

EWI European Neighbourhood Digest

EastWest Institute (EWI) – Bridging Divides

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After the Enlargement: Europe's New Eastern Neighbourhood



EASTWEST INSTITUTE

Bridging Divides

The European Neighbourhood Digest is a monthly publication that offers an insider view on developments in the countries of the Eastern Dimension of the EU's European Neighbourhood Policy – Belarus, Moldova, Ukraine, Armenia, Azerbaijan and Georgia. Due to its importance in the region, the Russian Federation and its relations to those countries are also covered by the Digest. The main focus of the European Neighbourhood Digest is intra-regional developments; the contributors are thus located in the region and report from their respective countries. To subscribe/unsubscribe, please send an email with subscribe/unsubscribe in the header to: digest@ewi.info

Calendar

■ **July 19, Tuesday 2005**

UKRAINE – Ukrainian President Viktor Yushchenko begins his five-day visit to Japan.

■ **August 10, Wednesday**

AZERBAIJAN – President of Turkey Akhmed Sezer to visit Azerbaijan.

■ **August 26, Friday**

RUSSIA – Summit of leaders of the Commonwealth of Independent States in Kazan, the capital of Russian republic of Tatarstan. Azeri President Ilham Aliyev will meet with Armenian President Robert Kocharian on the sidelines of this summit.

■ **July 24, Sunday**

MOLDOVA – Re-run of the Elections of the Mayor of Chisinau.

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Azerbaijani Armed Forces: Thoroughly Reformed and Reinforced, but Still Unprepared to Tackle all Possible Threats

While Azerbaijan's armed forces have become much stronger than they were during the first years of independence, and serious reforms have been undertaken since 1997, the Azeri army still remains unprepared to tackle outside threats to national and regional security.

By Shahin Abbasov, EWI's European Neighbourhood Initiative Correspondent in Baku

Major Threats

There are five major current and possible future threats and challenges to Azerbaijan's national security. These threats can be prioritised as follows:

- The unresolved Nagorno Karabakh conflict. The resolution of this conflict and elimination of its consequences remains the top priority for both defence and foreign agencies of Azerbaijan, Deputy of Foreign Minister of Azerbaijan Halaf Halafov told END in an exclusive interview recently. As long as the cease-fire on the line separating Armenian and Azeri forces is violated, the Azeri armed forces should be ready for a possible escalation of the conflict, according to the official. But even if the hostilities in Nagorno Karabakh do not resume, it is still vital to build a strong army which can be a factor in peace negotiations, possibly convincing the Armenian side to be more flexible, the diplomat said.
- Instability in Russia's North Caucasus is a security threat to the entire South Caucasus region. The ongoing guerrilla war and terrorist attacks in and around Chechnya create fertile ground for illicit trafficking in arms and incursions of rebels from North into South Caucasus. The conflict in Chechnya and insur-

gency in neighbouring Russian regions, such as Dagestan, could also fuel separatism in the northern part of Azerbaijan populated mostly by Lezgins. Obviously, such a potentially explosive situation requires that the armed forces and border guard develop a robust potential for deterring trans-border threats.

- Potential claims to Azerbaijan's sector of the Caspian Sea and balance of naval powers. Azerbaijan is yet to delimit its borders with Iran and Turkmenistan on the Caspian. Moreover there is a "Kapaz" (Turkmenistan calls it "Serdar") oil field in the Caspian Sea between Azerbaijan's and Turkmenistan's sectors and Iran's claims to it would pose a threat to the national security of Azerbaijan. The leadership of Azerbaijan's defence ministry is also keeping a wary eye on Turkmenistan as it continues to build up its navy and air force in the Caspian region despite Turkmenistan's declared neutrality.
- "Internal threat" – the destabilisation of the domestic socio-political situation in Azerbaijan is also a serious threat. A possible transformation of the domestic political struggle into armed conflict may draw non-state actors from other countries and provoke new outbursts of

ethnically motivated separatism in Azerbaijan's south and north.

- Potential destabilisation of Iran and a military conflict of this country with the United States would also threaten Azerbaijan even if the latter declines to serve as a launch pad for a U.S.- led invasion into this Islamic republic. Iran is home to more than 20 million ethnic Azeris and many of them would want to flee across the border into Azerbaijan should the U.S. launch an operation in Iran. The flow of refugees could overwhelm Azerbaijan given the number of Azeris living across the border.

