop their previous proposals (of 6 June 2006) to the Iranians offering 'substantial opportunities' for political, security and economic benefits to Iran and the region, if Teheran agrees to take steps to comply with the provisions of UNSC Resolution 1803. The Statement also advocated innovative approaches to negotiation with Iran so that all the unresolved problems are settled in a satisfactory manner.

Understanding the Iranian challenge

In June-July 2006 diplomats from the P1 + 1 group undertook further steps to encourage Teheran to enter into serious discussion of those aspects of the Iranian nuclear program that caused international concern. On 14 June Xavier Solana, the High Representative of the European Union, acting on behalf of the six members of the UNSC presented to Iran an updated incentive package. The package lists possible areas of cooperation with Iran as long as Iran verifiably suspends its enrichment-related and reprocessing activities (nuclear energy; political; economic; environment, infrastructure; civil aviation; economic, social and human development/humanitarian issues; civil engineering, agriculture and environmental studies; cooperation/technical support in education in areas of benefit to Iran, etc.)

In the field of nuclear energy, the P5 + 1 package includes provision of technological and financial assistance necessary for Iran's peaceful use of nuclear energy, support for the resumption of technical cooperation projects in Iran by the IAEA; support for construction of light-water reac-

tors (LWR) based on state-of-the-art technology; support for R&D in nuclear energy as international confidence is gradually restored; provision of legally binding nuclear fuel supply guarantees; cooperation with regard to management of spent fuel and radioactive waste.

In the political field the incentives package includes: promotion of dialogue and cooperation on non-proliferation, regional security and stabilization issues: work with Iran and others in the region to encourage confidence-building measures and regional security; establishment of appropriate consultation and co-operation mechanisms; support for a conference on regional security issues[10].

The meeting of the P5 + 1 partners with the Iranian delegation representative, held in Geneva in July 2008, did not achieve any breakthroughs. Teheran refused to make any concessions on the suspension of its enrichment-related and reprocessing activities. In their turn, the Six continued to insist that Teheran should manifest restraint in this field of uranium enrichment prior to the start of the negotiations (according to the principle: Iran does not install new centrifuges and the UN Security Council refrains from imposing additional sanctions[11]). Subsequent contacts between Solana and Iranian high officials failed to produce a breakthrough leading to the start of negotiations[12]. However, both sides signaled their commitment to the dialogue as a means of resolving controversies.

Teheran displayed evident interest in discussing the incentive package but refused to accept any limitations on its nuclear activities, to which it is entitled as a party to the NPT.

Following the opening of the 63d session of the U.N. General Assemble on 16 September 2008, new discussions of the Iranian nuclear dossier took place in the U.N.O. and other forums but they did not lead to a breakthrough.

Neither the impact of sanctions, nor the temptation of foreign assistance, including in the peaceful uses of nuclear energy, have yet been sufficiently persuasive to prompt Teheran to significantly change its negative stance on the steps demanded from it by the international community. Multiple series of sanctions imposed against Iran over its nuclear program have had no visible effect on Iranian policy: Iran has continued to advance its nuclear program, increased enrichment activities, despite four resolutions adopted by UNSC (including three resolutions which imposed sanctions on Iran).

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[10] <www.consilium.europa.eu>

[11] The 'freeze for freeze' offer of the P5 +1 group foresees that Iran refrains from installing new centrifuges while the six members of the group refrain from further Security Council action for the same period, initially for six weeks. This period was to be used to calm fears and continue talks.

[12] On 2 October 2008 Ali Soltanieh, Iran's ambassador the IAEA, said Iran would consider suspending uranium enrichment if the country were guaranteed a supply of nuclear fuel for its power stations.

According to the official data, by the end of August 2008 the number of (fully or partially) operating centrifuges at the underground enrichment facility at Natanz grew to some 4000 (from 3000 in September 2007). Gholamreza Aghazadeh, President of the Atomic Energy Organization of Iran, claimed late November 2008 that Iran has 5000 working uranium enrichment centrifuges. New centrifuges are planned to be installed in 2009.

In 2008 Iranian nuclear engineers began testing a new generation of centrifuges capable of enriching uranium five times faster. Three new cascades (each comprising 164 centrifuges) had been installed at the Natanz fuel enrichment plant (FEP). Thus, the potential for enriching uranium has been augmented. This development increased international concern over enhanced Teheran's capability to divert nuclear material for military purposes and undermine the NPT regime. Correspondingly, IAEA existing and possible additional measures of control, confidence-building and transparency became more important.

The report of the IAEA General Director Mohamed ElBaradei (issued on 15 September 2008)[13] notes that The Agency has been able to continue to verify the non-diversion of declared nuclear material in Iran. Iran has provided the Agency with access to declared nuclear material and has provided the required nuclear material accounting reports in connection with declared nuclear material and activities. The Agency cited progress in its investigation of the Teheran's past nuclear activities.

All nuclear material at the fuel enrichment plant (FEP), as well as all installed cascades, remains under Agency conservation and surveillance. All nuclear material declared by Iran had been accounted for and remained in peaceful activities.

As of 30 August 2008, 5930 kg of UF6 had been fed into the operating cascades since 12 December 2007, the date of the last physical inventory verification (PIV) carried out by the Agency at FEP. This brings the total amount of UF6 fed into the cascades since the beginning of operations in February 2007 to 7600 kg. Based on Iran's daily operating records, as of 30 August 2008, Iran had produced approximately 480 kg of low enriched UF6 (enrichment levels at FEP are up to 4.9 % U-235)[14].

All enrichment is subject to IAEA inspection – all nuclear material at FEP, as well as all installed cascades, remains under Agency conservation and surveillance, as well as all uranium in the form of UF6 (342 t), produced since March 2004 at the uranium conversion facility (UCF). (Since

[13] IAEA GOV/2008/38. 'Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) in the Islamic Republic of Iran'. Report by the Director General.

[14] Over 1500 kg would be needed to manufacture a nuclear explosive device. In addition the low-enriched uranium should be refined to make it suitable for the fissile core of a bomb.

March 2007, seventeen unannounced inspections have been conducted at FEP.) The Agency's inspectors have found no indications of reprocessing related research and development (R&D) activities in Iran.

Iran's leaders do not appear to have taken a decision to acquire nuclear weapons (as opposed to the capacity to produce fissile materials which could be weaponized into a nuclear bomb).

Ayatollah Ali Khomeini, Iran's supreme leader and head of the armed forces issued a «fatwa» (ban) against the production and use of nuclear weapons. Iranian officials affirm that Iran intends to produce only low enriched uranium to make reactor fuel for its projected nuclear power plants.

As a great and proud nation of some 70 million people, Iranians aspire to scientific progress, including nuclear technology and expertise to enrich uranium. The Iranian Government announced plans to build 25 atomic power stations with a total capacity amounting to 25 000 megawatt in the course of 10–15 years. (It is estimated that at the current rate of production the country's oil reserves will be depleted within decades).

The Iranian regime continues to disavow nuclear military ambitions and declares its willingness to resolve the concerns of the international community with regard to its nuclear program. From the Iranian authorities perspective the row over the suspension of uranium enrichment is a political game where Iran is being forced to forfeit its right to peaceful nuclear energy. One should also not overlook the impact on policy debates in Teheran of genuine feelings of insecurity (Iran is virtually surrounded by U.S. forces and allies).

Ambiguities about Iranian nuclear activities in the past and present remain. Between the IAEA and Iran continue to exist disputes over reporting requirements.

Moreover, intentions and plans of Iran's mullahs may change (especially if the country is faced with growing threats to destroy its nuclear infrastructure by air strikes and attempts of extra-regional forces to undermine its internal political system).

Besides, one cannot also ignore the fact that there are forces in Iran eager to rely on dual-use technologies to build up a dedicated nuclear military capability. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued the operation of new generation centrifuges for test purposes.

It remains a matter of serious concern that the IAEA has not been yet in a position to verify that Iran is not engaged in any secret nuclear activities. Teheran continues to refuse to carry out a number of steps necessary for the restoration of the international confidence in the exclusively peaceful character of its nuclear program.

The Agency has accused Iran of refusing access to the Arak (heavy water) reactor construction site, failing to provide timely design informa-

tion relating to its plans for reactors and associated plant, failing to clear up unanswered questions around previous alleged nuclear weapon studies, and refusing to implement the Additional Protocol (though this last is not legally required). Iran is continuing to develop its centrifuges and expand the number in operation.

The IAEA has not been able to make any substantial progress on the alleged studies and associated questions – a set of documents[15] smuggled out of Iran that purport to show that up to and until 2003, the Islamic Republic of Iran conducted nuclear experiments and considered bomb designs consistent with an illicit nuclear weapons program. (Iran says that the documents are forgeries and has demanded to see original copies, which the IAEA says it can not provide). The IAEA noted that Iran had not appeared to use nuclear material in relation to these studies, nor had it seemed to attempt to design or manufacture a nuclear weapon. According to the IAEA, Iran is to clarify the extent to which information contained in the relevant documentation is factually correct and where, in its view, such information may have been modified or relates to alternative, non-nuclear purposes.

Iran needs to provide the Agency with substantial information to support its statements and provide access to relevant documentation and individuals in this regard. The Agency argues that unless Iran provides such transparency, and implements the Additional Protocol, it will not be able to provide credible assurance about the absence of undeclared nuclear material and activities in Iran. Iran should help the IAEA to clarify intelligence reports, alleging it had previously engaged in research on how to manufacture an atomic weapon. Iran is urged by the IAEA to show full transparency and to implement all measures required to build confidence in the exclusively peaceful nature of its nuclear program at the earliest possible date.

Ii is estimated that at current rates Iran could be 6 months to 2 years away from acquiring sufficient stocks of low-enriched uranium to be in a position to produce highly enriched uranium for a nuclear explosive device in a matter of weeks.

In the opinion of the author, Iran's transition to the production of highly enriched (weapon-grade) uranium on an industrial scale and violation of the IAEA safeguards should be considered as 'the red line' legitimizing more coercive options under Chapter VII of the U.N. Charter.

Existing record of the consideration of the Iranian nuclear dossier in the UNSC does not provide a convincing answer to the question of which way of responding to the defiance of the Iranian authorities is more productive (sanctions, incentives, or some balance of rewards and penalties).

[15] The documents accuse Iran of trying to develop a nuclear warhead, convert uranium, and test high explosives and a missile re-entry vehicle.

It should be acknowledged that both Iran's obvious underestimation of the gravity of the international community' concerns over the Iranian nuclear program and aggressive rhetoric, and the provocative calls emanating from certain Western circles to give short shrift to Iran by attacking and destroying its civilian nuclear facilities with an air strike («first shot» policy), attempts at regime change hold the potential for escalation and aggravating the nuclear crisis with unforeseen and grave consequences for regional and global security.

Approaches based on extreme assumptions are counterproductive: alarmism and alarmism-inspired provocations demanding Iran's 'isolation' or 'punishment' and attempts to introduce issues that bear no relation to the NPT problematique, or, on the other hand, self-complacency, carelessness and disregard for challenges undermining the nuclear nonproliferation regime.

A more refined handling of the Iranian challenge is needed: refocusing the international effort on improving the IAEA's access to Iranian nuclear installations; aggressive multilateral diplomacy, using smartly the leverage available to the UN Security Council and the P5 + 1 group.

Ways to resolve the impasse

Three options are being actively considered by the international expert community searching for a solution to the Iranian nuclear challenge.

The first possible course of action is for the global community to continue exerting pressure on Iran using the formulae 'no enrichment until outstanding IAEA issues are fully resolved'. In parallel, IAEA safeguards and activities should be restored in the format of Additional Protocol Plus.

An important tool for achieving these goals may become stricter sanctions imposed by UNSC and certain states in the investment, trade and other areas. At the same time, Iran should be offered a detailed list of more compelling and innovative political and economic incentives in return for compliance with the UNSC resolutions.

The alternative is to apply all the sanctions described above should Iran fail to comply with UNSC Resolution 1803 without offering any new political or economic incentives. The provision of such incentives may be considered only after IAEA safeguards and activities have been restored on the basis of the Additional Protocol with enhanced inspection capabilities.

A third option to resolve the current deadlock is to abandon the formulae 'no enrichment until outstanding IAEA issues are removed' and focus instead on the unconditional restoration of IAEA safeguards and activities in the format of Additional Protocol Plus, removal of outstanding issues regarding past violations and elimination of their consequences. The abandonment or restriction of uranium enrichment program and other

activities related to nuclear fuel cycle should become a subject for negotiations which may be promoted using both all available incentives and efficient sanctions[16].

In the author's view, at the present stage the concerted actions by the members of the UNSC within the framework of the third option can lead to a breakthrough.

On the one hand it is necessary to bolster the sanctions regime, and, on the other hand, to increase the attractiveness of cooperation projects in case the Iranian authorities agree to heed the concerns of the international community with regard to their nuclear program.

Proposals developed below are aimed at increasing the feasibility of a diplomatic resolution of the Iran nuclear crisis.

1. **A key prerequisite: closer coordination of positions of the 'P5 + 1' partners on Iran.**

In this connection, of concern are deep divisions between Moscow and Washington on the U.S. plans to install elements of its global missile shield in central Europe purportedly for the purpose of countering a potential Iranian nuclear-missile threat. The plans appear to be unconvincing, as a means of pressuring Teheran to change its behaviour in the nuclear field.

First, the plans have become a stumbling block between Moscow and Washington, increasing the number of issues of tension between the two capitals. The controversy around these plans is perceived as a new affirmation of the frailty of the anti-proliferation coalition focused on Iran. This development, of course, was noted by Teheran and did not encourage Iran to make concessions to the UNSC.

The deployment of U.S. BMD sites in Poland and the Czech Republic is perceived by Moscow as a step that infringes on Russia's deterrence ability and has no relevance to the efforts to resolve the Iranian nuclear crisis by means of multilateral diplomacy.

Second. This project sends a wrong signal to Teheran, as it assumes that the international community has in some way come to terms with the fact of Iran possessing a nuclear-missile capability, and the problem is now how to defend oneself from that country. In other words, the position takes as its starting point the failure of multilateral diplomacy, to induce Iran to observe the rules of non-proliferation. And this could even prompt Iranian leaders to take hasty steps.

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[16] These three options were suggested by the Working Group of the Advisory Council of the International Luxembourg Forum on Preventing a Nuclear Catastrophe. The meeting was held in Moscow on 14 April 2008. The experts addressed the situation which followed the adoption by the U.N. Security Council of Resolution 1803 on Iran's nuclear dossier on March 3 2008.

However, the Bush administration was lukewarm towards a joint (together with the RF) assessment of the extent of the Iranian nuclear-missile threat and hastened to implement its unilateral GMD project in Europe highlighting the deep divisions between Moscow and Washington.

On 8 July 2008 the U.S.A. signed an agreement with the Czech Republic allowing the construction and operation of the missile defense systems radar station (an advanced radar facility known as X-band radar).

On 20 August 2008 the United States and Poland signed an agreement allowing the placement of a U.S. missile-defense base in Poland. Under the agreement the USA will station 10 missile interceptors in Poland. The interceptor site will be linked to other U.S. missile defense facilities in Europe and the United States. The system is expected to be in place by 2012.

These actions created a negative background for the joint effort to solve the Iranian nuclear problem by means of multilateral diplomacy. In fact, they tend to push the Russian leadership to review the parameters of its cooperation with the USA on the Iranian nuclear dossier.

The confidence crisis was aggravated by the events following the August Caucasian crisis. On the night of 7–8 August Georgian forces attacked Tskhinvali, the capital of Southern Ossetia, with indiscriminate artillery and rocket fire, exposing civilians, Russian peacekeepers and unarmed monitors to danger. The United States and some European powers closed their eyes to this attack. This attitude undermined Moscow's trust in the policies of the Western states on the issues of international security.

On the other hand, the speedy and efficient Russian military operation forcing Tbilisi leadership to peace was distorted in Western mass media and misinterpreted by many politicians in the U.S.A. and other NATO states. Relations between Russia and the West were eroded. NATO contacts with Russia were put on hold over the peace enforcement operation in Georgia.

Interaction in the nonproliferation area also suffered. NATO states froze the activities of the Russia – NATO Council (RNC), including projects on nonproliferation problematique. The invitation to Russia to participate in the naval exercise 'Active endeavor' was annulled. (The purpose of the exercise was to improve the ability to counter the proliferation of weapons of mass destruction or their components by terrorist groups.) On 9 September the Bush administration withdrew from the Congress the American-Russian agreement on peaceful uses of atomic energy of 5 May 2008. (The agreement is important from the nuclear nonproliferation perspective.)

It is evident that such moves are inconsistent with the common effort to bolster the global Nonproliferation regime.

As trust has disappeared from the relationship it is hard to conduct frank dialogue on issues of common concern in the security field.

In the existing circumstances the key partners in the international nonproliferation coalition are required to do their utmost to prevent the

nonproliferation objectives from being made hostage to disagreements on various other issues unrelated to nuclear arms control. And above all, the decision to station BMD facilities in Poland and Czech Republic should be reconsidered in the interests of creating a more effective multilateral response to Iran's nuclear-missile challenge.

