



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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**MBA PROFESSIONAL REPORT**

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## **IMPLEMENTATION AND UTILIZATION OF SECURITY ASSISTANCE: A MULTI-COUNTRY ANALYSIS**

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**September 2015**

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**IMPLEMENTATION AND UTILIZATION OF SECURITY ASSISTANCE: A  
MULTI-COUNTRY ANALYSIS**

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Submitted in partial fulfillment of the requirements for the degree of

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## **ABSTRACT**

Security assistance encompasses a broad assortment of tools to include the sale or transfer of military equipment, grant funds, and education and training, all of which aim to build partner nation capacity. This project examines trends among the U.S. Foreign Military Sales, Foreign Military Financing, and Russia's Military-Technical Cooperation Programs. Regional program trends are examined and further analysis is provided on the ground-level operational impact and the implications of changing levels of support in Indonesia, Lebanon, and Turkey. The effect on these countries' engagement with the United States and other international providers is also analyzed. These programs are important means to obtain access to and influence militaries in allied and friendly nations. While these programs support the implementing nation's foreign policy and national security objectives, and provide benefit to the recipient nation, there are concerns regarding competing interests. Given the ever-changing global environment, security assistance programs will remain essential to counter security threats and continue to evolve. Provider nations must carefully consider the costs and benefits of such assistance.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

AECA	Arms Export Control Act
AIFV	armored infantry fighting vehicle
ASEAN	Association of Southeast Asian Nations
ASM	anti-ship missile
CDP	Capabilities Development Plan
CIS	Commonwealth of Independent States
CPMIEC	China's Precision Machinery Import Export Corporation
DCS	direct commercial sales
DISAM	Defense Institute of Security Assistance Management
DOD	Department of Defense
DOS	Department of State
DSCA	Defense Security Cooperation Agency
EDA	excess defense articles
ESF	Economic Support Fund
EU	European Union
FAA	Foreign Assistance Act
FMCS	Foreign Military Construction Services
FMF	foreign military financing
FMFP	Foreign Military Financing Program
FMS	foreign military sales
FSMTC	Federal Service for Military-Technical Cooperation
FY	fiscal year
IAs	implementing agencies
IDARM	International Defense Acquisition Resource Management
IMET	international military education and training
INCLE	international narcotics control and law enforcement
ISAF	International Security Assistance Force
ISIL	Islamic State of Iraq and the Levant
ISIS	Islamic State of Iraq and Syria
ITAR	international traffic in arms regulation
LAF	Lebanese Armed Forces
LOA	letter of offer and acceptance
LOR	letter of request
MAP	Military Assistance Program

MIC	military industrial commission
MILDEPs	military departments
MTC	military-technical cooperation
NADR	nonproliferation, antiterrorism demining and related programs
NATO	North Atlantic Treaty Organization
NESA	Near East South Asia
OCO	overseas contingency operations
P&A	price and availability
PKK	Kurdistan Workers' Party
PKO	peacekeeping operations
PM	Bureau of Political-Military Affairs
R&D	research and development
SIPRI	Stockholm International Peace Research Institute
TNI	Tentara Nasional Indonesia
U.K.	United Kingdom
U.S.	United States
UAE	United Arab Emirates
UAVs	unmanned aerial vehicles
UN	United Nations
UNIFIL	United Nations Interim Force In Lebanon
USD (P)	Under Secretary of Defense for Policy
USG	United States government
USSR	Union of Soviet Socialist Republics

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# **I. INTRODUCTION**

## **A. BACKGROUND**

Countries with poorly trained and poorly resourced militaries are typically unable to maintain control of their territory or create a stable and safe environment for their citizens (Shapiro, 2012). This situation often creates regional instability, with conflicts and unrest spilling over borders into neighboring countries. Working with partners, a nation is better able to increase the capability of its armed forces. Participation in joint exercises or operations helps professionalize military forces and improves their ability to contribute to global security.

While some countries undoubtedly bear greater portions of the cost of global security, it is important to the overall success of the mission to empower other nations to contribute to the mission. With conflicts occurring around the world, it is not possible for a small number of nations to be everywhere all the time. Partner nations, with whom others cooperate in pursuit of a common goal, must be prepared to share in the burden of contributing to regional security. Many countries do not have the resources or capability to ensure national security and contribute to regional security. More often than not, countries require assistance to enhance military capability before they are able to play a greater role. Major global powers implement security assistance programs that aim to increase the capability of the recipient nation's armed forces.

Security assistance is one of the primary methods by which nations can assist others in building capacity. A more capable partner nation is a valuable asset when it comes to addressing common security challenges. Capable partner nations are better able to protect their country and contribute to joint or coalition efforts.

Such programs are additionally viewed as an important means to obtain access to and influence militaries in allied and friendly nations. Programs are designed to support the implementing nation's foreign policy and national security objectives. In conjunction, programs also provide benefits to the recipient nation.

One of the early examples of U.S. security assistance is the lend-lease program implemented during World War II. The United States supplied food and defense materiel valued at more than \$40 billion to Allies during World War II (Gates, 2010). Much of this assistance was in the form of tanks, trucks, and artillery (Gates, 2010). Immediately following World War II, assistance in the European region focused on rebuilding efforts. However, as tensions increased between the Eastern and Western superpowers, there was a rush to prepare for the potential fallout.

During the Cold War, security assistance was often used to offset the enemy's influence and secure base privileges (Tarnoff & Lawson, 2011). It focused on building military capability to gain an advantage over the other bloc. One of the key components of the Nixon Doctrine was to help partner nations resist Soviet insurgency without putting United States' boots on the ground (Gates, 2010). The Soviet Union, seeking to expand Communist influence, consolidated its control over the Eastern Bloc.

Implementation of security assistance programs transitioned after the Cold War. Emphasis in U.S. programs shifted towards wider policy goals, such as good governance, human rights, and global security (Cottey & Forester, 2004). The array of recipient countries broadened to include countries that had previously been on opposite sides of the spectrum.

To increase counterterrorism efforts after 9/11, in some cases, the United States and other countries have pledged vast amounts of security assistance to countries despite opposing values. Even countries with authoritarian regimes and poor human rights records have received assistance to fight rising threats (Cottey & Forester, 2004). The United States and other provider nations must carefully consider the costs and benefits of such assistance, as the consequences can be detrimental. Strengthening or supporting an oppressive regime can result in the loss of the hearts and minds of the local population. Another potential risk is that insurgents are embedded in the armed forces receiving equipment or training, which would result in increasing the capability of opposing forces. In Iraq, as has been seen, U.S.-supplied equipment abandoned by Iraqi Security Forces fall into the hands of Islamic State of Iraq and Syria (ISIS) fighters (Bender, 2014).

Successful security assistance programs can pay significant dividends for both the implementing and recipient nation. The implementing nation may reap benefits, such as access to military bases in the recipient country, support in coalition environments, increased economic benefits, and a partner that can better contribute to global security. The recipient nation receives equipment or training designed to help its armed forces defend sovereign territory and contribute to global or regional security. While the recipient country may initially be receiving defense equipment, it often leads to a long-term relationship (Shapiro, 2012). Equipment requires training, maintenance, spare parts and follow-on support throughout the life cycle of the equipment, which is often provided by the original equipment manufacturer or implementing nation. The resulting long-term relationship can be both positive and negative. While it helps to build and support diplomatic ties between countries (Shapiro, 2012), it also tends to make countries sensitive to overreliance on one supplier or provider nation.

As primary objectives for security assistance have evolved over time, countries have been forced to build more cooperative relationships with former or potential enemies (Cottey & Forester, 2004). It is not uncommon for countries to use security assistance programs from multiple nations. Implementing countries may have competing interests that recipient nations must strategically balance. Decisions can impact future engagement and relationships with other countries.

## **B. RESEARCH QUESTIONS**

This project addresses several questions related to the implementation and use of security assistance programs.

The research questions addressed throughout this project are:

1. What are the trends between the U.S. Foreign Military Sales, Foreign Military Financing, and Russia's Military-Technical Cooperation Programs?
2. How do changes in program support affect a recipient nation's engagement with the United States and other donor countries?
3. What are the impacts of security/military assistance programs in select countries?

### **C. SCOPE AND METHODOLOGY**

Security assistance encompasses a broad assortment of tools to include the sale or transfer of military equipment, grant funds, and education and training aimed to build partner capacity. U.S. security assistance includes 12 major programs: Foreign Military Sales (FMS), Foreign Military Construction Services (FMCS), Foreign Military Financing Program (FMFP), leases, Military Assistance Program (MAP), International Military Education and Training (IMET), drawdowns, Economic Support Fund (ESF), peacekeeping operations (PKO), international narcotics control and law enforcement (INCLE), nonproliferation, antiterrorism, demining, and related programs (NADR) and direct commercial sales (DCS) (Defense Security Cooperation Agency [DSCA], 2015). This project primarily focuses on FMS and FMF programs because they account for the vast majority of U.S. security assistance and are more direct than other forms of assistance. In 2014, the estimated budget for the FMF program, which provides funding for foreign military sales and training, was over \$5 billion (“FMF Account Summary,” n.d.) out of a total security assistance program budget estimated at \$8.5 billion (Epstein, Tiersky, & Lawson, 2014). An FMS agreement is a government-to-government agreement for the sale or transfer of defense equipment or services. FMS sales exceeded \$30 billion in 2014, (DSCA, 2014), which were funded largely with national funds or through the FMF program.

Other countries have implemented similar programs. Russia’s military technical-cooperation (MTC) program was developed after the collapse of the Soviet Union and includes activities relating to the exports and imports of military equipment. These programs enhance partner nation capacity and support Russia’s defense industrial base.

Chapters II and III of this study compare the U.S. Foreign Military Sales and Foreign Military Financing, and Russia’s Military Technical Cooperation programs. This section examines the legislative evolution, objectives, and procedures for program implementation. It also identifies key organizations involved in the implementation and management of these programs, and provides an analysis of regional trends of engagement and overlap in recipient nations.

The following three chapters explore the use of security/military assistance programs in select countries. The three countries included in this study are Indonesia, Lebanon, and Turkey. The analysis provides background information, examines the use and implementation of programs, and the ground level operational impact. This analysis includes examining the type of equipment received, the effect on capability, and how these programs may impact the recipient nation's engagement with the United States and other donor countries.

The final chapter provides the conclusion and demonstrates that security assistance programs benefit the recipient nation by building partner nation capacity and help the implementing, or donor nation, to achieve national objectives. In addition, it offers recommendations for areas of further research.