Readiness to Repulse the Threats

Ever since the ceasefire agreement of 1994 was signed, Azerbaijan has been incrementally reforming the armed forces, consolidating the chain of command, modernising its armaments and introducing NATO standards across the board. Azerbaijan's military remains focused on a possible resumption of the conflict in Nagorno Karabakh. In fact, more than 80 percent of the country's military (both weapons systems and military personnel) is deployed along the frontline according to Azeri military expert Uzeir Jafarov.

However, in spite of these reforms Azerbaijan's army is currently not superior to that of its neighbours either in quality or quantity of weapons and personnel, the expert said in an interview recently. Thus, while factoring in the peace negotiations, Azerbaijan's military alone cannot compel Armenia to make significant concessions.

While focusing on the Nagorno Karabakh conflict, Azerbaijan's military-political leadership has also made steps to beef up forces guarding the republic's border with Russia as the first Chechen war raged on from 1994 to 1996. As a result of these measures, Azerbaijan now has a joint grouping of border guards and an army unit capable of deterring the threat of incursions by groups of insurgents should the violence in and around Chechnya escalate into a full-fledged armed conflict, with that conflict spilling over to neighbouring areas. While keeping an eye on the frontier with Russia's volatile North Caucasus, Azerbaijan also has several battalions deployed along its border with Iran.

Of the five nations on the shores of the Caspian, Azerbaijan's navy is superior to that of Kazakhstan and Turkmenistan, but lags behind Russia and Iran, according to estimates prepared by Azeri military expert Jafarov. However, the past few years have seen Turkmenistan work to reinforce its naval forces in this inland sea. Thus, Azerbaijan should keep a close eye on this Caspian neighbour even though the possibility of a military conflict between Azerbaijan and Turkmenistan is very low.

Given the presence of the United States' arch foe, Iran, in the Caspian Sea, Azerbaijan's armed forces have enjoyed the support of the Pentagon in its efforts to reinforce its naval presence in this sea. The past few years have seen the U.S. transfer six special patrol boats and several naval radar sets to Azerbaijan.

In addition to assistance from individual Western countries, Azerbaijan has also solicited expertise from the Western world's largest military-political alliance – NATO. Azerbaijan joined NATO's Partnership for Peace (PFP) Program in 1994, but reforms to bring military personnel and armaments in line with NATO standards began only in 1997. Since then, several military academies have been reorganised to train cadets in line with the Alliance's standards. Dozens of high-ranking Azerbaijani officers have taken part in various trainings within the PFP Program.

Since 1996, representatives of the Azerbaijani armed forces have taken part in more than 50 military exercises within the framework of NATO's PFP Program. Yet, the Azeri armed forces still suffer from an acute lack of professional servicemen trained in accordance with NATO standards, making the process of planning and budgeting further reforms more difficult. The forces also suffer from the generation gap between younger officers who passed through a lot of training compatible with NATO standards and their old colleagues who served in the Soviet army for most of their careers.

The much-needed reforms should be expected to gain momentum, however, now that Azerbaijan has signed the Individual Partnership Action Plan (IPAP) with the alliance. The April 28, 2005 pact provides for the establishment of robust civil oversight over the military with the defence minister required to be a civilian. Also the defence ministry will see a number of its departments disbanded. The five-year plan also requires cuts in the ranks of military servicemen, recruitment of more civilians and gradual transition from the conscript-based army to fully professional armed forces. Also in the pipeline is the introduction of alternative military service.

Only if the IPAP is fully implemented, would NATO grant Azerbaijan in

2010 an opportunity to bid for membership. Notably, Azerbaijan's leadership is yet to state whether the Republic would be seeking NATO membership. While striving to implement NATO standards, Azerbaijan has also sought to win support of Western powers by actively participating in peacekeeping operations led either by NATO or the U.S.

Currently, there are some 150 Azeri soldiers and officers serving in Kosovo (since 1999). There are also 33 Azeri military servicemen deployed in Afghanistan (since 2001) and another 129 soldiers are in Iraq (since 2001) under U.S. command.

However, in spite of all these efforts, the success of the ongoing military reforms are in doubt and cannot be successful unless the country's political-military officials display the political will to rid the armed forces of such 'tumours,' as corruption and poor morale – some 100 servicemen desert their units every year.

Azerbaijan's Armed Forces – Statistical Data:

Azerbaijan's armed forces have the following branches: Army, Navy, Air and Air Defence Forces. The armed forces operate 220 battle tanks, 220 armoured combat vehicles, 150 artillery systems, 64 combat aircraft (including MiG-25, Su-25, Su-24 and L-39), 45 combat helicopters, and 35 battle-ships. As of early 2005 the Azerbaijan armed forces had a personnel strength of 71,000, including more than 60,000 in the Ground Troops.