2. To make it more difficult and costly for Iran to violate the NPT, by taking appropriate anticipatory measures. Iranian leaders persistently deny intentions to acquire nuclear weapons, considering such weapons to be immoral and contrary to the teachings of Islam. Nevertheless, in Teheran there are occasional calls to cease cooperation with the IAEA and withdraw from the NPT.

In order to make such an option unattractive and expensive, it would appear appropriate to adopt a UNSC framework resolution, targeting states that violated the nuclear nonproliferation regime prior to their breaking-out of the NPT constraints. The resolution would contain specific provisions detailing the response of the international community to the withdrawal from the NPT and outlining a set of corrective measures, which must automatically ensue. Stringent penalties should be imposed, following a special report of the IAEA Director General on the matter. Such a warning would reinforce the ability of the international community to respond to emergency situations related to proliferation and strengthen political means of deterring potential proliferators.

3. Bolster the effectiveness of the U.N. sanctions regime. To achieve this objective, Paragraph 5 of UNSC Resolution 1803 should be reinforced. This paragraph calls on all states to inspect at airports and seaports all cargoes, shipped to and from Iran, which create reasonable grounds to assume that an aircraft or sea-going vessel is transporting goods that are banned by the U.N. Security Council. In order to close down potential loopholes, it is possible to engage the operational capabilities of the Proliferation Security Initiative (PSI).

The experience accumulated within the PSI in the field of the inspection of the suspicious cargoes (interception, inspection of vessels, etc.) may offer possibilities to contribute to implementation of the corresponding provisions of Resolution 1803 which governs the inspection of cargo that are suspected from the viewpoint of nuclear non-proliferation. The PSI is an informal arrangement, in which over 80 states, including Russia, currently participate in joint measures to prevent the illegal movement of WMD or its components. Under this partnership, more than 30 exercises have been already conducted to inspect cargoes at borders, in airports and on sea-going vessels. Interaction between the U.N. Security Council and PSI partner states would also appear important, because there is not yet any formal (or, especially, operational) link between the two. Of course,

a mandatory condition here would be the preservation of the unity of the permanent members of the U.N. Security Council.

4. Focusing more on improving the IAEA's access to Iran's nuclear work, ensuring compliance with the IAEA Additional Protocol and transparency measures. It is unrealistic to insist on the dismantlement of centrifuges as a condition for negotiations. Sanctions should be relaxed if Teheran improves the IAEA access to Iranian nuclear facilities and allows more stringent inspections.

a) In terms of psychology, it would be simpler for Iran to agree to the compliance with the Additional Protocol: Iran signed this document, and for several years (until the beginning of 2006) observed its provisions voluntarily; (currently over 80 states party to the NPT subscribe to the Protocol);

b) To a greater degree (than the suspension of uranium enrichment) this approach would remove concerns in respect of existence of undeclared nuclear materials and activities in Iran, i.e. the rebuilding of international confidence in Iran's nuclear program, which is, incidentally, the objective of all UN Security Council resolutions on the Iranian nuclear dossier.

As regards the suspension of uranium enrichment and reprocessing, after the ratification of the Additional Protocol (1997) by the Iranian Parliament (Majlis), it would have been logical to allow Iran to carry out these activities under the control of the IAEA. A future accord should include maximum safeguards for Iran's nuclear work.

5. **Increasing information support for the UN twin-trek strategy on Iran.** The U.N. Security Council has fairly frequently lost skirmishes with Teheran on the information front. For example, many states participating in the Non-Aligned Movement, especially Islamic countries, tend to support the thesis, promoted by Teheran, which casts doubt on the authority of the U.N. Security Council to demand from Iran suspension of uranium enrichment activities. The participants of the XIV Conference of the states of the Non-Aligned Movement (118 countries) held in September 2006 in Havana, unanimously supported 'the Iranian program for the peaceful uses of nuclear energy'. The Final Declaration of the Conference referred to 'numerous inspections conducted in Iran', which did not detect 'any evidence of dual-purpose nuclear research'.

Intense information efforts are needed, to ensure sufficiently broad support in the world, for measures taken by the U.N. Security Council, primarily with respect to the sanctions regime.

The UNSC documents on Iran must be complemented with provisions providing information support for the actions of the Security Council: information, on a regular basis, on how states meet their obligations to implement resolution 1803, and on the work of the U.N. Security Council Committee monitoring sanctions against Iran; regular briefings and seminars for non-government organizations at the U.N. headquarters in New

York and Geneva, creation of a website on these issues as part of the U.N. Secretariat web-site, etc.

Conclusions

The current impasse – Iran's standoff with the UNSC and IAEA–is fraught with the danger of escalation. Nevertheless, the diplomatic and political means of resolving the deadlock are not exhausted. It should be stressed that both incentives proposed by the «P5 + 1» group and collective pressure exercised through the UNSC play an important role in political deterrence of nuclear adventurism.

The Iranian regime has already been persuaded to comply with some requirements of the IAEA, as regards the transparency of its nuclear activities. One should mention some positive developments in the implementation of the NPT safeguards in Iran. The Islamic Republic of Iran extended to the IAEA cooperation including voluntary CBMs undertaken with a view of resolving all remaining outstanding issues. It does not have a nuclear capacity yet. Teheran can be persuaded to accept tighter (expanded) IAEA inspections (above those already in operation) to bolster guarantees (safeguards) against the diversion of nuclear material to military purposes and allay concerns felt by the international community. The ratification and implementation by Iran of the IAEA Additional Protocol will provide sufficient security that the country is not pursuing a nuclear weapon option. The achievement of an agreement, according to which Iran would continue its civilian nuclear activities consistent with the effective IAEA safeguards regime, does appear feasible. With the restoration of confidence on the part of the international community in the Iranian nuclear program (and this can be achieved in different ways), there would no longer be any need to ban uranium enrichment in Iran and this country could engage fully in developing nuclear power, including the nuclear fuel cycle.

At this stage the main focus of the multilateral diplomacy should be made on obtaining Iran's compliance with the IAEA Additional Protocol and appropriate supplementary transparency measures, as suggested in this paper. The abandonment or restriction of the uranium enrichment program and other activities related to nuclear fuel cycle should become a subject for negotiations which may be promoted be using meaningful incentives. The condition that Iran suspends enrichment before the start of negotiations should be dropped, to move this process forward.

In accordance with the new Conception of the foreign policy of the Russian Federation approved by President Dmitry Medvedev on 12 July 2008, Russia is advocating a political-diplomatic resolution of the crisis around the Iranian nuclear program on the basis of collective action by the

international community, proceeding from the assumption that such conflicts can not be resolved by force. Their solution should be sought through engagement of all parties in a dialogue and negotiations rather than isolation of any parties. Russia supports diplomatic engagement with Iran.

In 2008 the prospects for the solution of the Iranian nuclear problem were dimmed by the fact that confidence within the P5 + 1 group was undercut by divergences in the opinions on the Caucasian conflict.

Nevertheless, the unity of the U.N. Security Council on the Iranian nuclear dossier has been preserved.

Having considered this matter on 27 September 2008 (in connection with the 15 September 2008 Report by the Director General of the IAEA), the UNSC adopted Resolution 1835, in which the Council reaffirmed its commitment to an early negotiated solution to the Iranian nuclear issue and called upon Iran to comply fully and without delay with its obligations under the relevant resolutions of the Security Council, and to meet the requirements of the IAEA Board of Governors[17]. Resolution 1835 does not provide for additional penalties but it reaffirms the twin-track approach of dialogue and sanctions with Teheran on the Iranian nuclear issue. In essence, the Security Council has maintained that diplomacy will be the method in dealing with Iran.

The fulfillment of the option based on reasonable concessions will depend in many ways on the positive developments in the domestic political process in Iran, in particular, on the marginalization of hardliners and on the evolution of the official Iranian position in the direction of greater openness in the nuclear sphere and willingness to face realities and take into consideration the concerns of the international community.

An Angus Reid poll has shown that 66 % of Iranians questioned in February 2008 felt Iran should have a full and domestic fuel cycle as part of their nuclear energy program but should not develop nuclear weapons[18]. Since then, a sharp fall in oil prices, 30 percent inflation and 11 percent unemployment in Iran tend to strengthen the position of those factions in the country that are willing to engage meaningfully with the international community and embrace full and transparent cooperation between Iran and the IAEA to clear up the remaining outstanding issues on the Iranian nuclear dossier. This task is feasible if means available to multilateral diplomacy are used efficiently and the international effort is focused properly.

This would make it possible not only to remedy the current impasse on the Iranian nuclear dossier, but to stabilize the global NPT regime, promote multilateralism in the area of nuclear arms control and enhance the international reputation of the U.N. Security Council.

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[17] U.N. document S/RES/1835 (2008).

[18] British American Security Information Council. Iran Update. No. 117 - 24 April 2008, available at <http://www.basicint,org/updates/iran.htm>

3. THE RUSSIAN-CHINESE INITIATIVE ON THE PREVENTION OF THE PLACEMENT OF WEAPONS IN OUTER SPACE

Gennady ZHUKOV

The looming threat of weapons in outer space

Activities in the exploration and use of outer space have substantially expanded lately in their scale and importance.

Further dynamical development of international space cooperation, as well as the maintenance of global strategic stability, requires the prevention of the placement of weapons into outer space (PPWOS).

Currently the non-placement of weapons in outer space is not guaranteed. The elimination of this legal lacuna is vital especially under the existing conditions of growing uncertainty with regard to strategic capabilities and intentions of space powers.

Matters have taken such a turn that contemporary international space law does not prohibit deploying weapons in outer space, which do not belong to the category of weapons of mass destruction (WMD). However, such weapons, if placed in outer space, would have a global reach, the high state of operational readiness and a capacity for covert engagement of space and land objects and rendering them inoperative.

These weapons would be fit for actual use. They would generate suspicion and tensions among states and undermine mutual trust and cooperation in the field of the peaceful exploration and use of outer space.

Apart from this, the weaponization of outer space would inevitably promote competition among major powers for supremacy in this environment. And this, in turn, is fraught with a new spiral of the arms race both in space and on Earth.

It is high time to proceed with serious practical negotiations in the field of PPWOS and to preempt negative developments. Otherwise, opportunities can be missed. Let us not forget, that the nuclear arms race

started with a view to preserving the monopoly of one power in this category of weapons, but the monopoly lasted only four years.

However, that spell was sufficient to channel world politics along 'Cold War lines', which lasted over four decades and resulted in gigantic waste of material and other resources at the expense of finding solutions to the problem of development.

On 12 February 2008, the Russian Federation jointly with the People's Republic of China formally submitted a Draft Treaty on the Prevention of the Placement of Weapons in Outer Space, the Threat or Use of Force against Outer Space Objects (PPWOST) for consideration by the Geneva Conference on Disarmament (CD)[1].

The draft's submission was a result of the lengthy process started by Russia and China back in 2002 when the two countries came up with a working CD document containing basic elements of the treaty. In subsequent years military space problems became the subject of multilateral discussion in Geneva. The draft takes into account the proposals made by member states of the Conference in the course of their joint work on the treaty elements.

The draft was submitted with a research mandate. It is supposed, that subsequently, support for the document will enable the CD to move forward to a negotiating stage and establish an appropriate ad hoc committee[2].

Legal aspects of the initiative

All states have an equal and inalienable right to accessing outer space, its exploration and use. Ensuring security in outer space is a com-

[1] The CD is the world's unique multilateral negotiating forum on disarmament. It is the most appropriate forum for multilateral work on the PPWT given its mandate, agenda and high expert potential on military space issues. On September 24, 2001, at the 56th session of the U.N. General Assembly, the Minister of Foreign Affairs of the Russian Federation, invited the world community to start working out a comprehensive agreement on the non-deployment of Weapons in Outer Space and on the Non-use or Threat of Force Against Space Objects and also put forward, a proposal for the moratorium on the deployment of weapons in outer space pending a relevant international agreement as the first practical step in this direction. Russia would be willing to make such a commitment immediately provided that the other leading space powers join this moratorium. The Russian initiatives were reflected in the Russian-Chinese document «Possible Elements for a Future International Legal Agreement on the Prevention of the Deployment of Weapons in Outer Space, the Threat or Use of Force against Outer Space Objects», submitted to the Conference on Disarmament session in Geneva on June 27, 2002. The paper was also co-sponsored by Belarus, Indonesia, Syria**,** Vietnam and Zimbabwe. In 2004-2005 Russia and China prepared and distributed in the CD detailed materials on the existing norms of international law regulating military space activity, and its «problems», on the terms and definitions, and also on the verification of the future arrangement on PPWOS.

[2] The problem of the prevention of an arms race in outer space was included on the agenda of the Conference on Disarmament.

mon concern. It is logical that states should seek jointly a solution to it contributing to strengthening international security and stability.

The draft PPWOST is a means of achieving this goal.

The draft prohibits the placing of weapons of any kind in outer space, and the use or threat of force against space objects. The Treaty is intended to eliminate existing lacunas in international space law, to create more favorable conditions for further exploration and preserve costly space property, and strengthen global security and stimulate arms control.

The preamble of the document reaffirms that outer space plays an ever-increasing role in the future development of mankind. It emphasizes the rights of member states to explore and use outer space freely for peaceful purposes. The preamble recognizes the common interest of all mankind in assuring security in outer space, in the safe functioning of space objects and in preserving outer space as a sphere where no weapon of any kind is placed. It acknowledges that existing agreements on arms control and disarmament relevant to outer space, including the bilateral ones, and the legal regimes concerning the use of outer space play a positive role in the exploration of outer space and in regulating activities in this environment. These instruments should be strictly complied with, although they are insufficient to effectively prevent the placement of weapons and an arms race in outer space.

*Definition of the terms used in the draft PPWOST***.** Art. 1 contains definitions that are very important from the point of view of international space law. First of all, the term 'outer space' is defined 'as a space elevated above 100 km over ocean level'. Legislation of some countries contains this criterion of outer space delimitation. For a long time the Russian doctrine of international space law has been arguing that the customary rule was based on the spatial delimitation of air and outer space at a height of 100–110 km over the ocean level.

Of great value is the definition of 'a space object'. It is defined as any device, designed for functioning in outer space, being launched into an orbit around any celestial body, or being in the orbit around any celestial body, or on any celestial body except the Earth, or leaving the orbit around any celestial body towards this celestial body, or moving from any celestial body towards another celestial body, or placed in outer space by any other means.

This definition covers two kinds of space objects. First, objects which are to be launched and which are under national jurisdiction. Second, objects flying at the first or second space speeds and going into outer space. In the second case a space object is considered to be in the sphere of international space law.

Central to the Treaty is the term 'weapons in outer space'. It is defined as 'any device, placed in outer space, based on any physical princi-

ple, specially produced or converted to eliminate, damage or disrupt the normal functioning of objects in outer space, on the Earth or in its air, as well as to eliminate population, components of the biosphere vital to human existence or inflict damage to them'. A weapon will be considered as 'placed' in outer space if it orbits the Earth at least once, or follows a section of such an orbit before leaving this orbit, or is stationed on a permanent basis somewhere in outer space.

Weapons in outer space should be distinguished from intercontinental ballistic missiles (ICBM) which fly on a ballistic trajectory, crossing bottom layers of outer space and constitute a kind of ground arms subject to a special legal regulation. The term 'weapons placed in outer space' used in the draft PPWOST does not apply to them.

The draft PPWOST contains also the definition of the term 'use of force' or 'threat of force': any hostile actions against outer space objects including, inter alia, those aimed at their destruction, damage, temporarily or permanently injuring normal functioning, deliberate alteration of the parameters of their orbit, or the threat of these actions.

Concepts of the 'weaponization' and 'militarization' of outer space. There is a difference between outer space weaponization and militarization.

Space weaponization is generally understood to refer to the placement in orbit of space-based devices that have a destructive capacity.

Outer space has been militarized since the earliest reconnaissance satellites were launched. Today, the military in a number of countries heavily rely on GPS[3] or GLONASS[4] satellites for command and control, communication, monitoring, early warning, and navigation.

Most states accept that 'peaceful purposes' include the use of artificial satellites for defensive purposes. However, the term 'peaceful purposes' is often given broad interpretation (for example, artificial satellites are used to direct bombing raids of aircraft.)

Russia acknowledges, that outer space may be used in the interests of national security – to verify the observance of international disarmament and arms control treaties and agreements (space reconnaissance systems), to prevent a missile attack (missile warning systems), to ensure the command of armed forces (communications systems) and maintain their daily activity (navigation, meteorological, geodetic, cartographical, maintenance, etc. space systems).

However, in the Russian view, military activities in outer space should not lead to the transformation of outer space into a potential theatre of war and to the placing of devices with destructive combat ability on a circomterresrial orbit.

[3] Global Positioning System.
[4] Global Navigational Sputnik System.

Some western experts argue that ground-based anti-satellite systems designed or used to attack space-based assets also constitute space weapons, though they are not technically part of the 'weaponization of outer space' concept since they are not placed in orbit.