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## **II. U.S. AND RUSSIA BACKGROUND**

### **A. INTRODUCTION**

Security assistance programs are widely viewed as an important means to obtain access to and influence militaries in allied and friendly nations. Security assistance is designed to support foreign policy and national security objectives of the implementing nation. The United States and other donor nations have created programs that allow eligible governments to receive or purchase various types of equipment. These programs attempt to build partner nation capacity and enable national military forces to defend their sovereign territory and strengthen their ability to fight alongside coalition forces. Guidance for specific security assistance programs comes from military strategic plans and is based upon policies issued by various government organizations. In addition, these programs support domestic defense industry.

While for much of the past century Russia and the United States have been on opposite sides of the political spectrum, globalization has led to an increase in the number of countries that receive security assistance from both nations. This assistance may partially be explained as many Eastern European countries have joined or aspire to join the North Atlantic Treaty Organization or the European Union. The rising threat of China is also a key security concern. These countries were traditionally aligned with the Soviet Union and as they lean West, the United States becomes a favored supplier. After 9/11, the United States became increasingly engaged with countries in the Middle East that had been accustomed to Soviet or Russian defense equipment. While security assistance from the United States has started or increased for a number of nations in the Middle East, many also still import equipment from Russia. Countries that received equipment from both Russia and the United States in the 2012–2013 time period include the United Arab Emirates (UAE), Afghanistan, Egypt, Iraq, Pakistan, Indonesia, Jordan, Kazakhstan, and Azerbaijan (Smith and Gould, 2014).

Both the U.S. and Russian security assistance programs support the national defense industry. Shrinking national defense spending has many companies looking to

international sales as a means to maintain revenue and production lines. The United States and Russia serve as the world's largest defense exporters. The United States accounts for approximately 30 percent of global arms exports, while Russia accounts for approximately 27 percent (Stockholm International Peace Research Institute [SIPRI], 2015). U.S. defense exports increased by approximately 20 percent from 2005–2009 and 2010–2014. Russian defense exports increased by nearly 40 percent during the same period (SIPRI, 2015). Much of Russia's defense industry is state controlled and is a matter of national pride. The country's declining economy further motivates Russia to ensure the success of its domestic defense industry.

This chapter examines the U.S. FMS and FMF Programs and Russia's Military-Technical Cooperation Program. It studies policy objectives, legislative evolution, and key organizations involved in the management and implementation of these programs. Each of these factors impacts a security assistance program's implementation.

## **B. UNITED STATES**

### **1. Background and Legislation**

During World War II, the United States institutionalized its pledge to promote peace and security. Early military and security assistance focused on building military capability to gain an advantage over other nations in the Eastern Bloc. The end of the Cold War, and the formation of new nations, brought about a transition in the U.S. security assistance programs that resulted in an emphasis on supporting democracy, good governance, human rights, and enabling nations to deal better with their own security challenges (Cotter & Forester, 2004). Ongoing security assistance efforts aim to support U.S. foreign policy goals and to gain access to and the ability to influence foreign military forces.

The export of defense equipment is meant to promote interoperability between the United States' and the recipient countries' armed forces, which strengthens their ability to fight alongside U.S. forces in coalition environments. It also aims to reduce the likelihood that American forces will be called upon to respond to regional security problems.



Security assistance is further targeted to support U.S. foreign policy and national security objectives. The 2015 National Security Strategy identifies several areas of focus, to include combating the threat of terrorism, building capacity to prevent conflict, and strengthening the United States' alliance with Europe (White House, 2015). Detailed security assistance direction comes from U.S. military strategic plans and is based upon policies and guidance issued by both the Department of State (DOS) and the Department of Defense (DOD).

The reporting, control and oversight of security assistance programs is primarily governed by two laws.

1. Foreign Assistance Act (FAA), as amended (22 U.S.C. 2151, et. seq.)
2. Arms Export Control Act (AECA), as amended (22 U.S.C. 2751, et. seq.).

As stated in the Foreign Assistance Act of 1961 (amended through Pub. L. No. 113-76), the primary objective of U.S. foreign aid is “the encouragement and sustained support of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives” (Foreign Assistance Act, Sec 101, Part 1) The FAA gives the Secretary of State responsibility for “the supervision and direction of economic assistance, military assistance, and military education programs” (Section 622(c), Foreign Assistance Act of 1961, as amended).

The AECA authorizes the transfer or sale of defense articles and services through the government-to-government FMS program or through the licensed commercial sales process (Arms Export Control Act of 1976). It sets the standards of eligibility for receipt articles and services delivered under this act (Arms Export Control Act of 1976).

As stated in the Act, defense articles and services shall be sold to friendly countries solely for:

1. “Internal security”
2. “Legitimate self-defense”
3. “Preventing or hindering the proliferation of weapons of mass destruction”

4. Enabling the recipient to participate in “regional or collective arrangements or measures consistent with the Charter of the United Nations”
5. Enabling the recipient to participate in “collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security”
6. Enabling the foreign military forces “in less developed countries to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries.” (Arms Export Control Act of 1976, Sec.4.)

A defense article includes technical data in any form. Models, mockups, and other similar items are considered technical data (International Traffic in Arms Regulation [ITAR], 22 C.F.R. §120.6). A “defense service” is defined as assistance or training, “in the design, engineering, development, production, processing, manufacture, use, operation, overhaul, repair, maintenance, modification, or reconstruction of defense articles, whether in the United States or abroad” (ITAR, 22 C.F.R. §120.9).

## **2. Key Organizations**

The large number of authorities and organizations involved in implementing security assistance programs often leads to confusion in partner nations and can impact their decision with which countries they choose to engage. No single central agency or government organization exists to oversee and coordinate all U.S. security assistance. The responsibility for the planning, development, and implementation of the program is shared by many organizations. Key organizations include Congress, DOS, DOD, DSCA, and military departments.

### ***a. Congress***

Congress holds the “purse strings” for security assistance programs and has the authority to regulate the transfer of United States government (USG) property. Congress appropriates security assistance as part of the state, foreign operations and related program legislation (Tarnoff & Tiersky, 2015). FMS that are anticipated to meet criteria or thresholds must be submitted for Congressional review prior to offering the equipment or service formally to the FMS customer.

***b. Department of State***

The DOS is responsible for the management and supervision of U.S. security assistance programs. The Secretary of State is in control of the general direction of security assistance programs, including the decision of whether a country will receive security assistance and the dollar value of the program (DSCA, 2015). The lead DOS bureau for FMS matters is the Bureau of Political-Military Affairs (PM). The PM bureau is responsible for transfer approvals and Congressional notification and serves as the DOS liaison to the DOD for related matters (DSCA, 2015).

***c. Department of Defense***

The Secretary of Defense has the primary responsibility for establishing “priorities for the procurement, delivery, and allocation of military equipment.” (DSCA, 2015) The DOD implements the procurement or transfer of eligible articles and services through the FMS program and is responsible for end use monitoring to ensure compliance with export control and security requirements. The DOD’s security cooperation office, located within the embassy of each country, is responsible for interfacing with the nation on security assistance matters (DSCA, 2015). These efforts are conducted in close coordination with the DOS.

***d. Defense Security Cooperation Agency***

The DSCA is the DOD agency that administers and provides guidance to the DOD for the execution of all security assistance and cooperation programs. The agency is under the authority and control of the Under Secretary of Defense for Policy (USD(P)). The DSCA is responsible for developing security assistance procedures and serve as the DOD liaison with regards to security cooperation legislation (DSCA, 2015). They oversee the Defense Institute of Security Assistance Management (DISAM), which provides education and training to personnel involved in security assistance programs.

***e. Military Departments***

The MILDEPs serve as advisors on security cooperation matters related to their services. They are responsible for “conducting military education and training and sales

of defense articles and services to eligible foreign countries and international organizations” (DSCA, 2015). They provide “technical information and data on weapons systems, tactics, doctrine, training, capabilities, logistic support, price, source, availability, and lead-time for each proposed FMS sale” (DSCA, 2015). MILDEPs serve as implementing agencies (IAs) in the execution of foreign sales and training.

### **3. Security Assistance Programs**

U.S. security assistance programs are varied. The two primary security assistance programs that permit the sale or transfer of defense equipment are the FMS and Foreign Military Financing (FMF) programs (DSCA, 2015). Combined, these programs account for the majority of security assistance. Purchases can be made with the country’s own funds or with FMF funds. Partner nations may receive FMF funds through a grant or direct loan. Alternatively, countries may also purchase articles or services directly from U.S. industry via DCS. Regardless of whether a country is purchasing through FMS or DCS, the same export control laws apply.

#### ***a. Foreign Military Sales Program Overview***

The FMS program allows eligible foreign governments to purchase defense equipment, services, and training from the USG. A FMS agreement is a government-to-government agreement with the USG choosing to provide the requested equipment or service to the receiving country from current stocks or through a contract with U.S. defense industry.

Countries and international organizations are considered eligible for the use of the FMS program by presidential determination (or delegated authority) when the sale or grant will strengthen U.S. security and promote world peace (DSCA, 2015). Presidential determination is frequently delegated to the Secretary of State and Secretary of Defense for security/military assistance matters. The recipient must agree to certain conditions, such as not to transfer title or possession to anyone, not to use for a purpose other than the reason furnished unless they have obtained appropriate permission, and to maintain security of the article (Foreign Assistance Act of 1961).

Reasons a country may lose (or be denied) eligibility status include support to terrorists, Communist governance (unless a waiver is approved), violation in terms of use agreement with the United States, default in payment to the United States, failure to take steps in preventing the production and transiting of illicit drug, prohibition or restriction of U.S. humanitarian assistance, severing of diplomatic relations, tax on U.S. assistance, recruitment or use of child soldiers, a government whose elected head of state is deposed by military coup or decree, or engagement in consistent gross violations of human rights (DSCA, 2015).

A significant number of steps and approvals are required throughout the FMS process. It may be several years before the recipient country receives the equipment or service. The FMS process begins with customer identification of its requirement and research of its options. Then, the customer prepares a letter of request (LOR), requesting a price and availability (P&A) response, or a letter of offer and acceptance (LOA) response. A P&A is an estimate of the cost and availability of the requested equipment or services, while a LOA is a formal USG offer to sell the items. Once the LOA is signed by the customer and returned with a deposit, the FMS case is considered to be in the implementation phase (DSCA, 2015). Delays throughout the FMS process are a frequent source of recipient nations' complaints.

Equipment procured through the FMS program has usually already been approved by the DOD for full rate production and is used by the U.S. military. This prior approval and use minimizes the risk of interruption or cancellation of production, and also provides confidence that follow on support and spare parts will be available over the life of the equipment.