Azerbaijan's defence budget has almost doubled in 2005 – to \$300 million. This is equal to more than 3 percent of GDP. In comparison, the defence budget totalled \$175 million in 2004 and \$135 million in 2003.

Armenia Should Diversify Its Defence and Security Arrangements

Simple statistics might tell us more about Armenia's security environment than reading some of the theses written on this issue. As much as 85 percent of Armenia's frontiers are shared with two countries with which Armenia has broken off diplomatic relations.

By Aghasi Yenokian, EWI's European Neighbourhood Initiative Correspondent in Yerevan

The semi-blockade of Armenia by Azerbaijan and Turkey shapes not only Yerevan's defence policy, but also its foreign and economic policy. Ever since Armenia and Azerbaijan fought a war, the two former Soviet republics remain separated by barbed wire and trenches full of armed soldiers. Turkey supports Azerbaijan on the issue of Nagorno Karabakh and, thus, also keeps its border with Armenia closed.

The armed clashes between Armenians and Azeris over Nagorno Karabakh erupted even before either country became independent in 1991. More than ten years after the Karabakh ceasefire was signed in 1994, Azerbaijan continues to remain the gravest threat to Armenia's security.

Armenia shares a greater part of its border with Azerbaijan in the east, the north-east and the south-west. And, while defence and security agencies have taken pains to beef up their capabilities for deterring Azerbaijan, Armenia's foreign policy establishment has not quite followed suit by defusing tensions with Azerbaijan through means of diplomacy.

The second major security threat as seen from Yerevan is Turkey. The Armenians still smart from the horrible historical memories of 1915 when more than 1.5 million Armenians were killed or displaced in the Ottoman Empire. During the Cold War, Turkey was at the forefront of NATO, the only Alliance country bordering the Soviet

Union, and the perception of threat was aggravated in this period. Turkey imposed a blockade on Armenia during the Karabakh war in 1993, and the political dialogue on normalising bilateral relations is all but stalled.

In the absence of agreements that would have defused tensions, the 60,000-strong Armenian military bears the excessive burden of guaranteeing security. Armenia's defence capabilities remain rooted in its ground forces which are prepared to fight a war of attrition with an aggressor. The army operates some 100 tanks and 204 APCs along with 225 artillery guns (according to Armenia's Conventional Forces in Europe Treaty statement in 2001).

In comparison, the 3,000-strong air force lags behind in firepower with only 6 attack planes and 35 helicopters, including 12 attack gunships, according to the CFE statement. However, while Armenia's air power is clearly insufficient to hold off a sustained attack, the country's air defence is bolstered by some 100 air defence systems.

Of course, with such a small military force, it is extremely difficult for tiny Armenia to try and deter Turkey alone. Thus, it relies on its "elder brother" – Russia – to counter Turkey. Russia has two military bases in Armenia which operate some 70 tanks, more than 150 APCs and up to 30 MiG fighters along with a S-300V air defence regiment, according to reports in the Russian press.

In addition to army units, Russia also has its border guards deployed along Armenia's border with Turkey and Iran. The 40-km long Armenian-Iranian frontier is of vital importance for Armenia. In fact, it was a key exit during the war as Turkey and Azerbaijan kept the border closed, and the rail link to Russia via Georgia was cut off by the war in Abkhazia.

While it is debatable whether Russian forces deployed in Armenia are a sufficient deterrent against Turkey, Armenia does not need Russian border guards to patrol its frontier with Iran given the fact that Teheran has friendly relations with Yerevan.

As to the northern border with Georgia, Armenia holds loose control there with its own border guards, and Georgia is not in the list of possible enemies of Armenia.

However, while external security threats are given every possible consideration by the Armenian leadership, internal threats often go un-tackled until they erupt into violence. The terrorist attack on the Armenian parliament on October 27, 1999, when a terrorist group publicly killed the Armenian Prime Minister, the Speaker of Parliament and six other statesmen, is, perhaps, the most vivid example of such internal threats.

Another security threat could arise from trafficking in nuclear materials and arms smuggling, which have oc-

curred in the past and which, if ignored, could grow into a serious problem.

It is the external security threats, however, that have compelled Armenia to find and secure partnerships with other countries. The backbone of such partnerships for Armenia is the Russia-led military alliance of six former Soviet republics – the Collective Security Treaty Organization (ODKB).