Some experts go further and claim that missiles capable of performing anti-satellites functions may be ranked as space weapons. For example, some elements of the U. S. global BMD system possess dual-use characteristics and are capable of destroying space assets as well as ballistic missiles.

The projected third U. S. GMD site in Europe constitutes an exceptionally dangerous military undertaking providing for the development of a global ABM system and the weaponization of outer space. Such actions threaten strategic stability and important segments of national systems of verification, in particular related nuclear and missile armaments.

Restrictive measures. According to Art. II, States Parties undertake not to place in orbit around the Earth any objects carrying any kind of weapons, not to install such weapons on celestial bodies, and not to station such weapons in outer space in any manner; not to resort to the threat or use of force against outer space objects; not to assist or encourage other states, groups of states or international organizations to participate in activities prohibited by the Treaty.

Under Art III, Each State Party shall take all necessary measures to prevent any activity prohibited by the Treaty on its territory or in any other place under its jurisdiction or control.

These measures do not affect the principle of free exploration and use of outer space for the benefit and in the interests of all countries, registered in the Outer Space Treaty of 1967. The principle of freedom of exploration and use of outer space with some restrictions is the basis of the outer space international legal order. This position is confirmed in Art. IV of the draft PPWOST. This article states: 'Nothing in this Treaty can be interpreted as impeding the rights of the States Parties to explore and use outer space for peaceful purposes in accordance with international law, which include but are not limited to the Charter of the United Nations and the Outer Space Treaty'.

Verification of compliance with the PPWOST. The Russian-Chinese draft suggests that such measures, including the verification of compliance with the obligations regarding prohibitions be dealt with in an additional protocol to the PPWOST. The draft states that 'with a view to facilitate assurance of compliance with the Treaty provisions and to promote transparency and confidence-building in outer space activities the States Parties shall practice on a voluntary basis, unless agreed otherwise, agreed confidence-building measures. Measures of verification of compliance with the Treaty may be the subject of an additional protocol.'(Art. VI).

Peaceful settlement of disputes concerning the application and interpretation of the PPWOST. According to the established practice the draft provides for procedures of the peaceful settlement of disputes concerning the application or interpretation of the Treaty provisions, in particular, the establishment of the Executive organization. When a dispute arises concerning the application or interpretation of the provisions of the Treaty, the parties concerned shall first consult together with a view to settling the dispute by negotiation and cooperation. If they do not come to an agreement after consultation, the disputed situation may be referred to the Executive organization of the Treaty. Each State Party shall undertake to cooperate in the settlement of the disputed situation that has arisen with the Executive organization of the Treaty (Art. VII).

The Executive organization shall carry out the following functions:

a) receive for consideration inquiries by any State Party or a group of States Parties related to the grounds which give reason to believe that the violation of the Treaty by any State Party is taking place;

b) consider matters concerning the compliance with the obligations taken by States Parties;

c) organize and conduct consultations with the State Parties with the view to settle the situation that has arisen in connection with the violation by a State Party of the Treaty;

d) take measures to put an end to the violation of the Treaty by any State Party. The title, status, specific functions and forms of work of the Executive organization of the Treaty shall be the subject of an additional protocol to the Treaty (Art.VIII). Provisions defining variants and modalities of their participation in the Treaty shall be the subject of an additional protocol to the PPWOST (Art. IX).

Matters of procedure. Any State Party may propose amendments to the Treaty. The text of any proposed amendment shall be submitted to the Depository who shall promptly circulate it to all States Parties. Upon the request of at least one third of the States Parties, a conference should be convened to which all States Parties shall be invited to consider the proposed amendment. Any amendment to the Treaty shall be approved by a majority of the votes of the States Parties. The amendment shall enter into force for all the States Parties in accordance with the procedures of the entry into force of the Treaty.

The Treaty shall be of unlimited duration. Each State Party shall in exercising its national sovereignty have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized its supreme interests. It shall notify the Depository in written form of the decision taken six months in advance of the withdrawal from the Treaty. The Treaty shall enter into force upon the deposit of instruments of ratification by twenty States, including all Per-

manent Member States of the United Nations Security Council. For States whose instruments of ratification or accession are deposited after the entry into force of the Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession. Instruments of ratification or accession shall be deposited with the Secretary-General of the United Nations, who is thereby designated the Depository of the Treaty.

The draft is not a complete legal instrument. A number of important questions are raised but answers to them are not given. The draft does not provide for the prohibition of research, development, production, stockpiling and deployment of ground-based anti-satellite weapons. It is not clear whether such actions as the development of an ASAT weapon, the destruction by a country of its own satellite in space, the flight of a satellite at a short distance from a satellite of another country should be qualified as posing a 'threat of force'?

The draft does not contain provisions regarding limitations on the development, testing, production, stockpiling, deployment or use of ground-based BMD. The PPWOST verification regime is not elaborated in sufficient detail.

The main advantage of the draft is evident. It stimulates dialogue on the crucial issue, encourages collective practical work on complicated questions of the prohibition of outer space weaponization.

International response

The Russian-Chinese initiative on PPW as a whole was benevolently met by the international community, except for the Republican administration of the USA.

Bernhard Brasack, permanent representative of Germany to the Conference of Disarmament, welcomed in his statement on 19 February 2008 in the CD the presentation of the PPWOST draft by the Russian Minister for Foreign Affairs Sergey Lavrov. Brasack indicated that Germany was looking forward to constructively participating in discussions on the draft. He advocated the adoption of a new legally binding instrument on arms control in outer space.

At the same time Germany, as well as other members of the European Union, preferred to concentrate on the deliberations of transparency and confidence-building measures, determining the conduct of states in outer space (a Code of Conduct in Space is being elaborated within the framework of the EU which is to be submitted to the CD). The Code is seen as an important step towards a more ambitious goal – negotiations on a multilateral treaty.

Speaking on behalf of the Group of 21[5], Syria's Ambassador Faysal Khabbaz Hamoui raised concerns over the inadequate existing legal instruments 'to deter further militarization of outer space or prevent its weaponization'[6]. Hamoui stated that the draft Treaty submitted by Russia and China was 'a good basis for further discussion toward adopting an international binding instrument'.

Kazakhstan and other CIS states, as well as the Netherlands, Romania and a number of sates – participants of the Non-aligned movement also favored opening discussions on the PPWOST draft.

The negative position in relation to the Russian-Chinese PPWOST draft, held by the Bush administration, is to be explained both by its unwillingness to assume additional international constraints on its military activities and its firm belief that U. S. military and economic superiority over other states should be preserved. Such conclusion follows from the letter addressed by Christina Rocca[7], permanent representative of the U.S.A. to the Conference on Disarmament, to the Secretary-General of the Conference on Disarmament transmitting comments on the PPWOST draft. The draft, in her view, provides no grounds for the U.S.A. to change its long-standing principle that arms control constraints or limitations on space-based systems or activities - beyond the existing regimes - are not in the national security interests of the United States.

Practically, the U.S.A. display interest only to discuss some transparency and verification measures related to the use of outer space.

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The Treaty on the Prevention of the Placement of Weapons in Outer Space, the Threat or Use of Force against Outer Space Objects is vital to all mankind. The arguments for some updated multilateral legal instrument that would constrain the militarization of outer space are compelling.

Meaningful international legal arrangements on the PPW are indispensable in order to close legal lacunas in the major sphere of global security and strengthen the NPT regime, as well as to stimulate deep reductions of the strategic offensive armaments of Russia, the United States and other nuclear powers.

In addition, such arrangements would promote peaceful space activities and multilateral cooperation in this area.

The Russian-Chinese initiative stimulates discussions of the PPW problems in the leading international forums.

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[5] The Group of 21 is composed of 33 countries: Algeria, Bangladesh, Brazil, Cameroon, Chile, Colombia, Cuba, DPR Korea, DR Congo, Ecuador, Egypt, Ethiopia, India, Indonesia, Iran, Iraq, Kenya, Malaysia, Mexico, Mongolia, Morocco, Myanmar, Nigeria, Pakistan, Peru, Senegal, South Africa, Sri Lanka, Syria, Tunisia, and Zimbabwe.

[6] CD 1st Session, 28 February 2008.

[7] CD Document 1847.

During its 63rd session in 2008 the U.N. General Assembly adopted several resolutions directly related to the Russian-Chinese PPWOST initiative.

Resolution 63/44 'Transparency and confidence-building measures in outer space activities'[8] adopted on the initiative of Russia notes 'that further measures should be examined in the search for agreements to prevent an arms race in outer space, including the weaponization of outer space'. Only the U.S.A. delegation voted against this resolution. The resolution highlights the inseparable connection between transparency and confidence-building measures and the prohibition of placing of any kinds of the weapons into outer space.

In another resolution (Resolution 63/88 'Prevention of an arms race in outer space' [9]) the General Assembly expresses its conviction that further measures should be examined in the search for effective and verifiable bilateral and multilateral agreements in order to prevent an arms race in outer space, including the weaponization of outer space. The resolution reaffirms its recognition that the legal regime applicable to outer space does not in and of itself guarantee the prevention of an arms race in outer space; that the regime plays a significant role in the prevention of an arms race in that environment; that there is a need to consolidate and reinforce that regime and enhance its effectiveness. The resolution emphasizes the necessity of further measures with appropriate and effective provisions for verification to prevent an arms race in outer space.

[8] U.N. document A/C.1/63/L./44/ Rev.1, 29 October 2008.
[9] U.N. document A/63./388, 6 November 2008.

4. NAVAL ARMS CONTROL AND COUNTERING TERRORISM AT SEA

Boris MAKEEV

The naval component of the armed forces of the states still remains outside the existing multilateral system of arms control and serious international negotiations about the regulation of armaments. The disagreements over naval arms control present a major challenge. It is, however, a question that takes of great importance. Several aspects of naval arms control may be suggested for consideration.

Naval confidence- and security-building measures

One should move gradually in this sphere taking account of the complexity and inertia of past approaches to international limitations on naval activities and armaments.

First, ties of mutual trust should be established. Above all, in the field of the exchange of data on naval affairs. The exchange of information with the U.S.A. and other states party to negotiations in this field should become regular and open.

The make-up of forces in naval bases and their redeployment may be included in the exchange of information. At the existing level of the means of outer space reconnaissance such objects can not be concealed anyway.

Exchanges of the data will not only illustrate mutual trust in naval affairs but serve as an instrument preventing secret concentrations of naval means and forces. The exchange of unclassified data (names and classes of ships, ports of registration, etc.) will not pose a security risk. Currently the Russian Federation and the U.S.A. exchange (on a rather wide scale critical data relating to their strategic and tactical nuclear forces and some similar data on land and air forces. There is also no reason not to ar-

range for the exchange of information on the structure of navies to facilitate mutual trust.

Not long ago Russia and the United States expanded contacts between their naval forces at the operative level. These ties should be supplemented with wider exchanges of military experts, large-scale joint naval exercises and coordinated employment of naval forces in counterterrorist operations.

In addition to bilateral teamwork, it is necessary to expand contacts with other countries on such matters as the use of naval armaments and possibilities of their limitations. Better understanding of general problems of the application of modern naval arms will both help to avoid their non-authorized use and to carry out other measures related to maintaining stability in the acquatories.

It is also necessary to continue to expand naval cooperation with the states of the Asian – Pacific region in such fields as search and rescue operations, combating pirates and interdicting drug trafficking by sea routes.

The data on incidents at sea for the last years clearly point to the need of such interaction.

It is essential to develop on a broader scale joint research and practical actions in oceanography, hydrography and meteorology, which could make safer ship navigation and flights over the High Sea. Agreements in this field would make important contributions to naval partnerships in the interests of arms control.

The prospect of international regulation of naval armaments

Expanding their interaction the naval powers should focus on lessening risks of a surprise attack from sea directions and excluding options for undertaking large-scale offensive actions at sea. These concerns should constitute the principal objectives of the limitation of naval activities. These aims can be promoted both by prohibiting naval activities in certain areas of the World Ocean and by limiting the make-up of the navies to a certain level in case of their simultaneous presence in the respective acquatories.

In this context it would be useful to consider the following specific moves.

1. To extend confidence- and security-building measures (CSBMs) well proven themselves on land, including information interchange, prior notification of military activity, and exchange of the annual plans, etc. to acquatories of the Euro-Atlantic area.

(On 2 July 2008 the Russian delegation to the Military Security and Arms Control Talks at the OSCE Annual Security Review Conference in

`Vienna proposed to include in the agenda of the OSCE Forum for Security Cooperation the theme 'CSBMs in the Naval Area: Pros and Contras'. The implementation of the proposal would serve to remove the gap in the pan-European regime of confidence- and security building measures since naval forces remain outside this regime).

2. Banning anti-submarine activities directed at searching and tracking the carriers of the means of strategic deterrence – nuclear-powered ballistic missile submarines. This measure aims at enhancing efficiency of the system of mutual nuclear deterrence.

3. Arrangements limiting ships capable of supporting land forces (aircraft carriers; ships armed with surface-to-surface cruise missiles; amphibious forces; sea-based aircraft) in order to prevent dangerous concentrations of combat means near the coast of the other party. This measure aims at lessening the ability of naval forces to participate in ground operations.

4. The creation of demilitarized sea zones or zones, free of offensive naval armaments.

5. Disengagement of opposing navies from the areas of their greatest concentration (for example, in the Norwegian, Greenland and Japanese Seas).

6. Measures enhancing security of international sea routes, fishery areas, and other civilian activities in the World Ocean by limiting naval activity or their complete prohibition in the appropriate areas.

7. Refraining from the entry of foreign ships at the acquatories contiguous to the territorial waters.

8. Constraining the make-up of the navies in the acquatories particularly sensitive to the presence of foreign naval forces (the Black Sea, the Mediterranean Sea, northwest part of the Pacific Ocean, Barents Sea, Baltic and Okhotskoe Seas, and acquatories, contiguous to major international straits, etc.).

These are more or less long-term goals. Up till now the achievements are rather modest. They are limited to a few agreements which reduce to a certain degree risks of military confrontation and tensions at sea and contribute to the prevention of the breaking out of armed conflicts owing to misinterpretation of intentions of opposing sides.

However, the existing agreements fall short of addressing major tasks of limiting naval activity and ensuring stability and mutual security from aggression at sea. These objectives can be achieved by involving naval powers in full scale negotiations on the implementation of measures listed above.

So far as the navies of Russia, the U.S.A. and NATO no longer confront each other in the World Ocean, there exists an objective opportunity to address directly naval control issues in the interest of peace and stability and begin talks on naval control problems. Alongside with the reduc-

tion of nuclear naval potentials, it is time to constrain the build up of conventional naval armaments.

Talks on the restriction of naval activity can become a prelude to negotiations on a balanced reduction of naval armaments in the acquatories of mutual state interests.

The issue of the balanced reduction of the general make-up of navies is for the time being considered only on the theoretical plan. As far as the practical level is concerned only agreements regarding strategic offensive armaments (the START-1) have reached this stage.

In addressing naval armaments one should not overlook ecological issues related to the disposal (utilization) of decommissioned ships.

Of special concern is the issue related to the utilization of decommissioned nuclear submarines. An active process of decommissioning SSNs is under way in the Russian Federation. In the Russian Navy the difficulties of the decommissioning of nuclear submarines are aggravated by shortage of special storage space and equipment for handling spent nuclear fuel and other nuclear waste products.

The problem of the disposal of decommissioned nuclear submarines has acquired international dimensions since radioactive contamination (as a result of accidents or terrorist acts) could spread far beyond national borders. In our opinion there is a need to elaborate a specific international legal instrument on the prevention of radioactive contamination of the environment, similarly to the Treaty on the Non-Proliferation of Nuclear Weapons.

However, it would be difficult to address ecological problems of disarmament as long as naval armaments remain outside the multilateral arms limitation process.

Basically one should seek arrangements in the following specific areas.

- Reductions on a balanced basis of battle ships of major classes in the agreed zones;
- Preventing the introduction of new destabilizing technologies in the naval forces;
- Precluding the build up of naval capabilities through the limitation of the programs of development of navies in order to ensure a quantitative framework of reasonable sufficiency.

Negotiations may be conducted either on a multilateral basis with the participation of all interested states, or on a bilateral basis between the Russian Federation and the U.S.A. with a view to laying the ground for subsequent multilateral arrangements.

It would be expedient to initiate special consultations in order to facilitate the exchange of appropriate data about naval potentials and compare the make-up of the navies of the interested parties, their operational doctrines, geostrategic features of their basing, military-technical policies.

Such consultations may help to make 'an inventory' of regional and global problems in the field of naval arms control, to define the scope, sequence and frameworks of subsequent negotiations. All stages of joint work require serious scientific - methodical preparation in order to work out appropriate recommendations on limitations of naval armaments in accordance with the principle of reasonable sufficiency and requirements of counter-terrorism activity on the Seas.

The role of international cooperation in combating terrorism at sea

Terrorist threats at sea are increasing and assuming more and more an international character.