Other benefits of the FMS program include cost savings due to economies of scale and U.S. responsibility for the procurement process. Equipment purchased through the FMS process is on the same production line as lots for U.S. forces. The increased quantity can often result in a lower price, which benefits both the U.S. and recipient nation. The USG is responsible for the negotiation with U.S. industry, which provides some additional assurances that a foreign buyer would not ordinarily receive. For example, the USG is entitled to certified cost and pricing data under the Truth in

Negotiations Act (Truth in Negotiations Act 10 U.S. Code § 2306a). It is extremely unlikely that a U.S. company would release this information to an international customer buying equipment through DCS.

The purchasing government is responsible for paying all costs associated with the sale to include an administrative fee to pay the cost to execute the sale in addition to the cost of the equipment or service. Effective in 2012, the FMS administrative surcharge was reduced to 3.5 percent of each FMS case (Landay III, 2012). Congress establishes the ceiling for the account each year (DSCA, 2015).

The excess defense articles (EDA) program allows for the sale or transfer of defense equipment using FMS authority. Eligible foreign governments may purchase excess equipment at a reduced or no cost basis through this program. Recipient nations often receive equipment “as is” and “where is” and are responsible for transport and repair costs. While DSCA facilitates coordination and approval of each request, military departments identify their excess equipment and combatant commands indicate potential recipient countries (DSCA, 2015).

#### ***b. Direct Commercial Sales Overview***

An alternative to using the FMS program is to purchase equipment or services directly from the manufacturer. DCS are commercial export sales through which eligible foreign governments purchase defense equipment, services, and training directly from the U.S. defense industry. A DCS sale results in a contract between the purchasing nation and the U.S. contractor. While DOD does not administer these sales, the DOS is responsible for authorizing the export license. Not all equipment, services, and training are available to foreign customers via DCS as the USG is able to designate specific equipment or training as FMS eligible only. This designation is typically reserved for the most advanced and sensitive military technology.

### **C. RUSSIA**

Russia’s MTC program grew out of the military industry’s central role during the Soviet era. While the production of military equipment was a thriving business during the

Cold War, the levels of equipment production decreased soon after the dissolution of the Union of Soviet Socialist Republics (USSR). However, in recent years, Russia has grown into the world's second largest exporter of defense equipment, and most of its MTC program appears to be focused on maintaining its military industrial base.

## **1. Background and Legislation**

Throughout the Cold War, developing military capabilities was a national priority, and the Soviet Union was able to sustain a huge military industrial complex. The fall of the USSR and the economic shift from communism to capitalism forced changes in the MTC program. As Russia struggled with the massive economic transition, the country needed capital to keep the economy afloat and develop the next generation of weapon systems. As a result, the MTC program was expanded and exports to foreign nations increased dramatically.

As defined in the Russian Military Doctrine of 1993, military-technical cooperation includes the “export and import of weapons and military hardware or technology to foreign countries, the results of scientific and technical activity in the military domain; sending military advisers on official trips; conducting joint scientific-research and experimental design work to create new models of weapons and military hardware; and providing technical assistance in the establishment of military facilities and defense industry” (Federation of American Scientists, 1993).

The goals of Russia's MTC program include strengthening Russia's global military-political position, raising hard currency for the state's defense needs, maintaining the level of Russia's defense export potential, research and development for defense industries, and providing support for the personnel of military institutions and organizations (Federation of American Scientists, 1993, edict No. 1833).

Authority for the military-technical cooperation program is outlined in the following legislation:

1. Law 114-FZ “On the Military and Technical Cooperation of the Russian Federation with Foreign States”
2. Decree 1062, “Issues of Military-Technical Cooperation between the Russian Federation and Foreign Countries.”

Law 114-FZ, “On the Military and Technical Cooperation of the Russian Federation with Foreign States,” is the regulation governing military-technical cooperation between Russian companies and foreign countries. It specifies the responsibilities of government and executive bodies. Military-technical cooperation is defined as the “activities in the sphere of international relations relating to the manufacturing, import and export of military purpose products. Military-purpose products are defined as “weapons, materiel, works, services, intellectual property rights, and military-technical information” (Federal Law No. 114-FZ, 1998, Article 1).

Decree 1062, “Issues of Military-Technical Cooperation between the Russian Federation and Foreign Countries” designates the federal executive bodies responsible for coordination and control in the area of military-technical cooperation between the Russian and foreign countries. The decree removes some of the stages of approval to promote the ease of use of the MTC program.

## **2. Key Organizations**

### ***a. The Federal Service for Military-Technical Cooperation***

The Federal Service for Military-Technical Cooperation (FSMTC) is responsible for the overall control and supervision of military-technical cooperation. The FSMTC is required to submit MTC proposals to the President and relevant ministries within the government and ensure implementation of policy and regulation related to military-technical cooperation (“Federal Service for Military-Technical Cooperation of Russia Objectives,” 2011).

### ***b. Military-Industrial Commission***

The military-industrial commission (MIC) serves as the administrative body for both the Defense Ministry and military-industrial complex. It was created in 2006 to centralize management of military industry and is responsible for the “oversight of long-term strategy and planning, serves as a monitoring mechanism on pricing of defense projects, and monitors the restructuring of the military-industrial complex” (“Military-Industrial Commission,” 2011, paragraph 3).



*c. Rosoboronexport*

Rosoboronexport is a federally owned company that has exclusive rights to export fully assembled military items and is under the control of the MIC. It accounts for approximately 85 percent of Russia's defense exports ("Rosoboronexport," 2013).

**D. CHAPTER SUMMARY AND CONCLUSION**

There are a number of countries with security assistance (or similar programs) that are designed not only to obtain access to and influence militaries, but also support domestic industry and help to ensure foreign partners are equipped and trained to work toward common security goals. This chapter examined the U.S. FMS and FMF programs through which eligible nations may purchase defense equipment and services, and Russia's Military-Technical Cooperation Program.

The intent of both the Russian and U.S. programs are very similar, with a strong focus on strengthening their global strategic position and supporting defense industry. Given the complex relationship between the two nations, it is perhaps unsurprising that security assistance programs have historically concentrated on different countries. The post-Cold War era has seen an increase in the number of countries using both U.S. and Russian programs. In addition, emphasis has shifted from the prior East/West conflict to countering widespread transnational threats, such as terrorism.

Both Russia and the United States have numerous laws and structures in place to oversee, coordinate, and implement their security assistance programs. The following chapter examines regional trends in the implementation of programs. These programs continue to evolve as the world is faced with changing threats. Given the global environment, strong defense industries, and national military capabilities, it is likely that both the United States and Russia will remain key players in the implementation of security assistance/security cooperation programs.

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### **III. UNITED STATES AND RUSSIA TRENDS**

This chapter provides further analysis of the U.S. FMS and FMF, and Russia's Military-Technical Cooperation programs, which all permit the sale or transfer of defense equipment. It examines regional trends and the top 15 recipient nations of both the FMS and MTC programs from 2006 to 2013. Regional trends in the U.S. and Russian programs are fairly similar, likely due to security concerns in the Middle East and Pacific in the post-9/11 world. While regional commonalities do surface, significantly less overlap occurs in levels of engagement with the same countries within any given region, particularly with the U.S. FMF program. The trends demonstrate strategic relationships between implementing and recipient nations.

#### **A. FOREIGN MILITARY FINANCING PROGRAM**

##### **1. Overview**

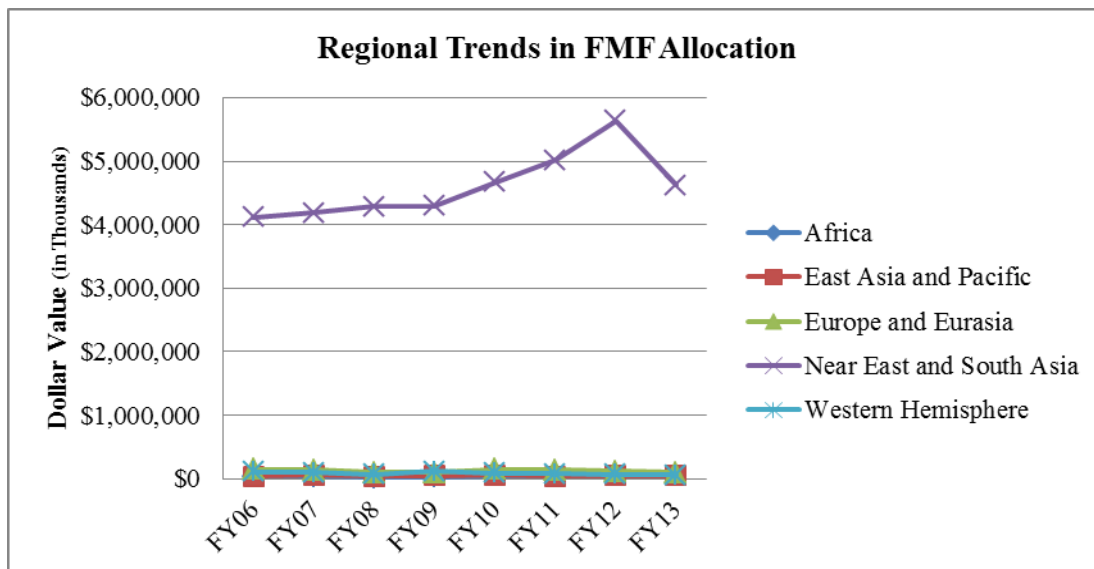
As discussed in the previous chapter, the FMF program provides grants and loans to eligible foreign governments for the purchase of U.S. defense equipment and services through the FMS or the DCS program. The primary objectives of the FMF program are to improve the military capabilities of partner nations, enhance interoperability between U.S. and foreign armed forces, and thus, enable them to participate better in coalition efforts, and support the U.S. defense industrial base. Congress appropriates FMF funds as part of the DOS International Affairs Budget (Tarnoff & Lawson, 2011), and the DOS allocates the funds to eligible nations.