In fact, for Armenia, membership in the ODKB is merely an expression of the Russian-Armenian military alliance

as it is difficult to imagine what Armenia could really contribute to the security of the Central Asian members of ODKB, or that Kyrgyzstan or Kazakhstan would send troops to Armenia to help it fight against Turkey or Azerbaijan.

Meanwhile, the realities of regional developments are pressing Armenia to diversify its security arrangements currently based solely on Russia.

In line with this diversification strategy, Armenia is advancing in its relation-

ship with NATO, but with one eye on Russia to ensure that country's approval.

In June 2005, Armenia presented the IPAP program to NATO. Although the content of this project is still confidential, it might be difficult for Armenia to navigate through its maze of partnerships without alienating either NATO or ODKB. Difficult but not impossible, and also vital as Armenia can ensure its security in the longer-term only if it doesn't keep all its eggs in one basket.

Lessons of Chechen wars yet to be fully learned

The first war in Chechnya should have served as a wake-up call to Russian generals who had been planning to fight NATO on a global scale and turned out to be ill-prepared for a conflict with citizens of their own country. However, 10 years after the beginning of this conflict, the top brass strategists are yet to systemise and apply all lessons of Chechnya even though the low-intensity conflicts fought by rebels and terrorist attacks top the list of post-Communist Russia's security threats.

By Simon Saradzhyan, EWI's European Neighbourhood Initiative Correspondent in Moscow

First Chechen War – A Disaster

The initial stage of the first Chechen war was especially disastrous. Given little time to either prepare or plan, Defence Ministry and Interior Troops units were ordered to march into the rebellious republic on 11 December 1994 to pay a bloody price for the self-confidence of their superiors in Moscow. The abortive storming of the Chechen capital of Grozny on 31 December 1994 was perhaps the lowest point in the military history of post-Soviet Russia. Armoured columns rushed headlong into the city's centre only to be ambushed and destroyed by Chechen fighters, proving then-defence

minister Pavel Grachev dead wrong in his assertion that he could conquer Grozny with one airborne regiment in two hours. Hundreds of soldiers fell on that ill-fated New Year's Eve, with grotesque images of the charred bodies of tank crew televised across the world. Yet the onslaught continued, as commanders on the ground were rushed by their superiors to advance, leaving little time for reconnaissance and planning.

Undermanned, unprepared, and ill-equipped

The battle of Grozny revealed several serious flaws in Russia's war machine that continued to hound

Russian troops in Chechnya for the rest of the first war and beyond. Firstly, the Russian armed forces were severely undermanned at that time, and as a result, many units had been assembled on the ground with one regiment comprising companies that had been deployed from different ends of the country and given little time to train together. The situation was further exacerbated by the fact that most of the ranks were filled with teenage conscripts who were psychologically unprepared for the brutalities of urban fighting. Secondly, both commanders and their troops had been drilled to fight large-scale wars

against NATO, but lacked training in modern urban warfare, mountain operations, and anti-guerrilla warfare. While enjoying superiority in firepower, the troops were armed with weapons that were fit to fight large-scale wars, but were far less than adequate to fight local low-intensity conflicts. As a result, the troops were constantly bled, despite their formal superiority in firepower, even after they had conquered all of the Chechen settlements. Thirdly, there was lack of coordination between the Defence Ministry troops and Interior Troops on the ground, resulting in cases of friendly fire and hindered operations. The troops of these two agencies also reportedly had incompatible communications systems that were prone to interception by the rebels.

War on television screens

Russian forces were suffering serious setbacks not only on the ground, but also in public opinion. When then-president Boris Yeltsin convened his Security Council in late 1994 to approve the deployment of troops to Chechnya, NTV television alone already had four crews in and out of the republic ready to cover the war. As soon as the armoured convoys started rolling, NTV and other Russian television crews scrambled to cover the war, including such unpleasant developments as the deaths of civilians by indiscriminate fire and heavy casualties suffered by advancing troops. Given that the federal troops' commanders sometimes stonewalled the media, the Russian television channels and other media outlets often had to rely on the rebels' ever-available propaganda tsar Movladi Udugov for comments and information. Shocked by gory images of federal servicemen burnt in their tanks by Chechen rebels, the public became increasingly critical of the first war as it dragged on, and the Kremlin eventually backed down and negotiated a peace agreement with the separatists. The first campaign finally end-

ed in August 1996 with the signing of a ceasefire agreement, which many Russian commanders saw as a humiliating defeat, and the subsequent withdrawal of the troops from Chechnya. More than 5'500 servicemen were killed in the campaign, while up to 52'000 were wounded and some 3'000 remain missing, according to Nezavisimoye Voennoye Obozreniye, the country's most authoritative independent military weekly.