Therefore future naval arms control talks should meet the following basic needs: requirements related to reductions; counter-terrorism missions; and traditional tasks involved in the maintenance of national security.

There is an obvious need to intensify the struggle against terrorism at sea. Terrorist networks are expanding their activities and posing major risks to the safety of seafaring**.** Some of them have nuclear ambitions. Terrorists operating at sea have the potential to interfere with the transportation of nuclear fissile and other radioactive materials.

The following challenges should be addressed: capture of hostages and of various assets; large scale bloody actions to disorganize systems of governmental administration; attacks on commercial shipping.

Terrorist groups dispose of a broad range of means to achieve their objectives: super small submarines equipped with torpedoes, mines, rockets and underwater charges and in some cases swimmers-saboteurs; various types of surface vessels and high-speed universal boats armed with explosive charges, rockets, torpedoes and mines; munitions fired from ship-based launchers: missiles, unmanned flying vehicles, man-carried antiaircraft launchers; fire-ships for suicide explosive ram attacks; naval transport containers to strike at costal facilities.

Institutional aspects of the struggle against terrorism at sea. The successful countering of terrorism at sea requires close international cooperation, to achieve efficient joint actions of the navies of various countries. In order to prepare adequately for joint international counter-terrorism operations it is essential to hold regularly command-staff naval war games, consultations, seminars, etc.

Of special value are joint naval exercises (Russian-U.S. exercises in the Atlantic Ocean 'Eagle 2004'; joint Russian-Indian exercises 'Indra-2007'; Russian –U.S. naval exercises in the acquatories of the Japanese Sea 'Pacific Eagle 2007'.) A number of other international naval exercises held with the participation of Russia deserve also examination – 'Open

Spirit', 'Fructus', 'Baltops', 'Jonix', 'BLACKSEAFOR'. It is pertinent to highlight their main mission: the prevention of nuclear terrorism. Addressing such challenge requires significant forces and means.

It is appropriate also to take into account the experience of maritime interdiction simulation (operation 'Active Endeavor'), conducted since 2001 with the participation of some 17 states (within a NATO framework) to test decision-making in relation to potential interdiction of proliferation-related shipments in the Mediterranean Sea. The operation aims at helping deter, defend, disrupt and protect against terrorism and work out arrangements with a view of denying terrorist access to WMD and related materials and addressing the threats posed to freight and passenger transport.

Proposals to promote the struggle against terrorism at sea. A counter-terrorism strategy at sea should address the main challenge – to deny terrorist access to WMD, its components and related materials. For the time being this challenge is addressed mainly by means of monitoring separate acquatories with the aim of searching and identifying suspected single or group sea craft and their interdiction. As terrorism is acquiring global scope one can not exclude significant coordinated massive terrorist actions at sea with the use of mass destruction materials (radioactive, chemical and biological substances).

While regular international antiterrorism exercises are absolutely necessary they are insufficient to address the threat posed by modern terrorism at sea. The exercises should be carried on a systematic basis, imparting a new quality to cooperation in countering terrorism. Existing arrangements regarding intelligence sharing, interoperability of forces, frameworks for political-military guidance, strategic planning need to be improved.

In the opinion of the author, it is high time to devise plans for establishing permanent international naval task groups in dangerous regions in order to combat terrorism at sea successfully. Such counter-terrorism task groups should operate under uniform (preferably the U.N.O.) command and be capable of mounting a whole range of counterterrorist combat operations. The new mechanism should include a commander-in chief of the U. N. naval force and appropriate U. N. regional naval commanders with proper staffs and squadrons of ships capable of implementing aggressive counterterrorist missions and inflicting preemptive strikes against terrorist assets and in particular to thwart terrorist nuclear ambitions. The U. N. multilateral naval force would strengthen collective security and, above all, the security of coastal states (irrespective of the size of their national fleets) and constitute an important contribution to the implementation of the U. N. Global Counterterrorism Strategy, adopted by the U. N. General Assembly in 2006.

5. THE MILITARY AND HUMANITARIAN ASPECTS OF CLUSTER MUNITIONS

Vladimir BELOUS

Cluster munitions (CM) kill and maim civilians both during and after armed conflicts and wars. The Israeli – Lebanese armed conflict of 2006 shows the scale of the employment of cluster munitions: 4.6 millions of explosive submunitions (bomblets) were air-dropped on the territory of Lebanon leaving a long-term legacy of explosive contamination. Large numbers of submunitions (up to 40%) failed to explode as intended. Explosive bomblets are found over wide areas in Laos, Cambodia, Mozambique, Angola, Afghanistan and Vietnam. Many civilians were killed and injured by coming into contact with unexploded submunitions.

CMs caused more civilian casualties in Iraq in 2003 and Kosovo in 1999 than any other weapon system. Cluster bombs were used in the Georgian-South Ossetia conflict in August 2008. Currently, over 76 countries possess stockpiles of cluster munitions. A total of 34 states are known to have produced over 210 different types of cluster munitions. Yet there are no provisions in international law which specifically address problems caused by cluster munitions.

Websites on various aspects of cluster munitions issues are maintained by a number of humanitarian non-governmental organizations (NGO)[1].

[1] The international Cluster Munitions Coalition (CMC) is a network of around 200 civil societies and professional organizations active on the cluster munitions issues. Launched in 2003, the CMC is campaigning for a strong international treaty prohibiting cluster munitions, available at <http://www.reachingcriticalwill.org> , a project of the Women's International League for Peace and Freedom, <http://www.acronym.org.uk/ >; the Acronym institute publishes the journal Disarmament Diplomacy with comprehensive review of documentation relating to disarmament negotiations. See also: Ban Advocates Blog, Disarmament Insight, International Committee of the Red Cross, United Nations.

What are cluster munitions?

Cluster munitions are delivered by air or artillery, which release multiple explosive submunitions or bomblets over wide area. CMs constitute specially equipped aerial bombs, artillery shells, and multiple launch rocket systems (RSZO) warheads. The time fuse is placed in their hull, which provides for igniting munitions at a pre-calculated point of the trajectory of the shell (aerial bomb), discharging dozens or even hundreds of exploding submunitions. During the explosion in the midair at a height of 300 – 350 meters munitions are dispersed inflicting death and injuries in the radius of 110–150 meters.

Some cluster munitions can discharge with up to 650 bomblets in an area of up to 30 thousands square meters. The explosion takes place either instantly during their contact with the earth surface, or in some calculated periods of time measured in minutes, hours or even days, thus essentially creating mine-fields. Unexploded submunitions cause unacceptable harm to civilians.

The practice of combat operations shows that cluster weaponry has a fairly effective combat impact. CMs are capable not only of inflicting human losses. Some types of CMs can put out of operation enemy heavy duty vehicles. The relative simplicity of cluster munitions' design as well as the possibilities of their delivery to a target with the help of existing delivery vehicles while having comparatively uncomplicated constructive modifications contributed to wide dissemination of CMs even among countries which do not posses advanced military technologies.

Cluster munitions are more efficient as compared to specific samples of conventional artillery shells and aerial bombs. As is known, the basis for the ammunition load of artillery-type weapons designated for the destruction of personnel is high-explosive fragmentation shells. Their efficiency for solving this task is comparatively low, because of serious drawbacks in the distribution of the fragmentation directions occurring during the explosion which is especially evident when striking personnel, when significant parts of the fragmentation are lost at the place of explosion.

Enhancing the effectiveness is ensured with the help of unidirectional dispersion of cluster munitions (submunitions) in a certain area.

Cluster munitions are upgraded in order to ensure high reliability and combat effectiveness according to the principle 'shoot and forget'. The achievement of this requirement ensures the destruction not only of personnel (that continues to take first place in the list of CM combat tasks), but also tanks, APCs and other heavy-duty vehicles. This process has led to the creation of the design of standard modules of cluster homing type combat submunitions which are given more and more widespread for equipping not only aerial bombs, but also artillery shells, re-entry vehicles

of short-range missiles, and multiple launch rocket systems (MLRS/RSZO).

In the inventory of the armies of a number of countries there are homing type cluster munitions which are designed for the search and discovery of enemy armored objects for the purpose of striking against them. To solve this task a complex system of on-board sensors should posses the capability of not only discovering camouflaged targets under the conditions of active enemy engagement but also the capability of differentiating heavy enemy tanks from other similar objects including different traps laid by the enemy.

Cluster munitions include also warheads of unguided rockets (NURS) which contain three homing type combat submunitions. The combat submunition consists of a small mine filled with small steel balls (shrapnel). Hundreds of such combat submunitions are collected into a cluster which has the appearance of an aerial bomb or a warhead of RSZO. During the explosion of each of these submunitions there are up to 300 fragmentations dispersed into the environment which destroy everything living within the radius of 5 meters.

On the way to constraining cluster munitions

The international community is concerned by the problems caused by cluster munitions, their wide dissemination and use.

Faced with the growing threat posed by cluster weaponry, representatives of ten human rights NGOs gathered in The Hague in November 2003 for a conference to discuss ways to address the humanitarian impact of cluster munitions. This forum launched an international campaign for the prohibition of CM production and trade. The Conference also worked out proposals for the clearance of contaminated areas, victim assistance, provision of care and rehabilitation of survivors, etc[2].

On the international level, the government of Norway took the initiative to prohibit cluster munitions.

On 22–23 February 2007 in Oslo an international conference on the problem of the prohibition of this type of munitions took place. The participants (a group of states, the International Red Cross (ICRC), the Cluster Munitions Coalition (CMC) and other humanitarian organizations) discussed how to effectively address the humanitarian problems caused by cluster munitions.

46 states joined the February 2007 Oslo Declaration, committing them to conclude by 2008 a legally binding international instrument that prohibits the use and stockpiling of cluster munitions that cause unaccept-

[2] RIA 'Novosti', November 1. 2003.

able harm to civilians and secure adequate provision of care and rehabilitation of survivors and clearance of contaminated areas.

The Oslo conference was followed by a Diplomatic Conference in Dublin which took place on 19–30 May 2008. 111 states adopted the Convention on Cluster Munitions (CCM)[3]. The Convention prohibits all use, stockpiling, production and transfer of cluster munitions. Separate articles in the Convention deal with assistance to victims, clearance of contaminated areas and destruction of stockpiles. The Convention requires States Parties to destroy existing stocks within eight years[4].

The CCM reflects a 'discriminate approach' to the main criteria parameters and, taken as a whole, to the corresponding assessment of one or another type of cluster munitions. This determines whether these weapons are to be regarded as 'good' or 'bad'. 'Bad' cluster munitions (inaccurate and unreliable cluster munitions) are those, which due to their physical properties, their degree of unreliability, and the absence of the ability to self-destruction and on a number of other criteria cause unacceptable harm to civilians and are subject to complete prohibition.

'The good' CMs are not subject to prohibition[5]. They, in fact, are automatically transferred to the category of conventional weapons. This inevitably stimulates a build-up of this category of cluster munitions.

Yet there are no clear cut mutually acceptable criteria, which unambiguously distinguish specified categories of cluster munitions and that noticeably affect the realization of the requirements of the CCM. The rather loose and vague line between them is determined not so much by their construction peculiarities and combat characteristics but rather by the differences in the purposes and methods of their employment on the battlefield.

The process itself of the distinction between 'good' and 'bad' cluster munitions, as practice shows, turns out to be a rather difficult task. To solve this problem it is necessary to determine and agree on numerous mutually acceptable criteria which will enable to determine to which category the many types of CMs belong. The following fact should be taken into consid-

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[3]As of 4 December 2008, 94 countries signed the Convention on Cluster Munitions. Signatories include dozens of users, producers and stockpilers and affected states. The CCM Signing Conference took place on 2-4 December 2008 in Oslo. Four countries (Norway, Ireland, Holy Sea and Sierra Leone) of the 30 required to bring the treaty into force internationally have already ratified the CCM. It is possible that the first Meeting of States Parties to the CCM will be as early as mid 2010.

[4] *Final Document of the Diplomatic Conference for the Adoption of a Convention on Cluster Munitions,* Dublin, 19 May 2008 (CCM/78). Available from www.clustermunitionsdubli.ieconvention.asp

[5] Excluded are munitions which contain fewer than 10 explosive submunitions where each of these submunitions a/ is designed to locate and engage a 'single target object' or 'precision target' and b/ is equipped with an electronic self-destruction and self-deactivating feature. These weapons are excluded on the basis that they are unlikely to cause the kinds of problems traditionally associated with cluster munitions.

eration to decide to what extent they comply with the interests of the manufacturing countries and users, their military doctrinal views on the combat employment of the given type of weapon and whether these countries posses the scientific and technical basis necessary for its production.

The differences which have arisen in the course of the discussion of the draft Convention has led to the formation of two positions. The supporters of one school of thought (the Russian Federation is among them) insist on addressing the humanitarian aspects of cluster munitions within the framework of the Convention on Prohibitions or Restrictions of the Use of Certain Conventional Weapons which may be Deemed to be Excessively Injurious or to have Indiscriminate Effects (CCW Convention, or 'Inhumane' Weapons' Convention)[6].

The second group of states favors the conclusion of a legally binding separate international instrument that prohibit the use and stockpiling of cluster munitions.

A number of countries have declared their unwillingness to accede to the CCM, citing the incomplete nature and serious flaws of the Convention. This attitude was adopted by the U.S.A., Russia, Israel, India, Pakistan, France, China and some other countries which produce CMs.

From Russia's standpoint

Russia's geopolitical and geo-strategic position, vast territory, the length of its borders as well as the fact that its vast natural resources which draws envious eyes of certain foreign political figures, prompts the political and military leadership of the country to pay great attention to the creation and improvement of modern types of armaments. These circumstances have shaped a policy which is aimed at developing cluster munitions, on the one hand, while on the other complying with the norms of humanitarian law if Russia is forced to resort to these weapons.

Appropriate operational and tactical directives as well as military doctrinal views on the role and value of cluster weaponry during combat operations have been worked out.

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[6] In early November 2008 a group of governmental experts (GGE) met to negotiate a protocol on cluster munitions in the context of the Convention on Certain Conventional Weapons (CCW) in Geneva as opposed to the Convention on Cluster Munitions negotiated and adopted in Dublin in May 2008. The CCW protocol is intended 'to address urgently the humanitarian impact of cluster munitions while striking a balance between military and humanitarian considerations. On 14 November 2008 at the annual meeting of the CCW, states parties to the Convention agreed on a mandate for work on cluster munitions in 2009. The GGE will meet for two weeks in 2009, from 16 to 20 February 2009 and subsequently, if required, from 14 to 17 April 2009. The GGE is to report to the next meeting of the High Contracting Parties of the CCW.

The Russian leadership declared its support for the humanitarian efforts and respect for international agreements aimed at strengthening international humanitarian law, reducing manpower losses and human sufferings.

The Ministry of Foreign Affairs of the Russian Federation stated that it was in favor of a thorough and comprehensive study of the Convention on Cluster Munitions (indicating that the RF was considering the implications of the treaty's obligations).

The search for a balance between the military and humanitarian aspects of cluster weaponry and the conditions of its employment in compliance with the military and political interests of the state has big significance.

The official Russian approach towards cluster weaponry proceeds from the fact that all kinds of weapons represent danger; however, the basic cause of the problems in the humanitarian field is the result of excessive use of weapons and disregard for the principles and norms of international humanitarian law.

From the point of view of Moscow, cluster munitions constitute by themselves a legitimate and efficient type of weapon not prohibited by the norms of international humanitarian law and which are designed to accomplish certain combat tasks while ensuring the defensive interests of Russia and its allies.

The Russian Federation is taking an active part in the negotiations within the frameworks of the Convention on Inhumane Weapons seeking to promote the successful solution of the humanitarian problems. This is witnessed by the ratification by Russia of the Protocol on Explosive Remnants of War (Protocol V) to the CCW Convention.

The Deputy Chief of the Main Directorate for International Cooperation of the MOD of the Russian Federation Lieutenant General E. Buzhinsky argued that despite the calls of some countries for the total prohibition and elimination of cluster bombs and anti-personnel mines, the Armed Forces of the RF due to objective circumstances could not forgo them. This position is conditioned by such factors as the size of the territory, the length of the borders along which the armed forces of states conducting unfriendly policies towards Russia are deployed. The fact that NATO bases are steadily coming closer to the territory of the RF is also taken into consideration.

This is why it is considered necessary to provide for the laying of anti-personnel and anti-tank mine fields on the path of aggressors in the shortest possible term, in order to impede their advance.

The high combat effectiveness of CMs, shown during a number of military conflicts, leads to the view that a number of countries will strive

to continue to improve the combat characteristics of cluster weaponry, to enhance their reliability, safety, and methods of their use.