##### **2. Regional Trends**

As shown in Figures 1 and 2, FMF objectives vary by region. From fiscal year (FY) FY06 through FY13, FMF objectives at the regional level remained largely unchanged. FMF funds in the Near East South Asia (NESA) region focused on promoting regional stability and ensuring influence of moderate governments. FMF assistance focused primarily on increasing interoperability with U.S. forces, supporting coalition counter-terrorism efforts, and increasing Israel, Egypt, and Jordan's defense capabilities

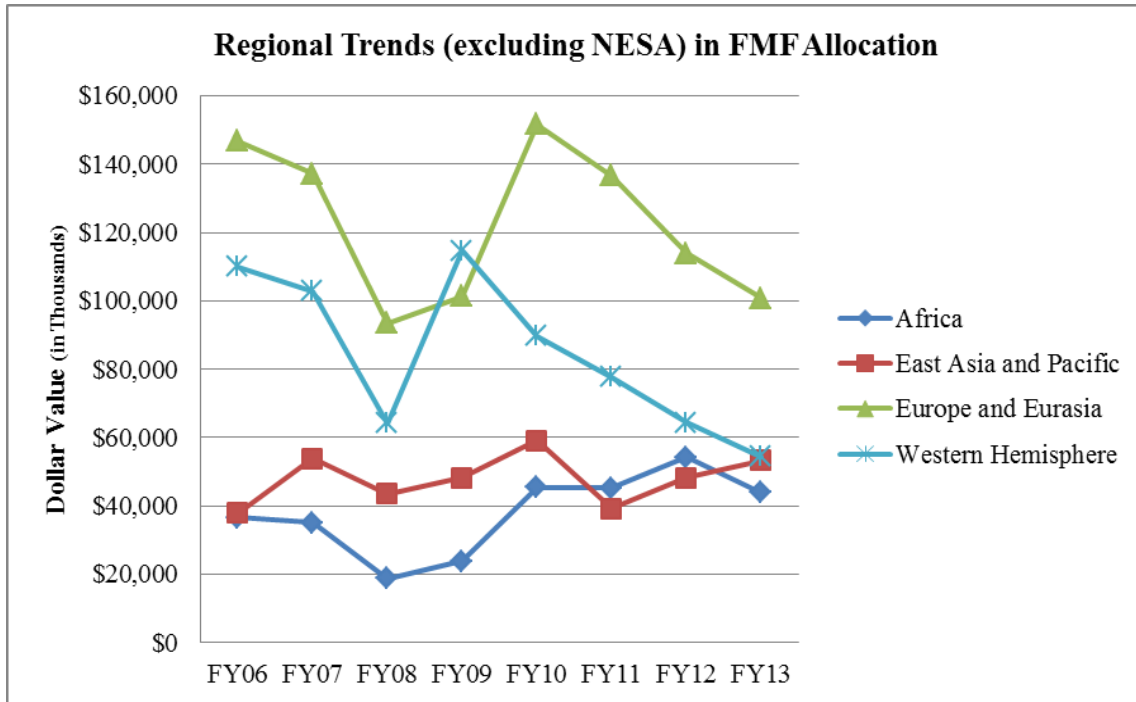
(Department of State, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012). FMF assistance in Europe and Eurasia focused on providing assistance to new and prospective North Atlantic Treaty Organization (NATO) members and supporting coalition partners participating in the International Security Assistance Force (ISAF) and Operation Iraqi Freedom (Department of State, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012). FMF in the Western Hemisphere focused on equipping and training military forces to combat drug production, control borders, and approaches to the United States, and participate in coalition operations (Department of State, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012). In the East Asia and Pacific region, funds targeted counter-terrorism efforts and promoting military reform. FMF funds in Africa focused on counter-terrorism efforts and increasing peacekeeping, border, and maritime security capabilities (Department of State, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012).

Figure 1. Regional Trends in FMF Allocation.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

Figure 2. Regional Trends (Excluding NESAs) in FMF Allocation.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

The NESAs region receives a significantly higher allocation of FMF funds than the other regions as a direct result of the Camp David Accords (DSCA, 2013). During the negotiations in 1978, one of the primary factors of disagreement for the Israeli and Egyptian peace agreement was control over the Sinai Peninsula. Israel considered the Sinai a buffer against future attacks, and to convince Israel to return the land, the United States promised significant aid that would allow the Israelis to purchase advanced military equipment. An understanding with Egypt was also reached that would give Egypt sufficient aid to ensure a regional balance of power (Sharp, 2015). Israel and Egypt accounted for approximately 85 percent of the global FMF budget and just over 96 percent of the region's FMF allocation (DSCA, 2013). FMF funds were also allocated to Jordan and Pakistan to enhance interoperability and support joint efforts in the war on terrorism.

FMF funds in the African region were primarily used to increase peacekeeping capability, improve maritime and border security, and support counterterrorism programs (“Security Assistance in Africa,” n.d.). Tunisia was the largest recipient of FMF funds in the region. Programs in Tunisia were aimed at equipment deficiencies in military aviation to help combat Islamist extremism (IHS Jane’s, 2014a). Morocco had the second largest FMF program valued at approximately \$65 million (DSCA, 2013). The FMF budget for Africa increased slightly from approximately .66 percent of the total FMF budget from FY06–FY09 to .89 from FY10–FY13.

The East Asia and the Pacific region’s FMF funds are aimed to combat international crime and promote military reform (“Security Assistance in East Asia and the Pacific,” n.d.). The Philippines received the highest allocation of funds in the region, followed by Indonesia (DSCA, 2013). The Philippines purchased two decommissioned U.S. Coast Guard cutters, which became the largest ships in the Philippine Navy (Lum and Dolven, 2014). In early 2015, the Philippines Armed Forces signed a deal to receive two Lockheed Martin C-130T Hercules transport aircraft. Approximately 20 million dollars of the sale is said to be paid through the FMF program (IHS Jane’s, 2015a). FMF funds decreased from approximately 1.1 percent of global FMF allocation from FY06–FY09 to .88 percent from FY10–FY13 (DSCA, 2013).

The allocation of FMF funds to countries in Europe and Eurasia declined slightly from approximately 2.6 percent of global FMF allocation from FY06–FY09 to approximately 2 percent from FY2010–FY2013 (DSCA, 2013). Funds were primarily used to support defense reform efforts and assist prospective NATO members in the preparation for NATO ascension. Poland, Georgia, and Romania received the highest allocation of funds with programs focused on military modernization and reform (“Security Assistance in Europe and Eurasia,” n.d.).

FMF funds allocated to the Western Hemisphere region focus on helping train and equip militaries in countries near the U.S.’ southern border (“Security Assistance in the Western Hemisphere,” n.d.). The region’s FMF allocation decreased from approximately 2 percent of global FMF allocation from FY06–FY09 to 1.2 percent from FY10–FY13. Colombia and Mexico accounted for just over 90 percent of the region’s FMF funds from

FY06 through FY13 (DSCA, 2013). Colombia's FMF allocation has steadily declined as security and development conditions have improved and greater responsibilities were transferred to national control (Beittel, 2012).

## **B. FOREIGN MILITARY SALES PROGRAM**

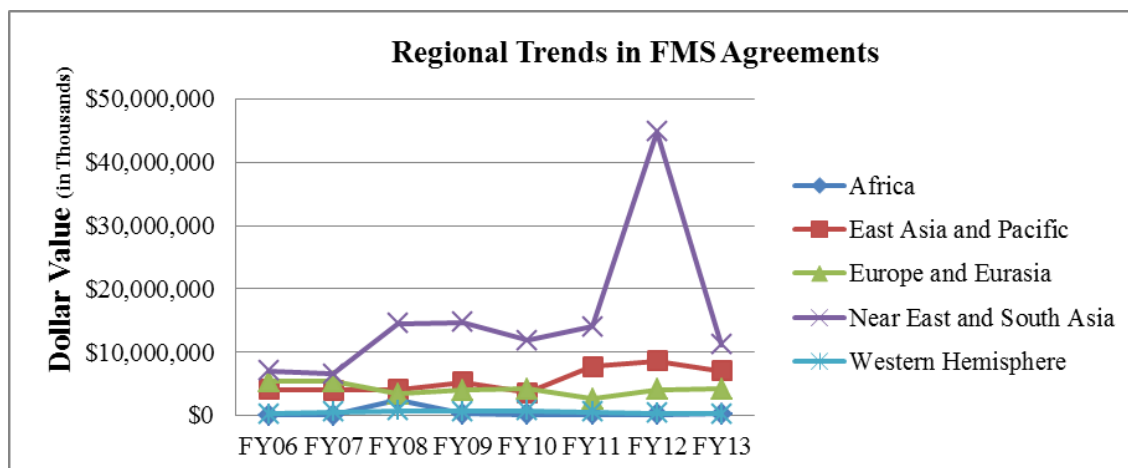
### **1. Overview**

As outlined in the previous chapter, the FMS program allows eligible foreign governments to purchase defense equipment, services, and training from the USG. An FMS agreement is a government-to-government agreement with the USG to provide the equipment or service to the receiving country through existing inventory or through contract with the U.S. defense industry. Alternatively, countries may purchase equipment or services directly from U.S. industry through DCS. Purchases can be made with the country's own funds, FMF funds, or other grant funds.

### **2. Regional Trends**

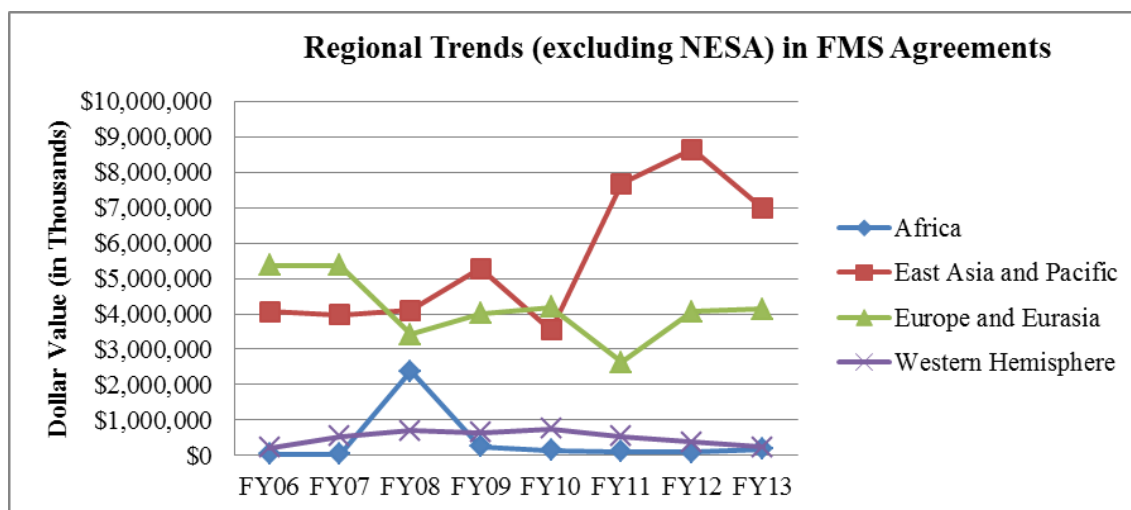
As would be expected given the significant allocation of FMF funds, NESAs accounted for the highest dollar value of FMS agreements from FY06–FY13 (DSCA, 2013). It can also likely be attributed to economic growth and regional security challenges. The East Asia and Pacific region accounted for the second largest portion of FMS agreements from FY06–FY13 (DSCA, 2013). It is representative of their growing economies and the rising threat of China. While the dollar value of FMS agreements in Europe and Eurasia declined from FY06–FY13 (DSCA, 2013), many traditional European partner nations use DCS for major programs. Africa accounted for the smallest overall value of FMS agreements from FY06–FY13, followed by the Western Hemisphere (DSCA, 2013). Countries in both regions have relatively small defense budgets. See Figures 3 and 4.