Some lessons learned between wars

It would not be until a full two years later that the second campaign would start, giving commanders in the Defence Ministry, Interior Ministry, and the Federal Security Service (collectively known as power agencies) plenty of time to glean and learn the bloody lessons of the first campaign. One of the most important lessons the military-political leaders of Russia learned from the first war and applied in the second was to accumulate sufficient forces and supplies before launching an operation. Compared to the first war, the commanders also had more professional soldiers in their units who had trained together, as opposed to having been assembled on the eve of the operation. The Defence Ministry commanders also learned to proceed incrementally rather than rush to the vanguard headlong, often bypassing major settlements, leaving it to the second echelons to mop them up or negotiate surrender. Unlike the first war, the commanders refrained from setting any public deadlines for their advances and insisted that minimising casualties of their soldiers and civilians was their priority. On the tactical level, battalion and regiment commanders were given more leeway in making decisions and requesting fire support and other assistance, allowing their units to react in a more timely fashion to the hit-and-run operations of their foes. Also, unlike the first campaign, the federal command-

ers were more willing to share the burden of fighting the rebels with Chechen loyalists. Such Chechen units as the Vostok and Zapad battalions – which included Chechens operating under the aegis of the Main Intelligence Directorate of the General Staff – have proven to be effective in seek and destroy operations. However, while relying on loyalists, the troops and security forces continue to abuse the population, ignoring the most important lesson of all: success in low-intensity conflicts boils down to the need to engage civilians throughout, providing them with assistance and protection, and thus reducing support for the rebels. Another lesson learned in the first war and applied in the second was the need to wage a war not only on the ground, but also on the front pages of newspapers and, more importantly, on TV screens – television remains the biggest source of news for Russians. The first war convinced Russia's political-military leadership that it needed to control national television channels in order to successfully undertake any major national policy. Having seen and heard critical coverage of the first war turn the tide of public opinion against them, the country's military-political leadership did their best to suppress criticism and limit access of independent media to Chechnya with the advent of the second war in September 2001. By the time the second war began, however, power agencies had designed and introduced a comprehensive system to limit the access of journalists to Chechnya and shape their coverage. Reporters not only had to secure special accreditation to travel to Chechnya, but once they arrived they were required to stay within designated areas. Also, the Rosinformtsenter press centre was specifically set up to provide the federal command's spin on the war, while efforts were taken to suppress Chechen rebels' news sources, such as the Kavkaz website.

Misguided procurement

While many operational and tactical lessons of the two wars have been determined and applied, the strategic lessons of the Chechen conflict remain to be learned. A survey of the Defence Ministry's own publications, for example the army's *Armeiisky Sbornik* magazine, would reveal quite a few thorough and rather objective articles analysing the experience of one or several units of one of the branches of the armed forces operating in Chechnya. But there is no comprehensive analysis of the entire campaign. For instance, the first war highlighted the fact that Russian armaments might have been fit to fight a large-scale war with NATO, but was far less adequate when it came to fight a local conflict to say less of countering small guerrilla groups. Yet, the Defence and Interior Ministries have failed to procure either high-precision all-weather night-time capable systems or to upgrade and standardise the outdated systems of command and control. Lack of such defence systems have forced commanders on the ground to either apply firepower indiscriminately or send their subordinates to do a job that could be done by night-time systems or drones. The lack of night-time all-weather attack systems made it impossible for the command of the federal troops in Chechnya to provide any substantial air support to 6th Company of the 104th Regiment of the Pskov region-based Airborne Division when it was attacked by an overwhelming force of rebels in Chechnya's Argun gorge in February 2000. No helicopters could have operated at night, and daytime operations were hindered by fog. One of the company's deputy commanders became so desperate that he called artillery fire down on his position, according to the Almanac of the US Army Combined Arms Center Military Review. It was only the heroism of the company's personnel that allowed Russian troops to keep the

rebels from breaking out of the mountains. The company lost more than 80 servicemen in the 29 February – 3 March 2000 battle. Lack of communications systems – as well as their compatibility, insufficient range, and vulnerability to interception – has made it difficult to coordinate actions and has led to cases of friendly fire or, worse, units unable to summon help when ambushed. Lack of encrypted systems has not only allowed rebels to intercept communications, but also to break into them and pose as Russian commanders and issue confusing orders to units. Despite these shortages, Russian troops nevertheless incrementally established formal control over the entire republic by the end of 2000, and the military phase of what the Kremlin described as the counter-terrorist operation was proclaimed over.