Independent experts stress the humanitarian costs of resorting to cluster weapons and highlight the need to consider possible alternatives to them from a military point of view in order to lessen the dependence of national security policies on this weaponry and focus on the humanitarian imperatives. In particular, new specific restrictions on the use of CMs are advocated by them (the prohibition of the employment of CMs in residential areas; mandatory warning of the civilian population; disposal of obsolete munitions, etc.) with the aim of eliminating civilian harm from cluster munitions

PART II. EXPERT INSIGHTS

6. RUSSIA'S MILITARY-TECHNICAL COOPERATION WITH FOREIGN STATES: PROBLEMS AND PROSPECTS

Natalya KALININA

In Russian studies devoted to Russia's military-economic ties with foreign countries the term 'military-technical cooperation' (MTC) is used more frequently than the term 'arms trade'. MTC implies a broad range of activities in the sphere of military security. Federal Law no. 114 FZ[1] of 19 July 1999 'On Military-Technical Cooperation of the Russian Federation with Foreign Countries' (subsequently revised in 2006 and 2007) gives a broad definition of this term.

The federal law defines 'military-technical cooperation' as activities in international relations, related to transfers of defense products (DP) in and out of the country, including their deliveries, purchases, development and output. DP covers: arms and military technology; works and services; the fruits of intellectual activity and information of military-technical relevance.

In Russia, as in many other countries, the military-related transfers affecting national security and competitiveness in the world arms market constitute a sensitive and somewhat opaque activity.

The author describes the dynamics of the trade in DP (using open sources of information) and analyses the Russian stance on the international regimes affecting the global sales of weapons.

A system of military-technical cooperation in the making

The disintegration of the USSR resulted in the collapse of its system of military-technical cooperation. Arms transfers (mainly to the former Warsaw Pact countries) sharply decreased. Up to 1998, when the State Duma (Russian parliament) passed the Federal Law 'On Military-Technical Cooperation of the Russian Federation with Foreign Countries', this sphere of activity was in a crisis.

[1] FZ – federalnyi zakon [federal law].

Approximately 7000 enterprises of the defense-industrial complex (DIC) of the former Soviet Union were involved in the DP production including over 1000 enterprises outside Russia. Though Russia retained about 80 percent of the capacity of the DP production, the interdependence in the Soviet military-industrial complex was so great that even at present a good number of plants and factories in the CIS countries continue to play a substantial role in the Russian production of DP.

Major inter-government agreements in this field were concluded practically with all CIS countries in the period 1993–2004[2].

At some point about 2500 defense enterprises of the CIS countries were engaged in MTC, developing and supplying over 25 000 DP items[3]. For example, 70 enterprises from nine CIS countries (Azerbaijan, Armenia, Belarus, Georgia[4], Kazakhstan, Kyrgyzstan, Moldova, Uzbekistan, and Ukraine[5]) participated in the production of Su-27 and Su-30 fighter-jets. Of course, this relationship generated risks of a too great dependence on the import of components.

Even at present Russia is dependent on some CIS countries for DP components for its own Armed Forces and exports.

In the period 1992–1994 a number of defense enterprises were granted permission to trade in DP with foreign states.

A lack of clear rules of the 'game' in the trade in DP led to fierce competition among companies involved in international arms transfers. By exporting arms to conflict-prone regions these companies frequently did harm to Russia's military and political interests. The intermediaries which were unable to cooperate in the arms export market and find their own 'niche' in it were restructured. FGUP 'GK Rosvoorighenie' and FGUP 'Promeksport' were merged into FGUP 'Rosoboroneksport'. FGUP 'Rossiiskie technologii' was dissolved. The Committee on Military-Technical Cooperation was established and later (in 2004) given a new name – the Federal Service for Military-Technical Cooperation (FSMT)[6].

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[2] The Tashkent Treaty on Collective Security of 15 May 1992 contains some .basic principles of military-technical cooperation with CIS countries.

[3] Makienko, K., 'Poslednii Record Russkogo Orughiya', *Ekspert*, 2003, no. 4.

[4] Military-technical cooperation with Georgia was stopped in 2005.

[5] Beliyaninov, A., 'Voenno-technitcheskoe sotrudnitchestvo Rossii s inostrannimy gosudrstvamy: nastoyashee i budushee.' Pod red. Bandurina, V., Moscow, 'Granitsa', 2003, p. 50.

[6] Under Presidential Decree of 10 September 2005 no.1062 the following government bodies were authorized to participate in the MTC regulation in addition to the FSMTC: MOD, MFA, Ministry of Finance, Ministry of Industry and Energy, Ministry of Economic Development, Ministry of Justice, SVR, FSB, Federal Tax Service, Federal Service on Technical and Export Control, Rosprom, Roskosmos.

In addition, one should mention the Commission of the Russian Federation on Military-Technical Cooperation with Foreign States that works out recommendations on MTC for the Head of State.

By the end of 2006 23 subjects of military-technical cooperation were granted permission to trade in the export market directly: 5 companies were involved in the trade of final DP, 18 companies dealt with components, spare parts of previously supplied DP, as well as maintenance and other services.

Agreements on MTC were concluded with 61 countries (in addition to the CIS states)[7]. Arms exports grew from $4.15 bn in 2001 to $4.8 bn in 2002, $5.67 bn in 2003, $5.77 bn in 2004, $6.1 bn in 2005, and $6.46 bn in 2006[8].

The single state-run intermediary 'Rosoboroneksport' was responsible for the major part of those sales. For example, its share in Russia' arms exports in 2004 was about 89%, in 2005 – 85% and in 2006 – 82%.

MTC at the current stage

A new stage in the reform is associated with Presidential Decree of 18 January 2007 no. 54[9] which introduced limitations on the external economic activities of the subjects of MTC that had been authorized to export 'final' DP. Only FGUP 'Rosoboroneksport' preserved this right. Other four corporations – FGUP 'Rossiiskaya samoletostroitelnaya korporatsiya 'MiG', GUP 'Konstruktorskoe buro priborostroeniya', OAO VPK 'Nautchno-proizvodstvennoe obiedinenie mashinostroeniya' and FGUP 'Konstruktorskoe buro mashinostroeniya' were allowed only to meet their obligations under already concluded foreign export contracts.

The decision to withdraw exports rights from four corporations was not officially commented on. One of the possible explanations is that un-

[7] In the period 1992-2006 agreements on MTC were concluded with the following countries: China (1992), France (1994), Syria (1994), Turkey (1994), Cambodia (1995), Ethiopia (1995), Greece (1995), SAR (1995), Columbia (1996), Cyprus (1996), Namibia (1996), Germany (1996), Italy (1996), Eritrea (1997), Slovakia (1997), Ecuador (1997), Serbia and Montenegro (1997), Republic of Korea (1997), Angola (1998), Vietnam (1998), India (1998), Yemen (1998), Croatia (1998), Algeria (1999), Bangladesh (1999), Zimbabwe (1999), Congo, Democratic Republic of (1999), Libya (1999), Cape Verde (2000), Chad (2000), Congo, Republic of (2001), DPRK (2001), Iran (2001), Myanmar (2001), Nicaragua (2001), Nigeria (2001), Venezuela (2001), Guinea (2001), Jordan (2001), Czech Republic (2001), Bulgaria (2002), Brazil (2002), Hungary (2002), Gambia (2002), Gabon (2002), Uruguay (2002), Macedonia (2003), Mali (2003), Poland (2003), Sudan (2003), Thailand (2003), Uganda (2003), Argentina (2004), Chile (2004), Indonesia (2004), Côte d'Ivoire (2004), Mongolia (2004), Peru (2004), Sri-Lanka (2004), Israel (2005) and Laos (2005).

[8] Makienko, K., 'Posledniy record russkogo orughiya', *Ekspert*, 03.02.2003; Denisov, A., 'Itogi 2004 goda', *Voenno-technitcheskoe sotrudnitchestvo*. 2005, no. 1, pp. 75-84; Kedrov, I., 'Bespretsedentnaya sdelka', *Voenno-promishlennii kurier, no.* 10, 15-21 March 2006; Nikolskii, A., *Voenno-technitcheskoe Sotrudnitchestvo*, 2008, no. 4.

[9] Presidential Decree no. 54 of 18 January 2007 'On the Questions of Military-Technical Cooperation of the Russian Federation with Foreign States'.

der the current practice over 80 percent of all arms shipments for export is carried out by the state-owned intermediary. It provides services for all the participants in the arms market: for those who may directly transfer their products for foreign markets (such as 'MiG') and for those who are involved in deals with complicated financial provisions. (For example, when arms transfers are part of a deal to repay state debts or if there are so called offsets that require federal funds, or some package agreements involving state agencies).

It is obvious that it is simpler and safer for the state to exercise control over a single intermediary than over many entities. It is also possible that a concentration of the arms trade in the hands of a single intermediary aims at eradicating once and for all unfair competition among enterprises involved in MTC.

The MTC system currently constitutes a ramified network: direct basic laws on MTC[10], other legislation that contain norms on MTC regulation[11], Presidential decrees and directives concerning MTC[12], Governmental directives and ordinances[13], as well as numerous normative acts issued by individual Governmental agencies.

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[10] Federal laws: no. 114 FZ of 19 July 1998 'On Military-Technical Cooperation of the Russian Federation with Foreign States', no.183-FZ of 18 July 1999 'On Export Control' and no. 164 FZ of 8 December 2003 'On Basic Rules on State Regulation of External Trade'.

[11] Federal laws: no.128-FZ of 8 August 2001 (revised on 2 July 2005 as no. 80 FZ) 'On Licensing of Some Types of Activities'; no. 61 FZ of 31 May 1996 'On Defense', which established the rights of the governmental bodies in the area of defense, including military and military-technical cooperation; no. 213 FZ of 27 December 1995 'On State Procurement'; no. 160 FZ of 9 July 1999 'On Foreign Investments in the Russian Federation'; no. 94 FZ of 21 July 2005 'On Placement of Orders for Goods Supply and Providing Services for Federal and Municipal Requirements', etc.

[12] Presidential Decrees: no. 580 of 5 May 2004 'On the Endorsement of the List of Dual-purpose Goods and Technologies to be used in Making Weapons and Military Equipment, Subject to Export Control Regulations' (later version no.1384, approved on 1 December 2005); no.1062 of 10 September 2005 'Issues of Military-Technical Cooperation of the Russian Federation with Foreign States' and no. 54 of 18 January 2007 'On Individual Questions of Military-Technical Cooperation of the Russian Federation with Foreign States'.

[13] Governmental directives and ordinances: no. 1109 of 2 October 1999 'On the Endorsement of the Statute of Implementation by the Federal Executive Bodies of Military-Technical Supervision and Control over the Development and Output of the Defense Products'; no. 131 of 26 February 2002 'On State Accounting of the Results of Research and Development of Military, Special and Dual-Purpose Supplying Nature»; no. 604 of 6 October 2006 'On the Statute of Implementation of the Control over the Authorized Agencies of Foreign Countries on the Authorized Use of Some Defense Products Supplied by Russia'; no. 29 of 25 January 2008 'On the Rules of Setting Prices for the Russian Arms and Military Equipment that Have no Analogues in Russia and that Is Made by a Single Producer', etc. For the latest changes introduced in the state system of the regulation of MTC see Presidential Decree no.1767 of 12 December 2008.

Number of regulative documents in this sphere continues to rise as well as the quantity of MTC agreements with foreign countries[14]. Currently, Russia has MTC agreements with over 80 countries, but substantial sales are delivered only to 10–12 countries.

Despite the fact that Russia has partially succeeded in retrieving its position in the world arms market this performance should not be overestimated. Flaws in the MTC sphere persist. They have their roots rather in the process of arms production than in the state of government regulations of this sphere.

Current military technologies in Russia date largely from the period 1970–1980. Many military-industrial enterprises are in poor shape and remain critically dependent on foreign technologies. Since 1992 the output of military aircraft decreased 17 times, helicopters – 5 times, air-force missiles – 23 times and ammunition – over a 100 times[15].

According to experts, the capacities of the DIC if modernized substantially will allow to produce annually about 100 tactical bombers, 55–60 attack aircraft, 100–120 fighters, 100–110 combat and military-transport helicopters, one strategic submarine (in two years), one multi-purpose submarine (in two years), 1–2 diesel submarines, 4 surface blue-water ships, up to 10 surface green-water ships, 7–8 naval missile-equipped aircraft, 8–10 naval attack aircraft and fighters, up to 15 anti-submarine aircraft and helicopters[16].

However, at present many DIC enterprises are not prepared for serial production of high-tech weaponry systems.

According to Putilin V., a First Deputy Chairman of the Military-Industrial Commission of the RF, only 16 DIC industrial holdings had been established by the end of 2007 (instead of 37 planned). Among strategic enterprises only 36 percent were financially robust. As many as 25 percent of strategic enterprises were on the brink of insolvency[17]. Some military-industrial enterprises were not capable of fulfilling concluded contracts: foreign customers had to stand in a queue for Russian arms.

The poor quality of DP causes concern. 1586 reclamations on the supplied arms were received from foreign customers in 2006: 443 – on aircraft, 646 – on anti-aircraft systems, 144 – on conventional weapons and 353 – on naval ships and equipment[18]. Removing defects require up to 50% of overall expenses compared to an average figure of 20% for the developed countries[19].

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[14] In 2007 Russia signed one agreement on MTC, four agreements for mutual protection of secret information, three agreements on protection of intellectual rights resulting from the cooperation based on bilateral agreements on MTC.

[15] *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no.11, p.82.

[16] Lutovinov, V., 'Problemy reformirovaniya rossiiskogo OPK', *Voenno-promishlennii kurier*, 12-18.03.2008.

[17] *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no. 4 pp. 19-20.

[18] *Voenno-technitcheskoe sotrudnitchestvo*, 2007, no. 42, p. 33.

[19] *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no.7, p. 9.

The main reason for this situation is that the level of the amortization of the equipment for defense enterprises amounts up to 75% while the rate of modernization remains very low: 1% per year against a minimal requirement of 8–10%[20]. In order to increase the rate of modernization the Government approved at the end of 2007 a Federal Special Program 'Development of the Military-Industrial Complex of the Russian Federation for 2007–2010 and up to 2015'.

Since 2006 problems started to emerge between Russian producers and foreign customers, particularly traditional ones like India, China, etc. (low quality of arms, failures to observe the deadlines of the contracts and unjustified rises of prices). As a consequence, the contract volumes for the Russian producers decreased.

R&D and production projects with India (multi-purpose transport aircraft, an engine for light and medium-size fighters, cruise missile, licensed production of multi-purpose combat aircraft, etc.) made little progress. The Indian side raised complaints about the quality of Russian arms as well as failures to fulfill the contracts in time.

Problems arise in relations with China, too. New agreements on arms supplies with China were not concluded in the period 2006–2007. According to some forecasts, the level of bilateral cooperation in this field in the near future will go down as China is becoming a powerful competitor in the world arms market. China is flooding the world arms market with its imitations of Russian weaponry – Kalashnikov AK-rifles and rocket artillery systems 'Grad' and 'Smertch'. One may add machine guns, hand grenade launchers, self-propelled artillery systems and tanks to this list. What is even more worrisome, China attempts to squeeze Russia out from the aircraft market of third world countries (Angola, Ethiopia, Syria, etc.) Chinese fighters J-11 suspiciously resemble Russian Su-27SK. (The technology of the production of Su-27SK was transferred to China some time ago.)

Russian arms supplies to Vietnam are likely to decrease as this country proceeded to strengthening trade ties with China, Belarus, and Ukraine. The latter countries offer more favorable financial terms for arms contracts than the RF (delayed payments and other flexible forms of financial transactions).

The situation is aggravated by the increase of the export prices for Russian DP without substantial improvements of its combat and exploitation characteristics.

If the above-mentioned trend gains strength, Russian competitiveness with regard to the most advanced weapons will suffer.

For many years prices for some Russian DP were lower by 30–40 percent than for their western analogues with comparable technical and

[20] *Voenno-technitcheskoe sotrudnitchestvo*, 2006, no. 44, p.91.

tactical characteristics (a substantial advantage which persuaded foreign customers to buy Russian arms). Now Russia is losing this advantage[21].

Table 1 given below shows that the arms sales share in the overall Russian exports is quite low (about 2%). Optimistic forecasts for the near future seem to be unjustified in the conditions of the evolving global financial crisis.

Table 1. Russian Arms Exports in 1998–2007

Years	Russia's overall exports (bn dollars)	Arms exports		
		Bn dollars/ share in overall Russia's exports (%)	Bn roubles[22]	Exports expressed in rubles, year to year rate of increase (%)
1998	74.8	2.6/3.5	-	-
1999	75.6	3.4/4.5	91.6	
2000	105.0	3.7/3.5	103.7	13
2001	101.9	3.7/3.6	111.7	7
2002	107.3	4.8/4.5	152.9	37
2003	135.9	5.6/4.0	164.0	7
2004	183.2	5.8/3.1	162.5	-1
2005	243.8	6.1/2.5	176.3	8.5
2006	303.9	6.5/2.1	170.2	-3.5
2007	355.2	7.0/2.0[23]	172.7	1.5
2008[24]	over 400.0	over 8.0[25]		

[21] According to the general director of OAO 'Rosoboroneksport' Isaikin F., Russia's prices for arms are still 10-15% below the world prices, but it is becoming more and more difficult to rely on this advantage in the competition in the world market. *Voenno-technitcheskoe sotrudnitchestvo*. 2008, no. 7, p. 9.