Figure 3. Regional Trends in FMS Agreements.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

Figure 4. Regional Trends (Excluding NESAs) in FMS Agreements.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

The NESAs region accounted for the highest value of FMS agreements from FY2006–FY2013. Saudi Arabia and the United Arab Emirates account for the majority with large-scale procurements valued at nearly \$73 billion. The peak in 2012 represents Saudi Arabia’s F-15 fighter aircraft agreements valued at nearly \$30 billion. Israel’s 2010



peak may be explained by its 2010 FMS agreement for F-35 Joint Strike Fighters. It was the first country to procure the F-35 through the FMS system, which represents further opportunity for technology sharing and increased opportunities to further develop its national industrial base (“Global Participation,” n.d.). The value of FMS agreements signed by NESAC countries increased from 53 percent from FY06–FY09 to 65 percent of global FMS agreements from FY10–FY13 (DSCA, 2013).

Australia leads the East Asia and Pacific region in FMS agreements, accounting for nearly \$17 billion dollars from FY06 through FY13. Major Australian procurements included the F-18 Super Hornets (“Australia’s 2nd Fighter Fleet,” 2014), C-17 heavy-lift aircraft, and related training and maintenance expenses (“Heavy Lifting Down Under: Australia’s Growing C-17 Fleet,” 2014). It was followed by Taiwan, South Korea, and Japan with programs each valued at approximately \$7 billion during the same time period (DSCA, 2013). While the dollar value of FMS agreements in the East Asia and Pacific region increased significantly from FY06–FY09 and FY10–FY13, the percentage remained proportional at approximately 21 percent of the overall value of FMS agreements.

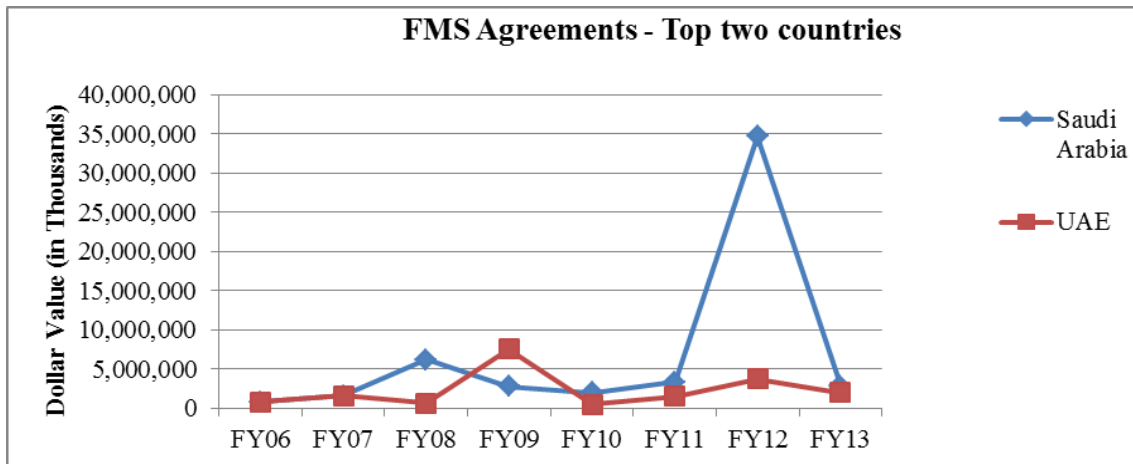
Europe and Eurasia accounted for approximately \$33 billion of FMS agreements from FY06–FY13. While the value of FMS agreements decreased, many projects were funded through the DCS program. The United Kingdom accounted for the highest portion of FMS agreements valued at \$5.7 billion, followed by Turkey, with agreements valued at nearly \$5 billion. Canada, which DSCA categorizes as part of Europe, accounted for nearly \$4 billion of FMS agreements. Major U.K. programs included acquisition of C-17s, Reaper unmanned aircraft and the joint Rivet program (surveillance aircraft) (Under Secretary of Defense for Acquisition, Technology and Logistics, 2011). The percentage of FMS agreements in Europe and Eurasia decreased from approximately 22 percent in FY06–FY09 to 12 percent from FY10–FY13 (DSCA, 2013). While FMS agreements have decreased, seven countries in the region (Canada, Denmark, Italy, the Netherlands, Norway, Turkey, and the United Kingdom) use DCS for the F-35 procurement. Many countries in this region also serve as implementing or donor nations of security assistance.

The African region accounted for the smallest value of FMS agreements, with programs valued at approximately \$3.2 billion from FY06–FY13 (DSCA, 2013). This small value is likely due to the smaller nature of African national defense budgets and types of equipment they are procuring. Morocco accounted for 86 percent of the FMS spending in the region. Morocco procured F-16 aircraft and related equipment and support valued at \$2.4 billion in 2008 (“Morocco’s Air Force Reloads,” 2014). Overall, the region’s FMS agreements decreased from approximately 3.4 percent in FY06–FY09 to 0.4 percent from FY10–FY13 (DSCA, 2013).

Colombia and Brazil accounted for approximately 65 percent of FMS agreements in the Western Hemisphere. “Plan Colombia,” implemented in 2000, is an extensive program designed to support the “War on Drugs” (IHS Jane’s,” 2014b). Colombia’s program peaked in 2007, with agreements valued at approximately \$403 million. Brazil’s program peaked in 2008 with agreements valued at approximately \$325 million (DSCA, 2013). The portion of FMS agreements signed by countries in the Western Hemisphere decreased from approximately 2.6 percent from FY06–FY09 to 1.5 percent from FY10–FY13 (DSCA, 2013).

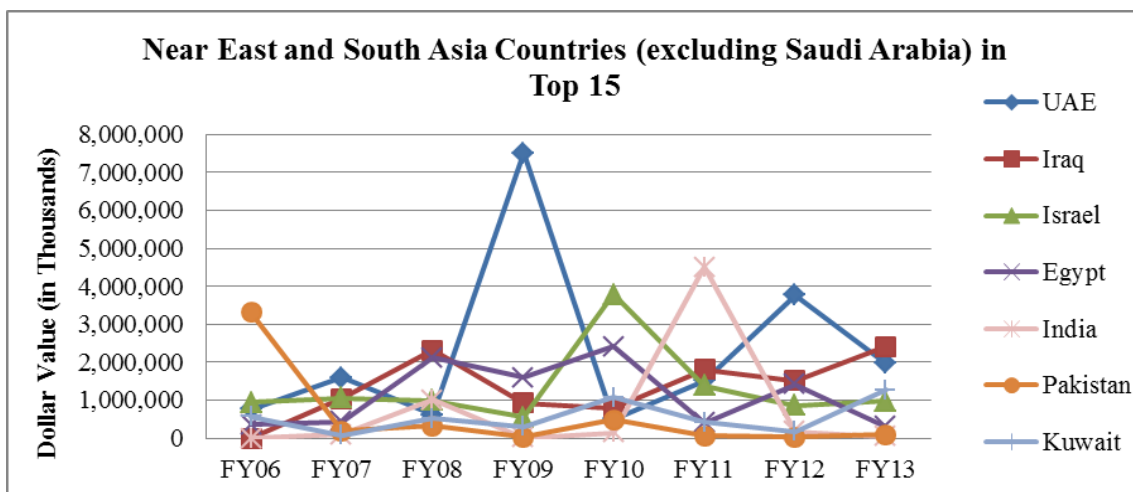
Figures 5, 6, and 7 show the top 15 FMS buyers based on cumulative dollar value of agreements from FY06 through FY13. Eight of these countries (Saudi Arabia, UAE, Iraq, Israel, Egypt, India, Pakistan, and Kuwait) are in the NESAs region. Four of these countries (Australia, Taiwan, Korea [Seoul] and Japan) are in the Asia Pacific region and three (the United Kingdom, Turkey, and Canada) are considered part of Europe and Eurasia. Many of these countries are also providers of security/military assistance.

Figure 5. FMS Agreements—Top Two Countries.



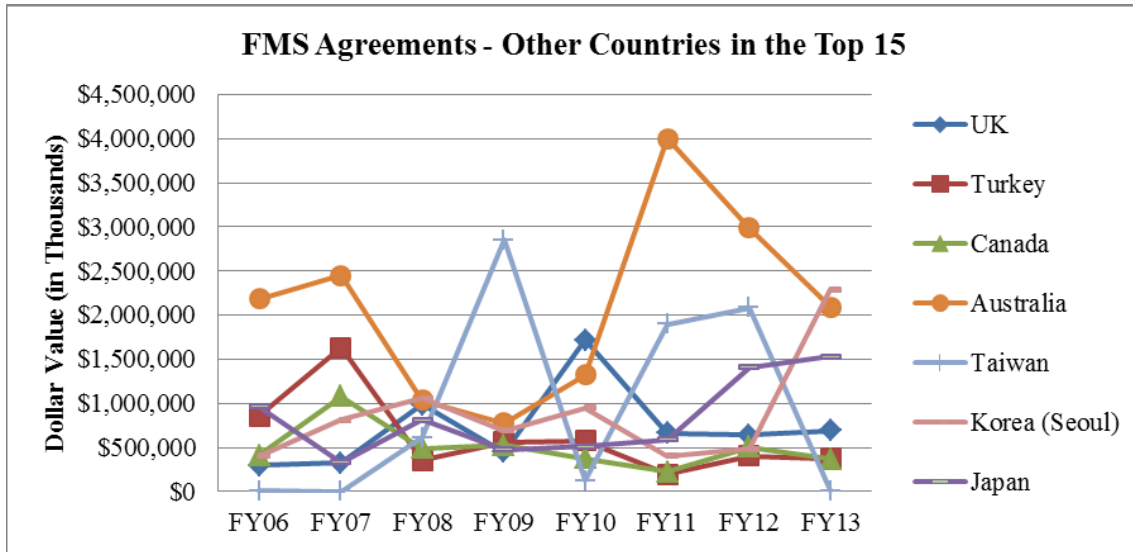
After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

Figure 6. FMS Agreements—NESA Countries (Excluding Saudi Arabia) in the Top 15.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