Top brass inertia

Ever since then, Russian troops have wisely refrained from massive operations, preferring to send small groups of commandoes on seek-and-destroy missions, while leaving the rest to the local police, as the operation subsided into a low-intensity conflict with rebels waging guerrilla warfare. However, while the active phase of the second campaign is over and shortages of up-to-date weaponry and communications systems have become less visible and acute, these shortcomings would re-emerge with deadly seriousness if Russia faced another local conflict, according to Konstantin Makienko, deputy head of Russia's most authoritative independent conventional arms think-tank, the Center for Analysis of Strategies and Technologies (CAST). Russian power agencies' procurement budgets have been steadily growing for the past few years. Still, forces operating in Chechnya rely mostly on the same arms as their fathers and brothers did in Soviet times. This year Russia will spend 432 billion roubles (USD15.4 billion) on the mainte-

nance and equipping of its military and security forces, or 30 percent more than in 2004. Nearly half of that, or 201 billion roubles, will go directly to arms procurement and research and development, bringing the government's overall spending on arms this year above Russia's weapons exports, which last year reached a record USD5.6 billion. In spite of this increase, Russia's 1-mln strong armed forces receive far less systems annually than do the Russian Defence Industry's foreign clients, raising questions about how efficiently this money is being spent, according to CAST's Makienko. The current procurement budget is still dominated by the procurement of strategic systems to fight a global war and insufficient sums for development and procurement of night-time all-weather systems and up-to-date command, control, and communications systems, which are needed to fight local conflicts. The inertia of top commanders – who were trained to fight a global war with NATO – is perhaps the biggest reason why there has been no systematic effort to conduct a comprehensive analysis of the Chechen wars and develop recommendations.

III Prepared to Fight Low-Intensity Conflicts

More than one decade after the beginning of Russia's first military campaign in Chechnya, Russian armed forces and other troops are not considerably better prepared to fight a low-intensity conflict than they were when the first columns of armour rolled into the separatist province on 11 December 1994. Moreover, the armed forces continue to insist that it is not their job to fight insurgencies even those these along with terrorism are far more real and imminent threats to Russia than a war with NATO.

Upgrading Relations with NATO – A Chance for a Real Reform of the Moldovan Armed Forces

Almost 14 years since their establishment, the Moldovan Armed Forces are still searching for an adequate mission in the transformed security environment of a divided country, which has firmly opted for integration into the EU, but is maintaining its neutrality, at least for now. Notwithstanding a lack of clarity about real threats they must address, the role they have to play in the settlement of the Transdniestrian conflict, their endemic lack of funding, obsolete equipment and unimpressive results of military reform, the Armed Forces of Moldova might be nearing better times. The major sign of hope stems from Moldova's recent decision to develop an Individual Partnership Action Plan (IPAP) with NATO.

By Mihai Popov, EWI's European Neighbourhood Initiative Correspondent in Chisinau

Like most of the other post-Soviet states, Moldova had to build its armed forces from scratch after winning independence in 1991. In the case of Moldova, however, the task of creating a viable army was complicated by the unleashed Transdniestrian conflict. Apart from aggravating Moldova's economic problems, sending military reform to the bottom of the government's priorities, the separation of the country left important quantities of armaments in the hands of a separatist regime. The former Russian 14th Army, which sided with Tiraspol during a brief armed phase of the conflict in 1992, was subsequently generously supplying Transdniestrian forces with equipment and munitions, while hundreds of Russian officers enrolled in the self-styled Transdniestrian army. During the 1990s, when in order to make ends meet Moldova was selling important components of its armed forces (including 25 out of its 31 Mig-29 fleet), the Transdniestrian military was conducting regular exercises using

munitions, fuel and spare parts from Russian arms depot in Colbasna (where some 21.000 tons of munitions are still stocked).