[22] Average ruble/dollar exchange rates per year: in 1998 exchange rate increased during a year from 6.01 to 20.65 due to August default; 1999 – 27.0, 2000 – 28.16, 2001 – 30.14, 2002 – 31.78, 2003 – 29.45, 2004 – 27.75, 2005 – 28.78, 2006 – 26.33 and 2007 – 24.53.

[23] The figures on the volume of the arms exports in 2007 vary from $7 bn (*Voenno-technitcheskoe sotrudnitchestvo*. 2007, no. 52, pp. 7-9) to $7.5 bn; *Voenno-promishlennii kurier*. 27.08 - 02.09.2008.

[24] Aircraft and related equipment was the leading item in the arms exports – more than 60 % of all export shipments, naval arms occupied the second place (20 - 40 %), conventional arms for land forces had a share between 2 % and 10%, anti-aircraft equipment - 5– 8 %, and all other arms - 1 – 2 %.

[25] The statement of the Director of the FSMTC Dmitriev M., ARMS-TASS, 05.08.2008; *Voenno-technitcheskoe sotrudnitchestvo,* 2007, no. 49, p.7.

Purchases of DP for the needs of the Russian MOD started to rise: in 2000–2003 they amounted to 32–34% of the arms exports; in 2004–2005 the balance was reached between arms exports and the domestic purchases. In 2006 the purchases of the MOD exceeded the figures of Russian arms exports (in 2006 – 114.6%; in 2007 – 132.6%)[26]. These data reflect greater emphasis on the needs of the Russian Armed Forces (RAF) that require modernization and re-equipment. The Federal Budget for 2009–2011 provides for sharp increases of the DP purchases by the RAF.

On the other hand, the crisis situation in the MTC field will hardly disappear in the near future as the shape of the Russian defense-industrial complex remains poor. Its export arms contracts in 2006 reached $17.8 bn, in 2007 they diminished to $8.5 bn. Export orders amount to $10.97 bn for 2008 (if there is no delays in deliveries), $7.96 bn – for 2009 and $6.36 bn – for 2010[27].

According to some expert assessments, Russia's arms sale for exports will not exceed $ 5–6 bn annually. This figure may be even lower unless Russia's investment in military research and development is increased and military-industrial enterprises produce the most advanced weapons required by the world arms market[28].

Russia's position in the global arms market

In 2007 the volume of world arms trade reached $54.9 bn (the portfolio of orders was about $100 bn in the same year)[29]. The USA was the largest supplier of arms exports (38.5 percent; $21.1 bn). Ranking second Russia accounted for 12.8 percent ($7 bn). France ranked third (11.4 percent; $6.23 bn). Ranking fourth Germany accounted for 10.4 percent ($5.7 bn).

Three main NATO arms exporters (the USA, France and Germany) together accounted for over 60% ($33) of the global arms transfers. Other major NATO suppliers were United Kingdom ($3.5 bn), Nederland ($1.44 bn), Italy ($1.3 bn) and Spain ($1.1 bn).

The authoritative U.S. weekly *Defense News* included nine Russian companies in 2007 in the list of world top arms producers (twelve – in 2006). The ranking order of the nine major exporters: 'Concern PVO «Almaz-Antei»' (24th place), OAO 'Companiya «Sukhoi»' (37th), NPK 'Irkut' (47th), OAO 'Korporatsia «Taktitcheskoe raketnoe vooruzhenie»' (50th), OAO 'Vertolety Rossii' (62nd), 'Ufimskoe motorostroitelnoe proizvodtstvennoe obiedi-

[26] These comparisons were made on the basis of the data submitted by Russia to the U.N. Office for Disarmament Affairs, available at http://disarmament.un.org/cabmilex.html

[27] Shvarev, V., *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no. 5, p.78.

[28] *Voenno-technitcheskoe sotrudnitchestvo*, 2006, no.32, p.57.

[29] *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no.3, pp. 63-75.

nenie' (72nd), OAO 'Korporatsia «Aerokosmitcheskoe oborudovanie»' (80th), GUP 'Konstruktorskoe buro priborostroeniya'(81st and FGUP 'Moskovskoe mashinostroitelnoe proizvodstvennoe predpriyatie «Salut»' (84th)[30].

In 2007 three Russian companies were dropped from the list of major arms producers: FGUP 'Rossiiskaya samoletostroitelnaya korporatsiya «MiG»', FGUP 'PO «Uralvagonzavod»' and FGUP 'Admiralteiskie verfi'.

Currently the emphasis is being made on the cooperation of the defense enterprises within the framework of the state-owned corporation set up in 2007 – 'Gosudarstvennaya korporatsiya «Rostechnologii»' (GK 'Rostechnologii')[31].

This corporation is called upon to provide the most advantageous form of the production chain – starting with R&D and ending with final products (arms) for domestic and foreign markets. A number of statements made by High Russian officials in October – November 2008 indicate that the world financial crisis would not compel the Government to go back on its plans to modernize the defense-industrial complex.

GK 'Rostechnologii' is authorized to conclude various deals, buy and sell assets, participate in the shareholding capital of the Russian and foreign companies that are engaged in the production of high-tech goods.

As far as OAO 'Rosoboroneksport' is concerned, it remains the single state intermediary in Russia in the sphere of military-technical cooperation. It is entitled to conclude contracts and carry out export-import operations involving DP and dual-purpose goods. 'Rosoboroneksport' will maintain the exclusive mandate for Russian deliveries of arms to foreign market.

In July 2008 the President of the RF took decisions radically affecting the defense-industrial complex. Assets of 350 organizations and enterprises of the DIC (about 25 percent of the total number) were transferred to GK 'Rostechnologii' to form its shareholding capital[32], including the assets of more than 50% of the subjects of military-technical cooperation. The share of those enterprises in the DP output in Russia amounts to about 22 percent. In future they will include 33 newly established industrial holdings.

The decision to set up GK 'Rostechnologii' got a mixed reception in Russian society. Some experts and even officials express doubts about the viability of the new corporation.

Promoters of GK 'Rostechnologii' argue that the corporation will be able to assist military enterprises in R&D and marketing DP abroad[33].

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[30] *Voenno-promishlennii kurier,* 27.08-02.09.2008.

[31] Federal Law no. 270 FZ of 24 November 2007 'On Gosudarstvennaya Korporatsiya «Rostechnologii»'.

[32] Decree of the President of the RF no. 1052 of 10 August 2008.

[33] Currently, in addition to the enterprises directly engaged in MTC, over 700 enterprises from 56 Russian regions are involved in fulfilling contracts concluded by 'Rosoboroneksport'. Rosoboroneksport' has its representative offices in 47 countries. *Voenno-technitcheskoe sotrudnitchestvo,* 2008, no. 7, pp. 6-12.

Opponents are skeptical. They contend that the crisis in the sphere of military-technical cooperation and in the military-industrial complex itself is much deeper than usually acknowledged[34]. Concerns are expressed that big state corporations such as 'Rostechnologii' and 'Rosatom' will try to replace some state regulative bodies in their functions while maintaining some commercial privileges at the same time (that is why they have got a new unofficial name – 'commercial ministry'[35]).

The current situation in the world arms market is characterized by new factors: the appearance of new players; intensifying competition; emerging national military-industrial complexes of the Asian countries; growing inter-state cooperation of weapons producers.

The forms of military-technical cooperation of the previous decade exhausted their potential. Active efforts are being made by officials and experts to increase the efficiency of military-technical cooperation.

The following ideas are discussed in the Russian expert community:

- upgrading the relationship between Russia and foreign countries in the MTC sphere to the level of strategic partnership, which characterizes now cooperation between Russia, on one side, and China and India, on the other. These two countries remain the largest recipients of arms deliveries from Russia accounting for about 70% of Russia's arms exports. Russia may cultivate strategic partnership in military-technical cooperation with Vietnam, Malaysia, Indonesia and Myanmar;

- winning new markets for arms exports and strengthening Russia's position in various regions of the world, provided Russian military-industrial reorganization leads to more efficient use of available resources for arms production;

- introducing new forms of interaction with foreign partners: shifting from the 'producer-customer' scheme to cooperation in R&D in the field of advanced weapons; establishing joint-ventures in the after-sale servicing of weapons;

- applying new forms of military-economic cooperation and taking into account the interests of foreign partners in developing their own military-industrial complexes. Russia should sell not only final weapon products but also technology for their production and promote licensed arms production in the territory of foreign countries (joint schemes for marketing arms; joint after-sale servicing centers).

International transparency in arms transfers

The United Nations Register of Conventional Arms[36] (from 1992) and the Annual Report of the European Union (review of the implementation

[34] Tumeneva, V., 'Osnovnie nedostatki goskorporatsii', *Ekspert,* 03.12.2007.

[35] *Voenno-technitcheskoe sotrudnitchestvo*, 2008, no. 11, pp. 31-32.

[36] The purpose of the Register is to provide early warning against a possible destabilizing build-up of weapons

of the 1998 EU Code of Conduct for Arms Exports) publish regularly official arms transfers statistics provided by the states on a voluntary basis.

Judging from the surveys of the implementation of the Register compiled by the Group of Government Experts[37] few states report regularly on arms transfers. For the last five years 25–30 countries reported on arms exports. Around 40 countries provided data on their arms imports. 20–25 countries regularly inform the international community both on their arms exports and imports.

For the last 16 years 170 countries responded to the request for information at least on one occasion; 140 countries responded to such request three or more times, 50 – every year (either on exports or imports of arms or on both). 25 countries failed to report. In 2005 26 countries reported on their arms exports; 33 – on their imports; 25 – on their stockpiles of conventional ammunition.

(The figures for 2006 – 33, 36 и 27, accordingly). In 2006 39 countries provided data on their exports and/or imports of small arms and light weapons (SALW).

In 2007 only 8 states reported on their arms exports, 20 –on their imports, and 25 – both on their exports and imports. In other words, only 53 U.N. member states (27 percent of the U.N. membership) provided at least some information for the U.N. Register.

26 countries submitted additional information on their stockpiles of conventional ammunition and 36 – on the SALW transfers[38].

Russia belongs to the group of countries which report regularly on arms deliveries since 1992. In 2007 Russia started to report on its imports. However, Russia does not report on the exports of SALW[39]. Neither does the RF provide information on the stockpiles of conventional ammunition and arms purchases from domestic producers.

Russia provides data on SALW to the U. N. Office for Disarmament Affairs within the framework of 'The Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects' (the most recent report contains data, as of March 2008) [40].

The Russian Federation also annually informs the Secretariat of the Organization for Security and Co-operation in Europe (OSCE) on SALW within the framework of the OSCE document 'On small arms and light weapons'.

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[37] The Group was established by the U.N. Secretary-General pursuant to the General Assembly resolution 60/226 of 23 December 2005.

[38] As some countries are late with their reports on arms transfers the final data at the end of 2008 may somewhat differ from the figures given above.

[39] Under the Wassenaar Arrangement (WA) Russia provides data on the transfers of SALW to states that are not members of the WA to the Secretariat of the Wassenaar Arrangement every other year.

[40] Under Russian legislation, SALW are not singled out in a special category of conventional arms. SALW are regulated by general laws affecting the trade in DP.

On the issues of illicit trade in SALW Russia cooperates with the International Criminal Police Organization (INTERPOL) via the National Central Bureau[41].

Arms trade and international security

The volume of the world arms trade amounts to $45–50 bn per year. According to some experts, by 2015 the world market for combat aircraft may amount to $22–24 bn per year; while for naval weapons – $20 bn and for anti-aircraft weaponry – $5–7 bn[42].

Experts anticipate a growing demand for tanks, light armored vehicles and artillery systems. The combined spending for these conventional weapons is estimated to amount to $8–10 bn per year.

In the course of a number of years the impact of the arms trade on regional and international security has been debated within the U.N. framework and at other forums[43].

Today, the availability of a good number of politically-binding (although not legally) instruments dealing with the transfers of conventional weapons[44] did not prevent military (regional and/or domesti(c) conflicts. No

[41] The National Central Bureau (NCB) is attached to the Ministry for Internal Affairs.

[42] Tchernyak, I., 'Prodavtsy ogniya', *Rossiiskaya gazeta*, Federal issue no. 4702, 09.07.2008.

[43] See: UN resolutions: 46/36 L of 9 December 1991, 51/45 N of 10 December 1996, 51/47 B of 10 December 1996, 56/24 V of 24 December 2001, 60/69 и 60/82 of 8 December 2005.

[44] See: the U.N. Register of Conventional Arms (1992); The United Nations Guidelines for Conventional Arms Transfers (1991); the Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (2001); OSCE Principals Governing Conventional Arms Transfers (1993); the Wassenaar Arrangement On Export Controls for Conventional Arms and Dual-Use Goods and Technologies (1995); the European Code of Conduct for Arms Exports (1998); the CICAD's (OAS) Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Ammunition (1998); the OSCE document 'On small arms and light weapons' (2000); the Wassenaar Arrangement's document on Best Practice Guidelines for Exports of Small Arms and Light Weapons (SALW, 2002); the Antigua Declaration on the Proliferation of Light Weapons in the Central American Region (2002); the Regulations for the Control of Brokers of Firearms, Their Parts and Components and Ammunition (2003); Inter-American Convention on Transparency in Conventional Weapons Acquisitions (1999); the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (1997); the Protocol against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime (2001); the Protocol on the Control of Firearms, Ammunition and Other Related Materials in the Southern African Development Community (SADC) Region (2001); the Nairobi Protocol for the Prevention, Control and Reduction of Small Arms and Light Weapons in the Great Lakes Region and the Horn of

state, including Russia, that sells arms for the international markets, ever acknowledged that its arms supplies contributed to 'a destabilizing build-up of weapons' or 'provoked' a military conflict. However, there is no internationally agreed definition of a 'destabilizing build-up of conventional arms' or criteria for estimating 'a destabilization'.

At the same time it would be fair to say that attempts to work out a legally-binding document to regulate the international arms trade had been undertaken both before and after the Second World War.

Deep disagreements prevented the states from moving beyond declarations of political principles.

A lack of internationally agreed standards in relation to the exports, imports and transfers of conventional arms is a factor that contributes to conflicts, crimes and terrorism and thus undermines international peace, security and sustainable development in the world.

On 6 December 2006 the U.N. General Assembly adopted Resolution 61/89 'Towards an Arms Trade Treaty: Establishing Common International Standards for the Import, Export and Transfer of Conventional Arms'. It was implied that such treaty would be legally-binding, based on clear principles, and contain an effective implementation mechanism. 153 states voted in favor of this resolution.

The United States was the only country which voted against it. 23 states abstained from voting (including China, Israel and North Korea and Russia as well as some states – major customers of arms (Egypt, Israel, India, Iraq, Iran, Yemen, Kuwait, Libya, UAE, Oman, Pakistan and Saudi Arabia).

In January 2007 the U.N. Secretariat requested the views of the member states on matters related to a new international instrument dealing with the issues of the arms trade. A Group of Government Experts[45] was appointed to assess proposals of the member states and prepare a survey on an 'Arms Trade Treaty: Establishing Common International Standards for the Import, Export and Transfer of Conventional Arms' for the discussion at the 63rd Session of the U.N. General Assembly[46].

By mid-2008 94 member states submitted their responses, including Russia and all EU members. The majority of the states that responded to

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Africa (2004); the Economic Community of West African States (ECOWAS) Convention on Small Arms and Light Weapons, Their Ammunition and Other Related Materials (2006), etc.

[45] The group includes experts from 28 countries: Alger, Argentina, Australia, Brazil, China, Columbia, Costa Rica, Cuba, Egypt, Finland, France, Germany, India, Indonesia, Italy, Japan, Kenya, Mexico, Nigeria, Pakistan, Romania, Russia, South Africa, Spain, Switzerland, Ukraine, UK and the USA.

[46] The report submitted by the GGE to the 63rd session of the UNGA recommends that the U.N.O. hold further considerations of efforts to address the international trade in conventional weapons. The report contains no conclusions on the feasibility, scope, or parameters of a possible treaty. U.N. document A/63/334.

the request (about 80% of member states) favored an effort to work out a new international instrument on the arms trade.

In its response (of 30 April 2007) to the U.N.O. request Russia acknowledged the challenge posed by the uncontrolled conventional arms proliferation around the world, but pointed out that numerous existing international documents, agreed multilateral tools for controlling the arms traffic had not prevented the illicit arms traffic from growing and had not stemmed the arms transfers to international terrorists and extremists.

Russia proposed to initiate the analysis of the causes of the ineffectiveness of the existing mechanisms controlling the arms traffic and on the basis of the findings proceed with the elaboration of a new global instrument in this sphere[47].

Russia is particularly concerned about the issues, which require an immediate response at international level: illicit arms traffic; arms transfers to illegal military formations, terrorist organizations and the governments that are under the U.N. Security Council embargo; illicit re-exports; arms production without license or on expired license.