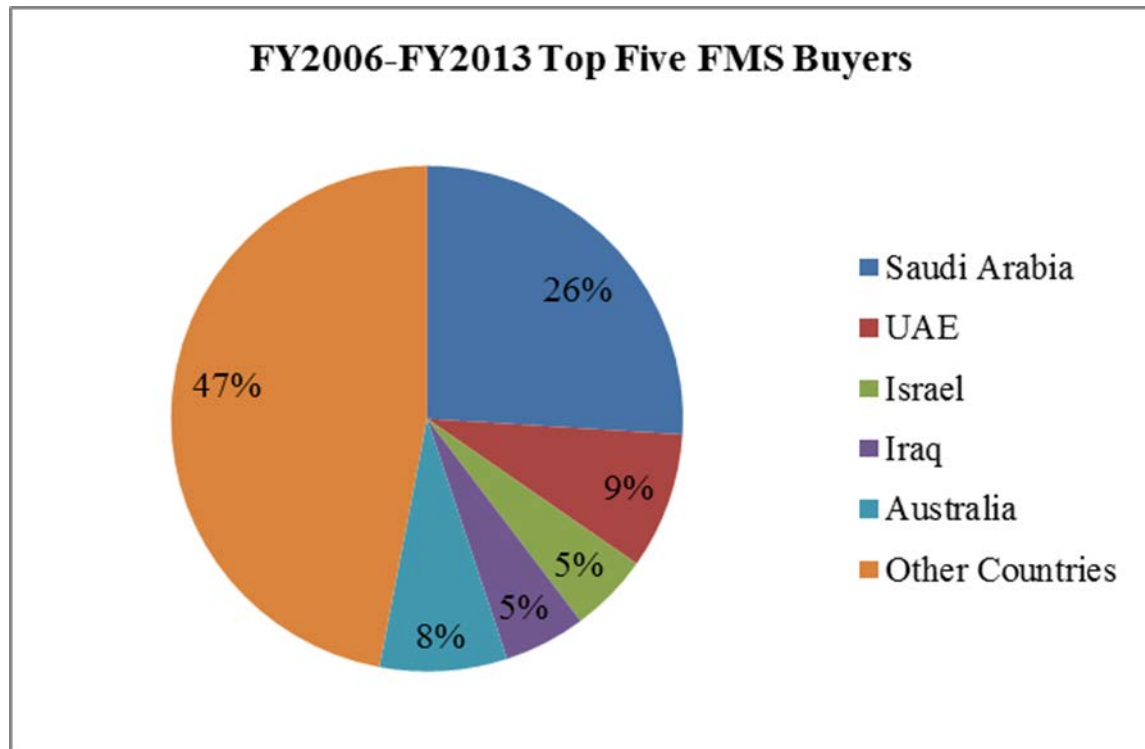
Figure 7. FMS Agreements—Other Countries in the Top 15.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

As shown in Figure 8, the top five FMS buyers account for more than 50 percent of all FMS agreements. Saudi Arabia, UAE, and Australia use national funds rather than grant money to fund their FMS agreements (DSCA, 2013).

Figure 8. Top Five FMS Buyers.



After Defense Security Cooperation Agency. (2013). *Historical fact book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

## C. RUSSIA'S MILITARY-TECHNICAL PROGRAM

### 1. Overview

As discussed in the previous chapter, the production of military equipment was a thriving business in Russia during the Cold War; however, levels of equipment production decreased soon after the dissolution of the USSR. In recent years, Russia has expanded its capability and grown into the world's second largest exporter of defense equipment. Most of its MTC program appears to be focused on maintaining and expanding its military industrial base.

### 2. Regional Trends

The fall of the Soviet Union brought about a division in the Soviet defense industry amongst the Commonwealth of Independent States (CIS). Countries in the CIS

include Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine, and Uzbekistan. While the MTC program is focused on arms exports, Russia is increasingly trying to take advantage of Soviet era defense assets located within CIS countries. Russia has implemented bilateral military-technical cooperation programs with many of the CIS countries. Many of these agreements have established joint companies (IHS Jane's, 2015b). While these joint companies give Russia access to capabilities that would otherwise be lost (and cheaper materials and labor), they also allow other nations to take advantage of Russia's position and connections in the global arms market (IHS Jane's, 2015b). See Figure 9.

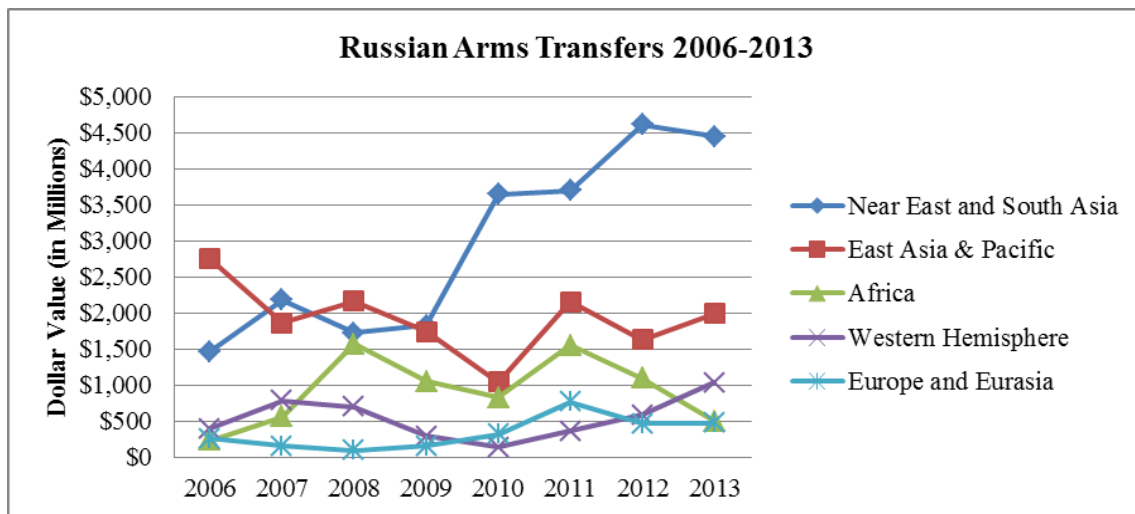
Russian arms exports have risen fairly consistently in value. While growth has slowed down in the past two to three years, exports are expected to increase as back orders are filled, as shown in Figure 10.

Figure 9. Russian Arms Transfers.



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

Figure 10. Regional Trends in Russian Arms Transfers.



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

Russia has expanded military-technical cooperation programs with countries throughout the Middle East and Asia. Larger programs are focused on “arms export, licensed production, servicing of military equipment, and training of personnel” (Basu, 2001, p.9). The NESAs region accounted for approximately 45 percent of Russian arms exports. The top three recipient nations in the region were India, Syria, and Egypt (SIPRI, 2015). East Asia and the Pacific accounted for approximately 29 percent of Russian arms exports. China and Vietnam accounted for approximately 78 percent of arms transferred to this region (SIPRI, 2015).

India and China have an extensive relationship with Russia and account for more than 50 percent of Russia’s armament exports (Smith & Gould, 2014). Sales to China dropped off around 2006 due to Russia’s discovery that China attempts to reverse engineer Russian systems illegally (IHS Jane’s, 2015b). However, partially as a result of the U.S. and EU military sanctions, Russia has redeveloped military ties with China (IHS Jane’s, 2015b). Recent negotiations include additional engines for China’s combat aircraft, discussions about the potential purchase of Su-35 fighter and the Triumf air defense system (IHS Jane’s, 2015b). In May 2015, the countries signed an agreement to

collaborate on the development of an Advanced Heavy Lift helicopter (IHS Jane's, 2015b).

Recent global events have had a significant impact on Russia's foreign arms sales. The overthrow of the regime in Libya and unrest in Syria has resulted in the loss of several billion dollars of contracts (IHS Jane's, 2015b). Between 2005 and 2008, Russia wrote off approximately \$15 billion dollars of Syrian and Libyan debt with the expectation that these nations would then procure Russian military equipment (IHS Jane's, 2015b). It is unclear how much of this equipment was delivered prior to the arms embargo. Russia also serves as a supplier to Iran, Iraq, and Afghanistan, which are familiar with Soviet era equipment.

Russia has started expansion into the developing African and Latin American markets. Africa accounted for approximately 14 percent of Russian arms transfers from 2006–2013 and the Western Hemisphere accounted for approximately 5 percent. Many of these countries with relatively small defense budgets were not able to finance deals promptly. As a result, Russia has continued to use “creative” financial arrangements, such as debt forgiveness and access to oil and gas reserves (IHS Jane's, 2015b). Algeria accounted for 80 percent of Russia's arms transfers to the African region (SIPRI, 2015). Venezuela is the largest importer of Russian equipment in South America and accounted for approximately 90 percent of arms transfers to the region (SIPRI, 2015).

Europe and Eurasia accounted for approximately 5 percent of Russia's arms transfers. Azerbaijan, Kazakhstan, and Belarus accounted for approximately 70 percent of region's transfers. Programs in Belarus and Kazakhstan consist of arms transfer and joint design or co-production of defense equipment (Basu, 2001). The conflict in Crimea has impacted Russia's defense supply chain. Many Russian defense companies rely on parts from Ukraine, which have slowed down or stopped. Consequently, the ability of Russian companies to produce and deliver final products has been impacted (IHS Jane's, 2015b). As a result, Russia has increased its military cooperation with Belarus; however, Belarus has fewer major defense suppliers (IHS Jane's, 2015b).

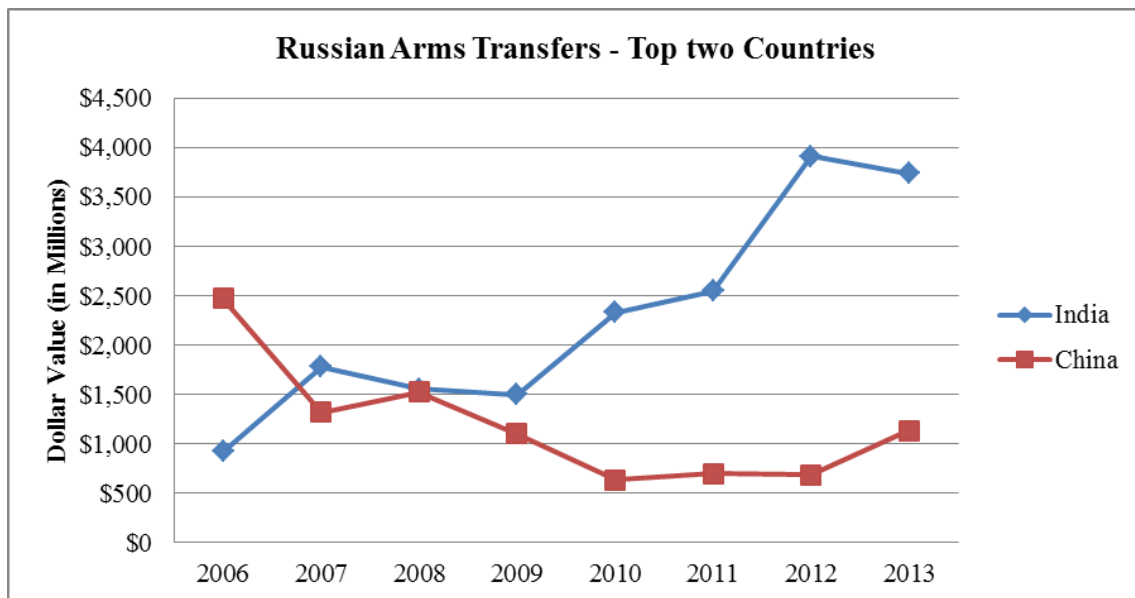


Kyrgyzstan, Tajikistan, and Uzbekistan receive Russian assistance in building their national armed forces (Basu, 2001). In 2012, Russia acquired a significant stake in Kyrgyzstan's Dastan Joint Stock Company, which produces the NPO Region VA-111 Shkval torpedo (IHS Jane's, 2015b). A number of programs are focused on repair and maintenance of former Soviet equipment (Basu, 2001).