It is no wonder therefore that today's Transdniestria, which has a population six-times smaller than Moldova proper, has a robust and well-trained military force that is comparable, and in some aspects superior, to that under the Moldovan flag. Moldovan armed forces personnel total 6.500, while Transdniestria has 6.000 personnel in its military in addition to several thousand security forces, special units and Cossacks. The same disparity can be seen in the hardware and systems: Moldova has no tanks at all, while Transdniestria has 18; in terms of air-power Moldova's eight Mi8 helicopters, six Mig-29 and five transport aircraft are offset by Transdniestria's approximately 30 combat aircraft and helicopters. Military analysts here also believe that Transdniestrians are doing better in terms of combat readiness. Partially this is the result of the clear mission

which they have been assigned and are training for -- defending against a possible attack from Moldova. At the same time, for more than a decade, the Moldovan armed forces have been searching for a *raison d'être* that would go beyond the general goal of protecting the country's independence, sovereignty and territorial integrity.

On the one hand, Moldova has ruled out using its military to solve the Transdniestrian conflict. Not only from a political point of view, but also from a mere analysis of the balance of forces on the ground, a blitzkrieg scenario would have led to disastrous consequences. On the other hand, with its 1994 declaration of permanent neutrality, Moldova *inter alia* ruled out the option of joining NATO, depriving itself of a major stimulus that had turned around the armed forces of the Central European states and giving up the Membership Action Plan which has proved an excellent foundation on which to build reforms. Moldova did actively partici-

pate in the Pfp's Planning and Review Process, enabling NATO to scrutinise its defence capabilities, but did not thoroughly fulfil the Alliance's recommendations to adjust Moldova's lofty goals to the country's limited budget resources. Moldova's co-operation with NATO was also tempered by an excessive cautiousness not to distress Russia, as, until 2004, Russia was seen as Moldova's best hope to solving the Transnistrian conflict.

Moreover, Moldova adopted a Concept of Military Reform in 2002 without having first conducted a thorough Defence Review and update of its National Security Strategy that dates back to 1995. As a consequence, the Military Reform aims at "modernising Moldovan army into a flexible and sustainable force with well-determined missions", but doesn't spell out what these forces need to do to cope with new threats and challenges of the post 9/11 environment, with NATO and the EU on its doorstep. In a sectoral approach, Military Reform was treated as a goal in itself rather than as a key component in the broader Security Sector Reform. Hence, the objectives of this reform are based on a totally unrealistic assumption of a vigorous increase of defence spending from the

current level of 0.5 percent of the GDP (8 million Euros) to 2.5 percent by 2013. Under the outdated short-term defence budget planning procedure, the Ministry of Finance has been constantly rejecting any calls for even a symbolic increase in military expenditures. Additional confusion was caused when Moldova sent signals in 2003-2004 that it might accept Russia's proposal of full demilitarisation of the country, i.e. dissolving its armed forces in parallel with Transnistria's paramilitary structures, as an element of a comprehensive conflict settlement plan. This idea was eventually rejected.

The promises of IPAP

Moldova's overdue decision to develop an Individual Partnership Action Plan (IPAP) with NATO, announced during President Vladimir Voronin's meeting with NATO Secretary General Jaap de Hoop Scheffer on June 7, raises hopes that most of the above-listed hurdles could be removed. The IPAP offers an efficient mechanism that would prioritise and organise all aspects of NATO-Moldova co-operation (including in defence and military issues), facilitate co-ordination of the international assistance towards these goals, contribute to setting cost-effective strategy for the re-

form of the Moldovan armed forces, improving defence budgeting procedures and better coordination of inter-ministerial efforts.

However IPAP can only capitalise on, but not substitute for, sustained efforts by Moldova that over the coming months would have to decide the exact level of its commitments and the depth at which it is prepared to let NATO assist itself. In this respect, it is key that Moldovan politicians and military make good on their recent statements of acknowledgment regarding the urgent need of updating Moldova's Security Strategy, conducting a Defence Review with external assistance and launching a real Reform of the Security Sector. It is even more important to do so, against the backdrop of the emerging consensus in Moldovan society over the European integration as the country's overarching strategic goal and over the principles of the Transnistrian conflict settlement through the region's democratisation and demilitarisation. Having embarked on these two long term projects, Moldova has a chance to get over these and other hurdles that had in the past hampered a coherent endeavour towards a meaningful reform of the national armed forces.

Military Reforms in Georgia Must be Comprehensive

Brought to power by a peaceful revolution in 2004, the new Georgian leadership immediately set reform of the country's stalled war machine as a top priority.

By Giorgi Gogsadze, EWI's European Neighbourhood Initiative Correspondent in Tbilisi

President Mikheil Saakashvili and his cabinet are hopeful not only that Georgia will eventually have a strong army capable of neutralising external and internal military threats, but also that it would be compatible with NATO standards, bringing the republic closer to admission into this bloc. However, in spite of considerable improvements achieved on the road to a leaner, but meaner army, the military reforms in Georgia remain more eclectic than systemic.