It is to be hoped that the lessons drawn from the crisis in the Caucasus which broke out in August 2008 will encourage the Russian leadership to reconsider its cautious stance on the issues relating to the work on a new international instrument constraining the international sales of weapons, including the SALW transfers.

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A survey of Russia's military-technical cooperation with foreign countries illustrates the insufficiency of the existing international mechanisms controlling the proliferation of conventional arms. This situation is fraught with new dangerous regional tensions and military conflicts (as was shown clearly by the Georgian-South Ossetia conflict in August 2008)[48] and highlights the need for the international community to encourage the activities at governmental and expert levels to work out legal-binding instruments constraining international arms traffic and promote changes in the export policies of the major arms producers in order to improve international security.

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[47] Available at < http://disarmament.un.org/cab/ATT>

[48] Prior to its attack on South Ossetia the Georgian army had received assault weapons in large volumes, significantly exceeding its defense needs. According to the data provided by Georgia to the UN Register, just in 2007 the country bought 74 tanks T-72 (from Ukraine), 6 armored multi-purpose tractors and 2 self-propelled howitzers 2C7 'Pion' (Ukraine), 8 artillery systems of large caliber (Ukraine and Israel), 8 training aircraft L-39 (can be used as light attack aircraft), about 11 000 missiles and rocket launches (Ukraine, Bulgaria and Poland)), more than 20 000 small arms and light weapons of different kinds from a number of states(Ukraine, Bulgaria, Check Republic and the U.S.A.).

7. DEFENSE OUTLAYS IN THE FEDERAL BUDGET FOR 2009–2011 (SYNOPSIS OF FEDERAL LAW NO. FZ 204)[1]

Natalya ROMASHKINA

Federal budget outlays for 2009–2011 are divided between eleven chapters: General Government; National Defense; National Security and Law Enforcement; National Economy; Housing and Communal Services; Environment Protection; Education; Culture, Cinema Industry and Mass Media; Healthcare and Sport; Social Services; Inter-budget Transfers.

Expenditures on 'National Defense'

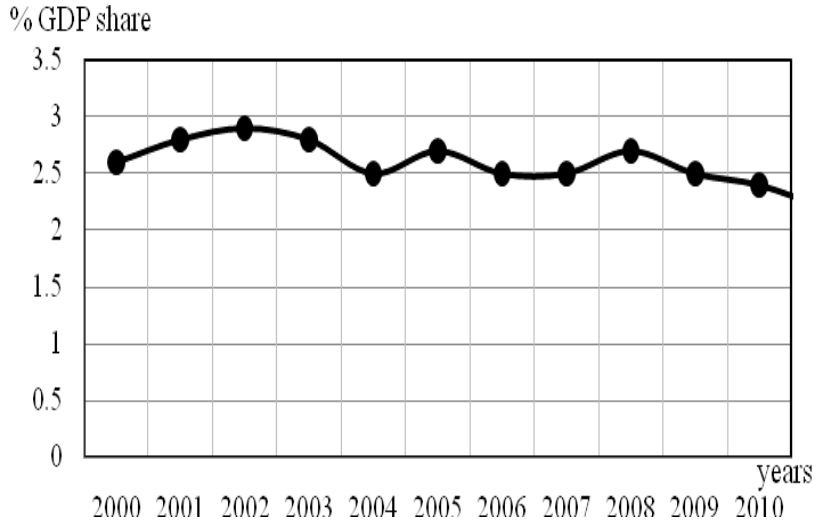

Figure 1.1. The trend in defense spending, 2000–2010.

[1] Federal law no. FZ 204 of 24 November 2008 'On the Federal Budget for 2009 and for the planned period of 2010–2011' was adopted by the State Duma on 31 October 2008; approved by the Federal Council on 12 November 2008; signed by the President of the Russian Federation on 24 November 2008. See: *Rossiiskaya Gazeta*. 2008. 26 November.

Federal agencies are responsible for national defense and security, law enforcement, prevention and liquidation of consequences of emergencies and natural disasters. Spending on these items amounts to about 20 percent of the Federal Budget and will increase by approximately 10 percent on a year-to-year basis. (See figure 1.2).

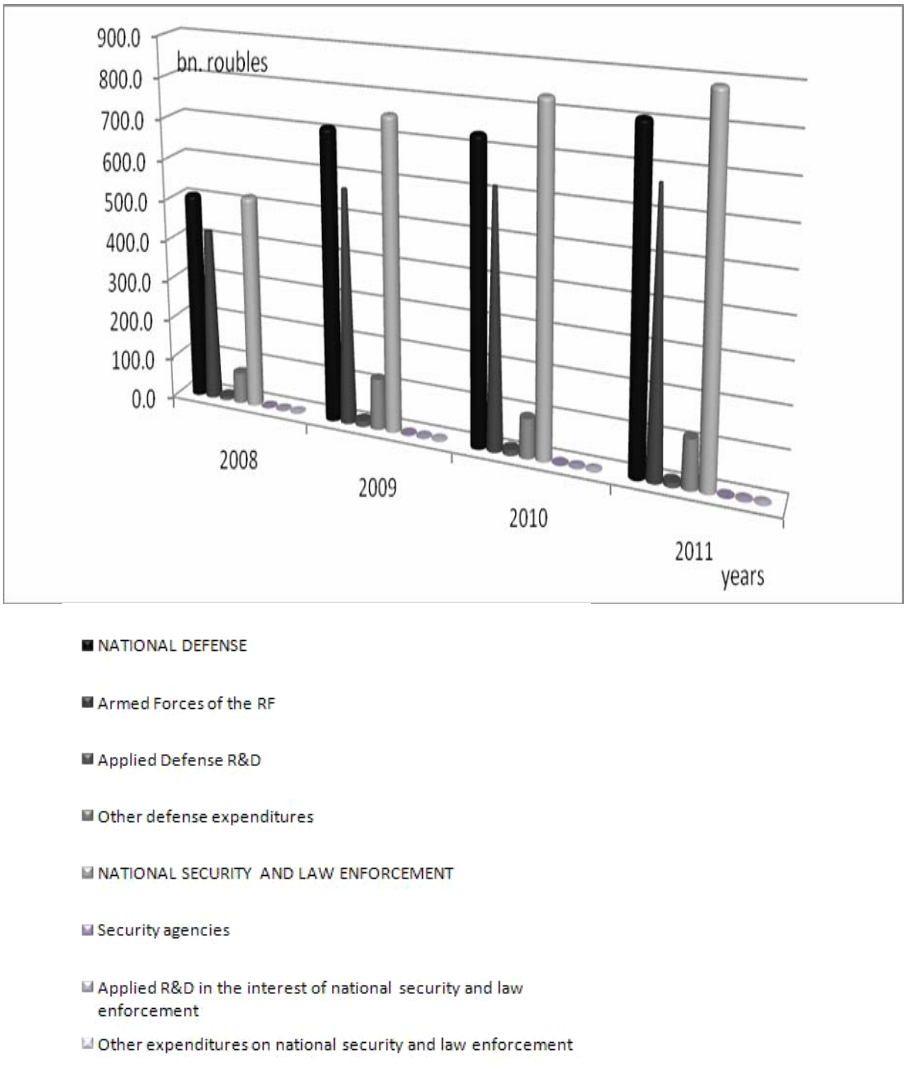

Figure 1.2. Expenditure on national defense and security.

By 2011 expenditures on National Defense (excluding investments in federal special programs (FSP) and expenditure related to them) are

planned to be increased 1.5 times as compared to the 2008 level, including 40 percent rise in 2009.

The chapter 'National Defense' contains five sections (see table 2) 1. 'Armed Forces of the RF'; 2. 'Mobilization and Reserve Forces Training'; 3. 'Collective Security and Peacekeeping Operations'; 4. 'Applied Defense R&D'; 5. 'Other Defense Expenditures'. No data are available on 'Mobilization Readiness of the National Economy'; 'Nuclear Weapons'; 'Implementation of International Obligations in the sphere of Military-Technical Cooperation'.

Allocations for Personnel/O&M occupy a central place in the Defense Budget (see table 2).

Disclosed expenditures on 'National Defense': 2009–40 percent increase as compared to 2008, 1.4 % of GDP, 8.9 % of the total budget expenditure; 2010–3 percent expenditure increase as compared to 2009, 1.2 percent of the GDP, 7.1 percent of the total budget expenditure; 2011–10 percent increase as compared to 2010; 1.2 % of the GDP, 7.1 percent of the total budget expenditure.

In the period 2009–2011 expenditures on 'National Defense' are to be increased by 58.5 percent while the total growth of budget expenditures is to amount to 72.3 percent.

The share of the total expenditures on 'National Defense' in the GDP (in 2007–2.63 percent and in 2008–2.45 percent) will amount to 2.1 percent in 2009 and 2.0 percent in 2010[2].

Disclosed expenditures on 'National Defense' are to be substantially increased in 2009.

Sections of the Chapter 'National Defense'

Section 02 01 'Armed Forces of the RF' includes expenditures on Personnel/O&M (pay for military personnel, wages and salaries of civilian personnel; expenditures on subsistence and material supply for military personnel; combat training; special fuels and lubricants; transport and communications; communal services), and also on federal special programs (FSP) in the interests of National Defense.

- FSP: 11 225.9 mn roubles in 2009, 12 785.0 mn roubles in 2010, 9389.5 mn roubles in 2011.

- Combat training: 32 185.2 mn roubles in 2009, 33 258.4 mn roubles in 2010, 35 435.0 mn roubles in 2011. The growth of expenditures is mainly accounted for spending on special fuels and lubricants.

[2] The data provided by the Ministry of Finance, available at <http://www1.minfin.ru/common/img/uploade/library2007/06/budpol_08-10_050607.pdf>

Table 1. Federal budget expenditures in 2009–2011 (bn roubles)

Budget Chapter	2009 (project)				2010 (project)			2011 (project)		
	bn roubles	share of total expenditures (%)	2009/ 2008 rate of increase,%	% of GDP	bn roubles	2010/ 2009 rate of increase,%	% of GDP	bn roubles	2011/ 2010 rate of increase,%	% of GDP
Total expenditures,	9 024.7	100.0	37	17.5	10 320.3	14	17.4	11317.7	10	16.7
Incl. Disclosed part of total expenditures (Supplement 12 to the Federal Law)	8 010.5	88.7	39	15.6	8 890.1	11	15.0	9546.6	7	14.1
General Government	1 252.0	15.6	51	2.4	1 167.0	-7	2.0	1 129.2	-3	1.7
National Defense	1061.5	11.8	11	2.1	1191.0	12	2.0			
Incl. Disclosed part of total expenditures (Supplement 12 to the Federal Law)	712.6	7.9	40	1.4	735.0	3	1.2	806.9	10	1.2
National Security and Law Enforcement	932.1	11.6	21	1.8	999.6	7	1.7			
Incl. Disclosed part of total expenditures (Supplement 12 to the Federal Law)	756.9	9.4	45	1.5	833.6	10	1.4	888.7	7	1.3
National Economy	1 028.9	12.8	47	2.0	1 168.7	14	2.0	1 370.0	17	2.0
Housing and Communal Services	88.8	1.1	63	0.2	82.6	-7	0.1	82.8	0.2	0.1
Environment Protection	13.8	0.2	48	0.03	14.7	7	0.02	15.1	3	0.02
Education	410.1	5.1	33	0.8	448.8	9	0.8	462.5	3	0.7
Culture, Cinema Industry and Mass Media	113.7	1.4	36	0.2	114.2	0.5	0.2	114.2	0	0.2
Healthcare and Sport	354.0	4.4	67	0.7	365.9	3	0.6	367.5	0.4	0.5
Social Services	297.7	3.7	10	0.6	338.6	14	0.6	307.9	-9	0.5
Inter-budget Transfers	2 982.0	37.2	31	5.8	3 621.1	21	6.1	4 001.7	11	5.9

Table 2. Expenditures on 'National Defense'

Budget Chapter/Sections	№№	2009 (project)			2010 (projected)			2011 (projected)		
		mn roubles	2009/ 2008 rate of increase, %	Share of total budget expen-ditures, %	mn roubles	2010/ 2009 rate of increase, %	Share of total budget expen-ditures, %	mn roubles	2011/ 2010 rate of increase, %	Share of total budget expen-ditures, %
National Defense, incl. Disclosed Expenditures	02	712 565.3	40.0	7.9	734 951.0	3.1	7.1	806 927.3	9.8	7.1
Armed Forces of the RF	02 01	569 406.9	35.6	6.3	619 954.0	8.9	6.0	670 406.7	8.1	5.9
Mobilization and Reserve Forces Training	02 03	6 683.7	27.5	0.1	6 138.5	-8.2	0.1	6 101.5	-0.6	0.1
Collective Security and Peacekeeping Operations	02 05	119.0	42.3	0.001	126.6	6.4	0.001	132.8	4.9	0.001
Applied Defense R&D	02 08	13 599.2	49.9	0.2	13 765.1	1.2	0.1	11 688.0	-15.1	0.1
Other Defense Expenditures	02 09	122 756.5	64.1	1.4	94 966.8	- 22.6	0.9	118 598.2	24.9	1.0

- Material and technical supply: 111 977.6 mn roubles in 2009, 132 883.3 mn roubles in 2010, 135 575.8 mn roubles in 2011.

- Military formations (agencies and units): 382 088.8 mn roubles in 2009; 413 940.3 mn roubles in 2010 and 448 158.0 mn roubles in 2011.

- Mortgage for the housing system for military personnel: 18 216.6 mn roubles in 2009, 18 865.5 mn roubles in 2010, 14 228.7 mn roubles in 2011.

Section 02 03 'Mobilization and Reserve Forces Training' includes expenditures on the military commissariat activity (medical examinations of civilians eligible for military service; mobilization preparation and short-term up-grade training for those in the Reserve Forces).

The funds allocated for mobilization preparation and short-term upgrade training*:* 6300.1 mn roubles in 2009, 5754.9 mn roubles in 2010, and 5717.9 mn roubles in 2011.

Section 02 05 'Collective Security and Peacekeeping Operations' includes expenditures on Russian participation in peacekeeping operations: 119.0 mn roubles in 2009, 126.6 mn roubles in 2010 and 132.8 mn roubles in 2011.

Section 02 08 'Applied Defense R&D' includes allocations for applied R&D related to the implementation of international treaties and obligations in the field of arms reductions; on investments in building and construction, which are not part of special federal programs.

Section 02 09 'Other Defense Expenditures'. Disclosed expenditures under this section: FSP; budget investments in capital construction projects, which are not part of FSP; military formations (agencies, units); utilization and liquidation of armaments; state administration of national defense; measures to implement international treaties and obligations in the field of arms reductions; training young people for military service.

- Special federal programs*:* 73 703.5 mn roubles in 2009, 54 695.1 mn roubles in 2010, 52 242.9 mn roubles in 2011;

- Budget investments in capital constructions other than included in the special federal programs: 28 362.5 mn roubles in 2009, 27 854.7 mn roubles in 2010, 53 646.5 mn roubles in 2011.

- Military formations (agencies, units): 11 411.3 mn roubles in 2009, 1 525.7 mn roubles in 2010, 1656.0 mn roubles in 2011.

Expenditures on special federal programs under Chapter 'National Defense'. These outlays are included in several sections of Chapter 'National Defense'. Table 3 provides data on disclosed general expenditures on special federal programs for 2008–2011.

Table 3. Expenditures on special federal programs under Chapter 'National Defense' in the 2009–2011 Federal Budget

№	Program/subprogram	2008 (law)	2009 (project)	2010 (project)	2011 (project)
		mn roubles			
1.	Special federal program 'World Ocean'	66.6	72.4	81.0	125.0
1.2	Subprogram 'Russia's military and strategic interests in the World Ocean'	66.6	72.4	81.0	125.0
2.	Special federal program 'State borders of the Russian Federation, 2003–2010'	102.5	102.5	122.9	
3.	Special federal program 'Restructuring of the stockpiles of rockets, devices and explosives, making their storage fire- and explosion-proof, 2005–2010'	7 131.0	6 489.6	7 162.4	
4.	Special federal program 'Complex measures against unlawful drug consumption and trafficking, 2005–2009'	46.8	48.2		
5.	Presidential program 'Liquidation of chemical weapons stockpiles in the Russian Federation'	22 937.1	27 041.3	19 982.9	21 129.0
6.	Special federal program 'Global Navigation System'	4 368.6	9 538.0	11 171.4	7 271.3
6.1	Subprogram 'Ensuring for functioning and development of GLONASS system'	4 015.2	8 895.6	9 923.0	6 418.1
6.2	Subprogram 'Modernization and invention of perspective navigation systems for special customers'	353.4	642.4	1 249.3	853.2
7.	Special federal program 'Industrial utilization of ammunitions and military equipment, 2005–2010'	4 671.9	6 702.0	5 175.3	
7.1	Subprogram 'Industrial utilization of nuclear submarines, nuclear-powered warships, nuclear technology support ships and rehabilitation of seashore technical assistance bases, 2005–2010'	2 394.7	3 118.2	2 652.5	

Continuation of Table 3

№	Program/subprogram	2008 (law)	2009 (project)	2010 (project)	2011 (project)
		mn roubles			
8.	Special federal program 'Development of Russian cosmodromes, 2006–2015'	4 414.3	58.6	110.8	91.8
9.	Special federal program 'National system of chemical and biological security of the Russian Federation, 2009–2013'		927.0	1 007.7	1 095.3
10.	Special federal program 'Economic and social development of the Far East and the Lake Baikal region till 2013'		2 000.0		
11.	Special federal program 'Establishment of bases for the Black Sea Fleet in the territory of the Russian Federation, 2005–2020'	2 834.0	3 721.0	3 734.0	8 261.4
12.	Special federal program 'Improvement of the Federal system of reconnaissance and control over air space of the Russian Federation, 2007–2010'	1 069.5	1 170.0	1 222.0	
13.	Special federal program 'Social-economic development of Chechen Republic, 2008–2011'		202.2	116.3	
14.	Special federal program 'Improvement of contract service by sergeants and soldiers in the Armed Forces of the Russian Federation, in other forces, military formation and agencies, and contract service by sailors in the Russian Navy, 2009– 2015'		26 009.6	16 683.3	21 983.3
	Total disclosed expenditures	**47 641.7**	**96 810.4**	**80 473.8**	**67 353.4**

Funding defense expenditures from other chapters of the Federal Budget

Funds under the Chapter 'National Defense' are distributed among the Ministry of Defense (the major spender), Minpromenergo, Rosatom, etc.