In recent years, given its economic and financial challenges, Russian defense industry has generally been more willing than in the past to cooperate with the West. One of the primary goals of Russia's MTC is to generate funding for research and development (R&D) of new systems. Much of the financing is achieved through the marketing and sales of Russian systems on the international market.

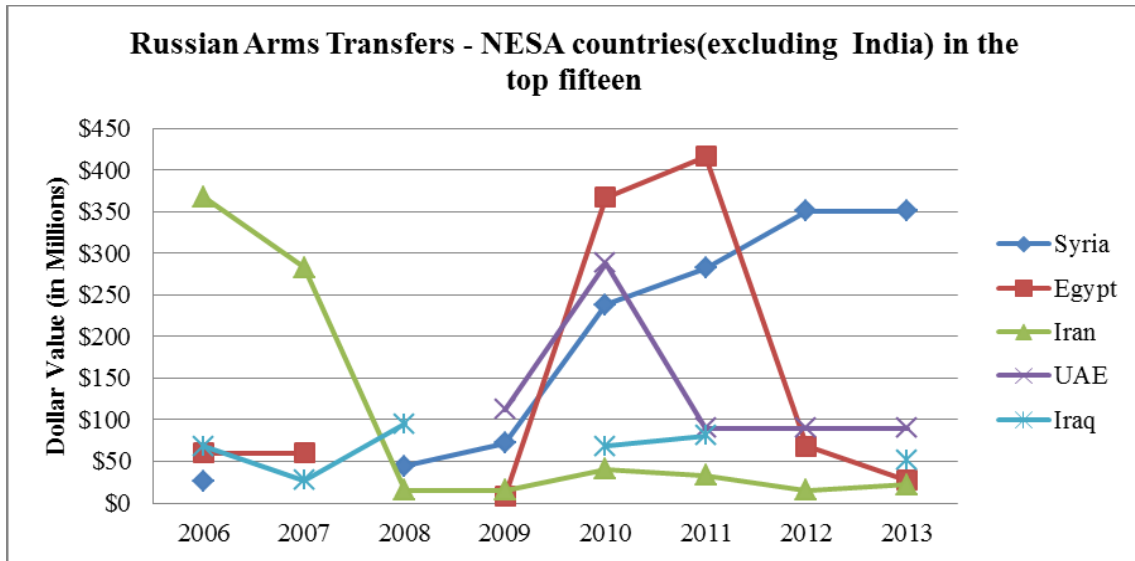
Figures 11, 12, and 13 show the top 15 recipients of Russian arms from 2006–2013.

Figure 11. Russian Arms Transfers—Top Two Countries.



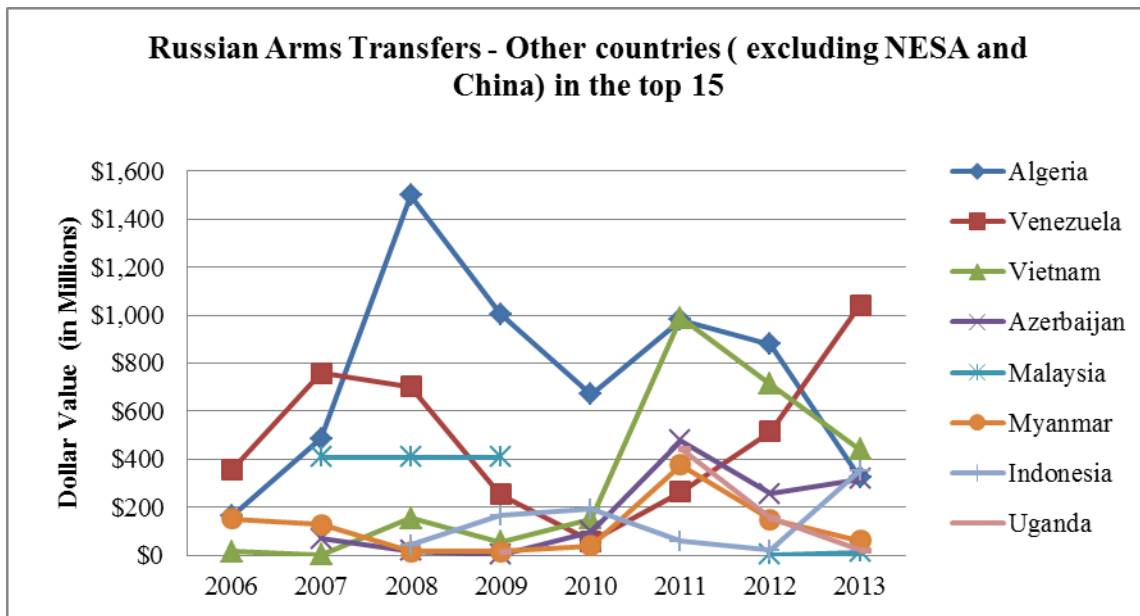
After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

Figure 12. Russian Arms Transfers—NESA Countries (Excluding India) in the Top 15.



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

Figure 13. Russian Arms Transfers—Other Countries (Excluding NESAs and China) in the Top 15.



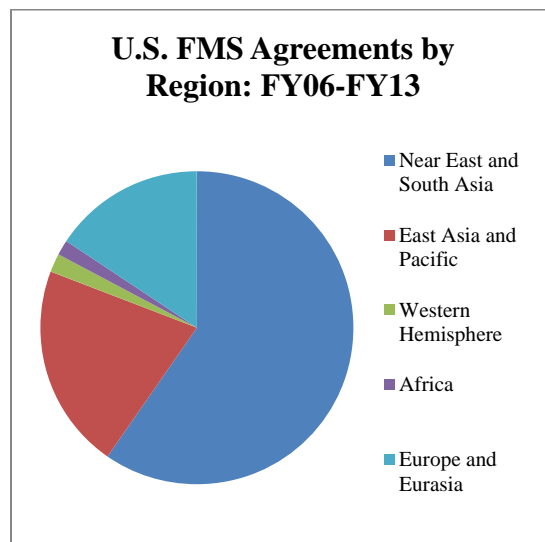
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#### D. CHAPTER SUMMARY AND CONCLUSION

While for much of the past century Russia and the United States have been on opposite sides of the political spectrum, transnational threats, such as terrorism and the rising threat of China, has led to its neighbors increasing national defense capabilities. As a result, the implementation of security/military assistance programs has increased, particularly in the Middle East and Asia. Regional trends of U.S. and Russian engagement overlap; however, the top recipient country in each region (with the exception of NESAs) receives a relatively insignificant, if any, portion of military assistance from the other country. Implementing and recipient countries often have competing interests that must be considered when determining levels of engagement. A changing level of engagement and/or restriction on programs can have a lasting impact on future relations with a recipient nation. Successful engagement benefits both the implementing and recipient nation that is further explored in the following country chapters.

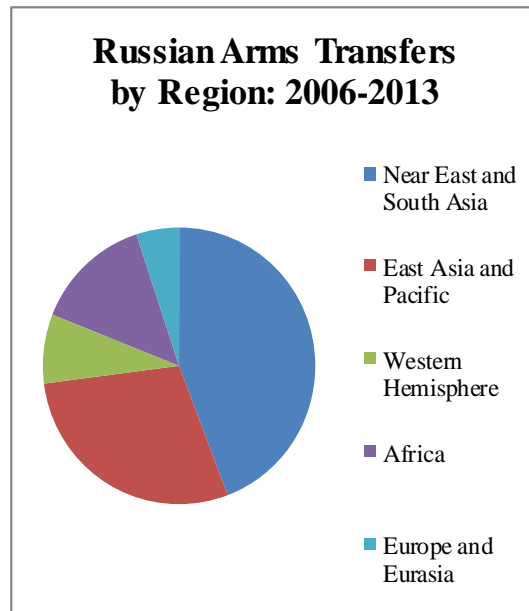
Figures 14 and 15 compare the value of U.S. FMS agreements and Russian arms transfers.

Figure 14. U.S. FMS Agreements by Region.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

Figure 15. Russian Arms Transfers by Region.



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

From 2006–2013, the NESAs region accounted for the largest portions of U.S. FMS agreements and Russian arms transfers. NESAs accounted for approximately 60 percent of U.S. FMS agreements and 45 percent of Russian arms transfers. With the exception of Iran and Syria, some level of U.S. engagement occurred in the NESAs countries to which Russia transferred arms.

East Asia and the Pacific accounted for the second highest region for both the U.S. and Russian programs, which comprised approximately 21 percent of U.S. FMS agreements and 28 percent of Russian arms transfers. From 2006–2013, Russia transferred arms to four countries: China, Laos, North Korea, and Myanmar/Burma (SIPRI, 2015), where no FMS or FMF engagement took place (DSCA, 2013). Indonesia, a key partner in maritime security and counterterrorism efforts in the East Asia and Pacific region used the U.S. FMS and FMF and Russian MTC programs.

The programs, however, take a different direction in Europe and Eurasia. This region accounted for the next highest level of engagement in the U.S. FMS program (DSCA, 2013), and the smallest recipient of Russian arms (SIPRI, 2015). U.S. FMS and

FMF engagement focused on long standing and new NATO partners, while Russia's engagement focused more heavily amongst the CIS nations. Turkey, a strategic U.S. ally in the region, is also a recipient of Russian arms.