The new Georgian government set out on the road of military reforms by increasing the Defence Ministry's budget. Since 2002 military expenditure saw an almost five-fold increase, from some USD 38.5 million to about USD 173 million in 2005 (3.6% of GDP). The annual increases of the republic's defence budgets are all the more impressive, given the newly-introduced fiscal stringency exercised over military expenditures, demonstrating that the government is committed to reviving Georgia's armed forces. The new leadership of Georgia's Defence Ministry should be credited for tightening control over resources as well as for boosting the rate of reconstruction and modernisation of army facilities and improvement of logistical support. President Saakashvili attaches particular importance to reviving the army's prestige and image shattered by poor service conditions in the regiments and widespread corruption in the high echelons during the rule of his predecessor.

However, in spite of the budget hikes and intensive efforts of the new Georgian authorities, Georgia still lags behind neighbouring countries when it comes to military expenditures. Therefore, external resources remain critically important for the development of the Georgian armed forces. As many as 17 countries have provided military-technical assistance to Georgia since 1992 with the U.S. and Turkey leading the list. The U.S. government allocated USD 64 million to help Georgia train approximately 2,400 troops within the framework of the Georgia Train-and Equip Program (GTEP) in 2002-2004, teaching basic combat skills to Georgia's 1st Army Brigade.

GTEP's success was demonstrated in the improved performance of Georgian commandos, revealed during a number of military exercises and operations, including in the lawless Pankisi gorge. The USD 50 million follow-up program provides for the training of an additional 2,000 Georgian servicemen, primarily peacekeepers by U.S. instructors and is to be completed in April 2006. These newly-trained peacekeepers could be dispatched not only to the U.S.-led operations in Iraq, but also to the NATO-led operation in Kosovo.

Accession to NATO has been declared one of the primary goals of the new Georgian government and the bloc has responded by devising a new plan for cooperation with Georgia. In

October 2004, NATO approved an Individual Partnership Action Plan (IPAP) for Georgia. This 2004-2006 plan outlines what defence, political and economic reforms Georgia must implement to come into compliance with NATO membership requirements. The roadmap of this plan requires that the personnel strength of the armed forces be reduced from 23,000 to 17,000 and that the mobility of Georgian troops improved.

Georgia is also required to equip the armed forces with modern arms and military hardware to bring Georgia's air-surveillance and air defence systems in line with NATO standards. It is also required to improve transparency in the logistical and procurement departments of the defence ministry and, finally, to establish a career development program for soldiers.

The Georgian armed forces currently have 18,000 servicemen and women. The Air Force has 20 planes, of which 7 are operational, and 29 helicopters, of which 9 are operational. The Georgian naval forces operate 18 warships.

However, both Western observers and local experts are generally cautious on Georgia's prospects for meeting its 2006 deadline for NATO membership. They point at the seemingly endless rotations and reshuffles in the top ranks of the Defence Ministry and the General Staff, making a smooth transition to a more professional Georgian military more difficult. As many as three defence ministers have succeeded

one another since January 2004. In 2004 alone more than 800 employees – civilians and military – were fired from the Defence Ministry alone. Some of these newly hired people were fired after just three months, before they could even get acquainted with their new job.

The planned reforms will not bring sustainable improvements unless accompanied by structural changes in the command. The powers of the civilian Defence Minister and the Chief of the General Staff need to be clearly divided. The Defence Ministry's administration should focus on political is-

ssues, while the Chief of Staff should be responsible for troops' training and other military issues.

Apart from the personnel reshuffles and lack of clear division of powers between the defence ministry and general staff, experts also point out a lack of transparency in military budget planning and spending. Processes related to planning, acquisition or procurement, and feasibility studies remain vague. Spending without a concrete reform plan creates an obstacle for Georgia on its way to NATO membership.

Only a few steps have been made with regard to institution building and in general military reform lacks a systematic, institutional approach. Furthermore, the country's military leadership is yet to carry out a Strategic Defence Review (SDR). The document would help the officials to start an economically substantiated military build-up. The SDR in conjunction with a long-awaited National Security Concept would streamline the rather eclectic military reforms and, hopefully ensure the sustainability of its results.

The European Neighbourhood Initiative – Eastern Dimension

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- Creating a new quality of co-operation and partnership between the countries in the Eastern neighbourhood, European Union and the Russian Federation leading towards creating a Pan-European Space of Security and Prosperity.

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- the MP Networks Eastern Dimension
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