MOD receives funds under chapters 'National Defense' as well as under a number of other chapters.

Chapter 01 'General Government' (Section 'International relations and international cooperation'): 2009–4.3 mn roubles, 2010–4.4 mn roubles, 2011–4.4 mn roubles.

Chapter 05 'Housing and Communal Services' (housing for military personnel): 2009–31 157.6 mn roubles, 2010–28 408.8 mn roubles, 2011–31 110.5 mn roubles.

Chapter 07 'Education' (general and special military education) : 2009–32 561.3 mn roubles, 2010–36 251.2 mn roubles, 2011–38 488.4 mn roubles.

Chapter 08 'Culture, Cinema Industry and Mass Media' (promotion of military cultural centers and military mass media): 2009–1728.8 mn roubles, 2010–2571.3 mn roubles, 2011–2744.7 mn roubles.

Chapter 09 'Healthcare and Sport' (hospitals and other medical service facilities): 2009–23 126.1 mn roubles, 2010–26 134.4 mn roubles, 2011–30 937.3 mn roubles.

Chapter 10 'Social Services' (pensions and other social payments to retired servicemen and members of their families): 2008–88 105.6 mn roubles (military pensions – 80 541.9 mn roubles), 2009–102 658.2 mn roubles (military pensions – 94 892.8 mn roubles), 2010–2537.4 mn roubles (military pensions – 359.8 mn roubles), 2011– 2182.1 mn roubles.

Chapter 11 'Inter-budget Transfers': 2008–1060.0 mn roubles, 2009–1504 mn roubles, 2010–1605.4 mn roubles, 2011–1965.1 mn roubles. Funds are to be spent on the initial selection of persons eligible for military service (in the territories where military commissariats are absent).

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Despite the general increase in the defense outlays sufficient resources are not provided to address some specific challenges that the RAF face. This was acknowledged by the State Duma Defense Committee in its conclusion on the governmental proposals for the 2009–2011 Federal Budget.

Independent experts anticipate difficulties in supplying the Armed Forces with fuels and lubricants. The budget figures satisfy only the minimum requirements of the Air Force and Navy of such materials.

Another item that is getting insufficient financing is capital construction. According to some assessments, investments (procurements, R&D, construction) will require funds exceeding by 4–5 times the planned outlays.

It is also difficult to expect that the current misbalance between the expenditures on the day-to-day needs of the Armed Forces and expenditures on the military technical equipment will be corrected in favor of the latter.

Further restrictions on the availability of military-related data to the general public are imposed. The level of transparency is being reduced. Some expenditure items (previously disclosed) became unavailable though they do not contain classified information (expenditures on the exploitation and maintenance of weapons, military equipment and property, on the exploitation of command facilities, special purpose objects and aerodromes, on combat and operational training, on military maneuvers and large-scale exercises).

The implementation of the 2009–2011 Federal Budget will be affected by the evolving world financial crisis.

ANNEX. KEY DOCUMENTS OF THE RUSSIAN FEDERATION ON NATIONAL SECURITY, DEFENSE AND ARMS CONTROL (JANUARY – DECEMBER 2008)[1]

Tamara FARNASOVA

1. LEGISLATIVE ACTS

Federal Law no. FZ 1[2] of 11 February 2008 'On the Denunciation of the Agreement between the Government of the Russian Federation and the Government of Ukraine on Missile Warning Systems and Outer Space Control'

Passed by the SD on 25 February 2009; approved by the FC on 30 January 2008; signed by the President of the Russian Federation on 11 February 2008.

Federal Law no. FZ 2 of 11 February 2008 'On the Ratification of the Agreement between the Government of the Russian Federation and the Government of Ukraine on the Extension of the Term of Exploitation of Missile Complex 15 P118M'

Passed by the SD on 25 January 2008; approved by the FC on 30 January 2008; signed by the President of the Russian Federation on 11 February 2008.

Federal Law no. FZ 72 of 16 May 2008 'On the Ratification of the Protocol on Explosive Remnants of War (Protocol V) to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects'

Passed by the SD on 25 April 2008; approved by the FC on 6 May 2008; signed by the President of the Russian Federation on 16 May 2008.

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[1] The unofficial translation. The source: Sobranie zakonodatelstva Rossiiskoy Federatsii, SZRF [Statute Book of the Russian Federation].

[2] FZ – federalnyi zakon [federal law].

Protocol V was adopted on 28 November 2003 in Geneva at the Conference of the states parties to the Convention on Certain Conventional Weapons (CCW).

ERWs represent one of the major sources of losses and mutilation among civilians and servicemen after the completion of armed conflicts.

Under the Protocol the states are committed to clear the territory from the ERWs in the post conflict period. The Protocol ensures the balance of humanitarian and military interests and facilitates more effective resolution of problems arising from munitions turning into ERWs. The Protocol is called upon to make a specific contribution to the solution of tasks facing the Convention on CCW, to the strengthening of the Convention and international humanitarian law.

Federal Law no. FZ 72 of 10 June 2008 'On the Ratification of the Agreement between the Government of the Russian Federation and the Government of the Italian Republic on Cooperation in the Field of the Destruction of the Stocks of Chemical Weapons in the Russian Federation'

Passed by the SD on 21 May 2008; approved by the FC on 30 May 2008; signed by the President of the Russian Federation on 10 June 2008.

The Agreement was signed on 5 November 2003 in Rome.

Federal Law no. FZ 95 of 26 June 2008 'On the Ratification of the Agreement between the Government of the Russian Federation and The Government of Tajikistan on the Joint Planning of the Employment of Forces (Means) in the Interests of Ensuring Common Security of the Russian Federation and Tajikistan'

Passed by the SD on 11 June 2008; approved by the FC on 18 June 2008; signed by the President of the Russian Federation on 26 June 2008.

The Agreement was signed on 23 November 2006 in Brest.

Federal Law no. FZ 128 of 22 July 2008 'On the Ratification of the Protocols to the Agreement between the Russian Federation and the United States of America on the Safe and Reliable Transportation, Stockpiling and Destruction of Weapons and on the Prevention of Proliferation of Weapons'

Passed by the SD on 2 July 2008; approved by the FC on 11 July 2008; signed by the President of the Russian Federation on 22 July 2008.

The Law aims at strengthening cooperation between the states in the field of safe and reliable transportation, stockpiling and destruction of weapons and facilitates the completion of a number of joint programs developed under the Agreement.

Federal Law no. FZ 130 of 22 July 2008 'On the Adoption of the Amendment to the Convention on the Physical Protection of Nuclear Material'

Passed by the SD on 2 July 2008; approved by the FC on 11 July 2008; signed by the President of the Russian Federation on 22 July 2008; entered into force on 30 July 2008.

The Amendment was adopted on 8 July 2005 at the Diplomatic Conference in Vienna.

Federal Law no. FZ 164 of 19 October 2008 'On the Adoption of the Amendment to Article 1 of the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which May Be Deemed to be Excessively Injurious or to Have Indiscriminate Effects (Convention on CCW)'

Passed by the SD on 4 October 2008; approved by the FC on 13 October 2008; signed by the President of the Russian Federation on 19 October 2008.

The adopted Amendment provides for the extension of the scope of the operation of the Convention and its Protocols to conflicts of non-international character. The Amendment reflects that the majority of contemporary armed conflicts are of internal character. They represent the main source of growing humanitarian threats to the civilian population.

The Amendment serves to limit the suffering and losses among civilians and servicemen and facilitate the strengthening of the CCW Convention, its Protocols and international humanitarian law.

Federal Law no. FZ 204 of 24 November 2008 'On the Federal Budget for 2009 and for the Planned Period of 2010 and 2011'

Passed by the SD on 31 October 2008; approved by the FC on 12 November 2008; signed by the President of the Russian Federation on 24 November 2008. Published in *Rossiiskaya Gazeta.* 2008. 26 November.

Federal Law no. FZ 212 of 24 November 2008 'On the Ratification of the Agreement on the Creation of the System of Command of the Forces and Means of the System of Collective Security of the Organization of the Treaty on Collective Security'

Passed by the SD on 31 October 2008; approved by the FC 12 November 2008 and signed by the President of the Russian Federation on 24 November 2008.

The ratified Agreement was signed on 6 October 2007 in Dushanbe.

Federal Law no. FZ 213 of 24 November 2008 'On the Ratification of the Agreement on the Preparation of the Territory, Joint Use of the

Sites of the Military Infrastructure of the States Members of the Organization of the Treaty on Collective Security

Passed by the SD on 31 October 2008; approved by the FC 12 November 2008 and signed by the President of the Russian Federation on 24 November 2008.

The ratified Agreement was signed on 18 June 2004 in Astana.

2. NORMATIVE ACTS

Decree no. 1 of the President of the Russian Federation of 1 January 2008 'On the Number of the Armed Forces of the Russian Federation'

According to the Decree, since 1 January 2008 regular number of the Armed Forces of the Russian Federation is established at 2 019 629, including 1 134 800 national servicemen.

The Government is entrusted with the task to ensure the funding of the Armed Forces.

Ordinance no. 7 of the Government of the Russian Federation of 14 January 2008 'On the Approval of the Regulations Regarding Keeping the Register of Unique Suppliers of Russian Arms and Military Equipment'

The Ordinance contains general provisions and regulations for the Register which is kept by the Federal Agency for State Defense Orders, and provisions regarding the conditions for the inclusion of the Russian organizations in the Register.

Directive no. 74-p of the Government of the Russian Federation of 28 January 2008

The Directive approves the Concept of the Federal special program 'The national system of chemical and biological security of the Russian Federation (2009–2013)'. The program sets out options, risks, tentative terms and timelines of the solution of the problem, as well as funding proposals.

Directive no. 95-p of the Government of the Russian Federation of 1 February 2008 'On the Conclusion by an Exchange of Notes of the Agreement between the Government of the Russian Federation, the Government of the Republic of Kazakhstan and the Government of the Republic of Armenia Regarding the Participation of the Republic of Armenia in the Activities of the International Uranium Enrichment Center'

Ordinance no. 150 of the Government of the Russian Federation of 6 March 2008 'On the Approval of the Regulations for the Federal Agency for the Supply of Armaments, Special Military Equipment and Materiel'

The Directive defines the Agency as an executive federal body performing functions of the state customer. The text of the regulations is attached.

Ordinance no. 352 of the Government of the Russian Federation of 6 May 2008 'On the Approval of the Status of the System of Accounting and Control of Nuclear Materials'

The full text and the List of nuclear and non-nuclear special materials subjected to state accounting and control are annexed to the Ordinance.

Decree no. 682 of the President of the Russian Federation of 2 May 2008 'On Measures to Implement Resolution 1803 of 3 March 2008 of the UN Security Council'

The Decree lists measures taken by Russia to implement Resolution 1803 which imposed additional sanctions on the Islamic Republic of Iran for defying the UNSC demands regarding the Iranian nuclear program.

On 6 May 2008 Russia and the United States of America signed an Intergovernmental Agreement on Cooperation in the Field of Peaceful Uses of Atomic Energy

The Agreement establishes legal frameworks for the implementation of numerous projects in the field of peaceful atom and facilitates long-term interaction at a bilateral level but also joint work at multilateral forums in the field of civilian nuclear power production.

On 12 July 2008 the President of the Russian Federation D. A. Medvedev Approved the Concept of Foreign Policy of the Russian Federation.

The document supplements and develops the Concept of Foreign Policy of the Russian Federation approved by the President of the Russian Federation V. V. Putin on 24 June 2006.

Decree no. 1260 of the President of the Russian Federation of 26 August 2008 'On the Recognition of the Republic of Abkhazia'

The Republic of Abkhazia is recognized as a sovereign independent state in accordance with the wishes of the Abkhazian people.

Decree no. 1261 of the President of the Russian Federation of 26 August 2008 'On the Recognition of the Republic of South Ossetia'

The Republic of South Ossetia is recognized as a sovereign independent state in accordance with the wishes of the people of South Ossetia.

Ordinance no. 679 of the Government of the Russian Federation of 12 September 2008 'On the Introduction of Changes to the Federal Special Program «Destruction of Chemical Weapons Stockpiles in the Russian Federation»'

The changes are set out in Supplements 5, 6 and 8. The supplements outline volumes of capital investments; distribution of expenses; target indicators and parameters of the implementation of the Program.

Ordinance no. 705 of the Government of the Russian Federation of 20 September 2008 'On the Program of the Activities of the State Corporation on Atomic Energy (Rosatom) for the long-term period (2009–2015)'

The full text of the Program is attached.

Ordinance no. 693 of the Government of the Russian Federation of 16 September 2008 'On the Implementation of the Document of the Organization for Security and Cooperation in Europe «Vienna Document on Confidence and Security-Building Measures»'

The Ordinance sets out the procedures for the implementation of the above-mentioned document.

Ordinance no. 714 of the Government of the Russian Federation of 25 September 2008 'On the Maintenance of the Combat Unit of the Armed Forces of the Russian Federation Assigned to Participate in the Operation of the European Union in Support of the U. N. Presence in the Republic of Chad and in the Central African Republic'

The Ordinance provides for measures to ensure the functioning and security of the Russian unit.

Ordinance no. 728 of the Government of the Russian Federation of 29 September 2008 'On the Presentation to the President of the Russian Federation for the Submission for Ratification of the Agreement on the Procedure of the Organization and Implementation of Joint Counterterrorist Measures on the Territories of the States Members of the Shanghai Cooperation Organization'

The Agreement was signed in Shanghai on 15 June 2006.

Ordinance no. 769 of the Government of the Russian Federation of 22 October 2008 'On the Presentation to the President of the Russian Federation of the Proposal on the Signing of the Agreement between the Russian Federation and the European Union on the Participation of the Russian Federation in the Military Operation of the European Union in the Republic of Chad and the Central African Republic'

The Ordinance approves the draft of the Agreement mentioned above.

Ordinance no. 791 of the Government of the Russian Federation of 27 October 2008 'On the Federal Special Program «The National System of chemical and Biological Security of the Russian Federation (2009–2013)»'

The Ordinance approves the Program. Its text is supplied in Supplements 1–6.

Ordinance no. 812 of the Government of the Russian Federation of 7 November 2008 'On the Presentation to the President of the Russian Federation for the Submission for Ratification of the Protocol on the Mechanism of Rendering Military-Technical Assistance to States Members of the Treaty on Collective Security in the Case of a Threat of Aggression or Actual Aggression'

The Protocol was signed on 6 October 2007 in Dushanbe.

Directive no. 749-p of the Government of the Russian Federation of 3 December 2008 «On the Signing of the Convention of the Council of Europe on Laundering, Exposure, Withdrawal and Confiscation of the Incomes from Criminal Activities and on the Financing of Terrorism'

The Convention was opened for signature on 16 May 2005.

Decree no. 1726 of the President of the Russian Federation of 4 December 2008 'On Introducing Changes in the List Dual-Use Goods and Technologies which can be Used in Developing Armaments and Military Equipment Subjected to the Export Control Approved by Decree no. 580 of the President of the Russian Federation of 5 May 2004'

The changes are listed in the Supplement attached to the Decree no. 1726.

Directive no. 770-p of the President of the Russian Federation of 12 December 2008

The Decree addresses the questions of the elaboration and implementation of joint programs in the field of military-technical cooperation in the interests of the Russian Federation and the Republic of Kazakhstan.

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Электронная версия публикации Russia: Arms Control, Disarmament and International Security. IMEMO Supplement to the Russian Edition of the SIPRI Yearbook 2008
подготовлена ***Б.И. Клименко***

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