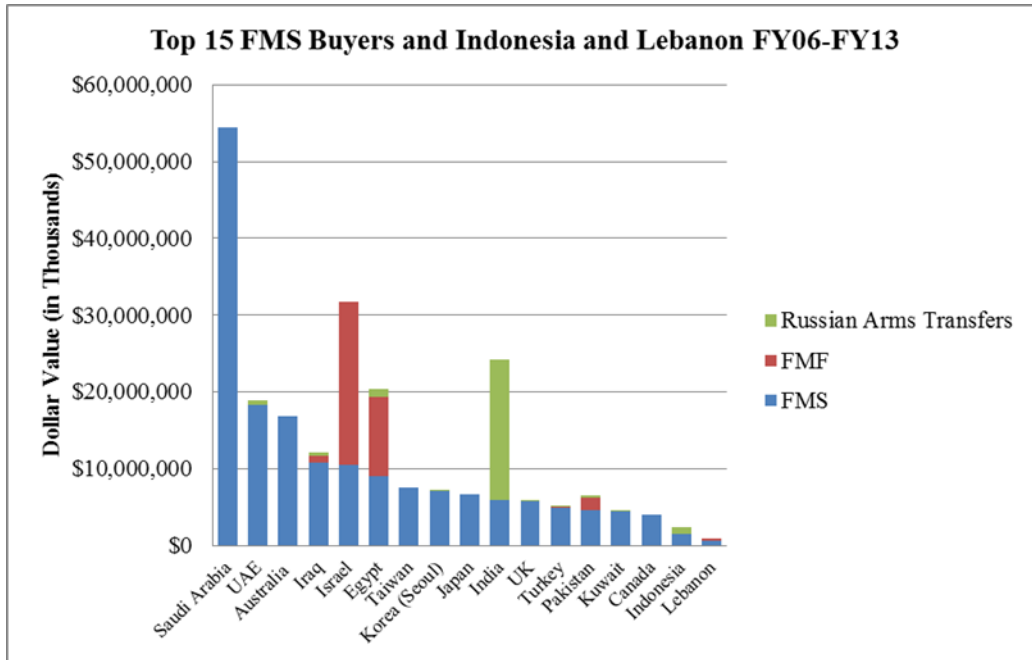
In comparison to the United States, Russia transferred a significantly larger portion of military equipment to Africa (SIPRI, 2015). While the African region accounted for the smallest percentage of FMS and FMF programs, U.S. engagement is increasing with programs focused on counter terrorism and peacekeeping. Algeria, the third largest recipient of Russian arms (SIPRI, 2015), had limited engagement with the U.S. FMS program, and received no FMF funds (DSCA, 2013).

The Western Hemisphere accounted for the fourth smallest portion of programs for both U.S. FMS and Russian arms transfers. Russia's program with Venezuela, one of the few countries with which the United States does not implement a security cooperation program (DSCA, 2013), accounted for approximately 90 percent of Russia's engagement in the region (SIPRI, 2015). Venezuela is one of Russia's most important trade and military partners.

A comparison of engagement levels of the top 15 FMS buyers, and Indonesia and Lebanon, is shown in Figure 16. Figure 17 shows the top 15 U.S. arms recipients, and Indonesia and Lebanon. The top 15 recipients and Turkey of Russian arms are displayed in Figure 18. The top 15 Russian arms transfers, and Turkey, appear in Figure 19. The comparison to U.S. programs only includes the FMS and FMF programs.

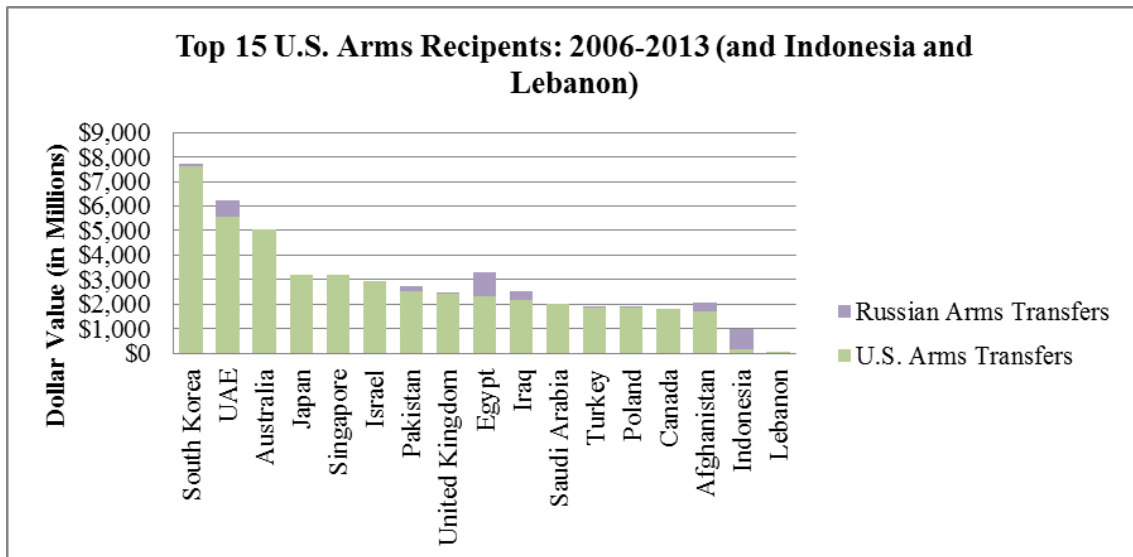
Globally, based on the cumulative value of FMS agreements from FY06–FY13, the top 15 recipient nations were Saudi Arabia, UAE, Australia, Iraq, Israel, Egypt, Taiwan, South Korea, Japan, India, the United Kingdom, Turkey, Pakistan, Kuwait, and Canada. Nine of the top 15 FMS buyers also purchased Russian arms from 2006–2013. These buyers included the UAE, Iraq, Egypt, South Korea, India, the United Kingdom, Turkey, Pakistan, and Kuwait. Of these, only four also receive FMF grant funds. With the exception of India, the dollar value of FMS agreements was significantly higher than the value of Russian arms transfers.

Figure 16. Top 15 FMS Buyers and Indonesia and Lebanon.



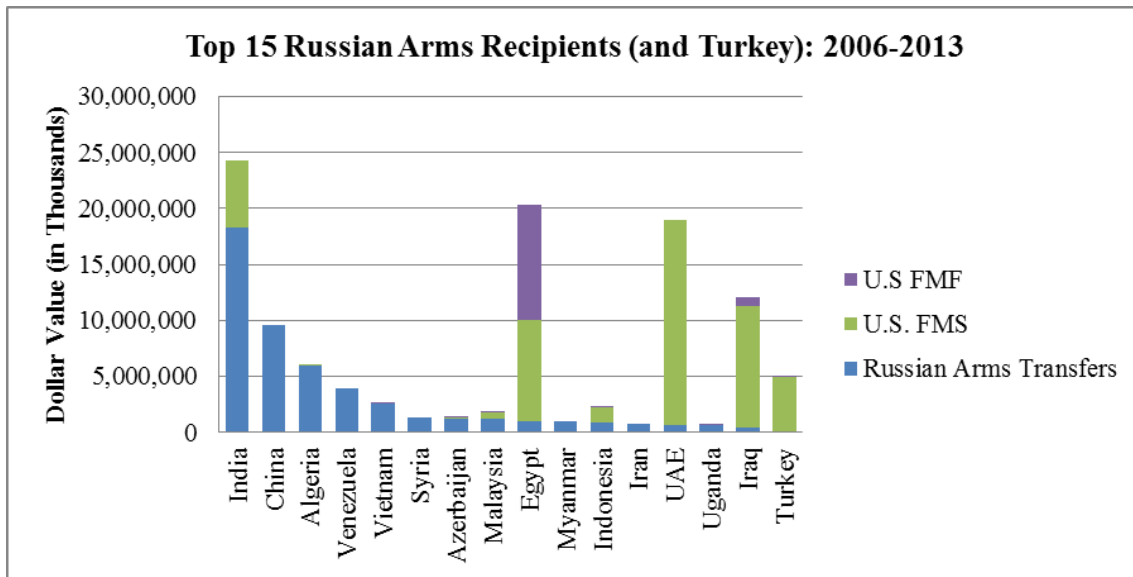
After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf); SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

Figure 17. Top 15 U.S. Arms Recipients (and Indonesia and Lebanon).



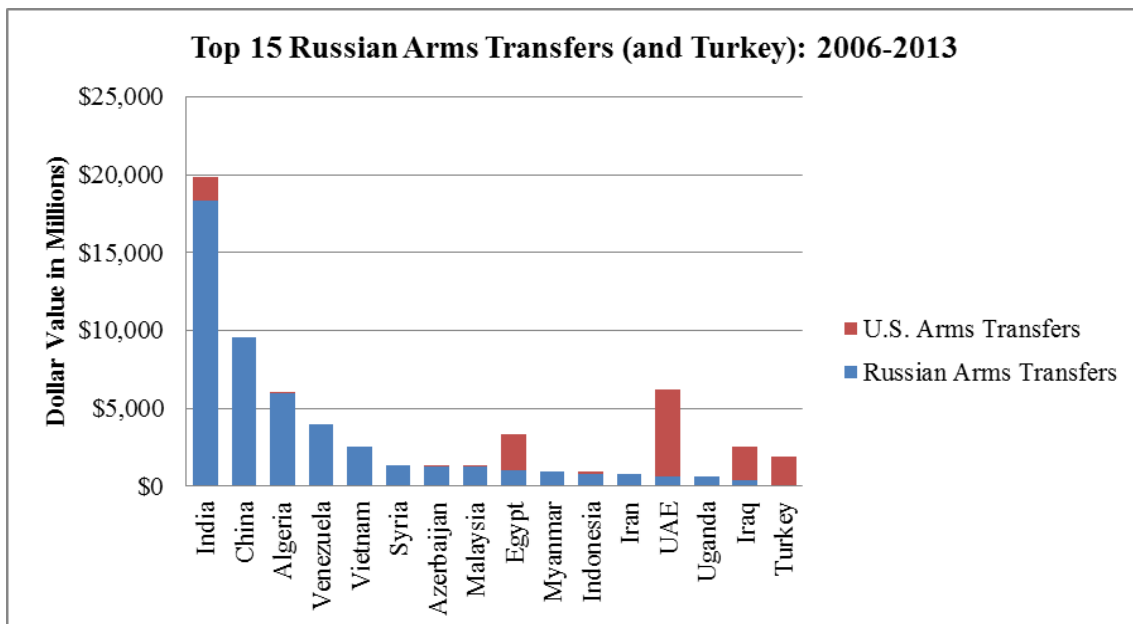
After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

Figure 18. Top 15 Russian Arms Recipients (and Turkey)



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf); SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

Figure 19. Top 15 Russian Arms Transfers (and Turkey)



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

The top 15 importers of Russian arms were India, China, Algeria, Venezuela, Vietnam, Syria, Azerbaijan, Malaysia, Egypt Myanmar/Burma, Indonesia, Iran, UAE, Uganda, Iraq, and Turkey. The top five importers accounted for approximately 75 percent of Russian arms transfers. None of the top five importers of Russian arms overlap with the top five FMS buyers, although India (Russia's top arms importer) purchased nearly \$6 billion through the U.S. FMS program during the same period. Ten of the countries in Russia's top 15 also used the U.S. FMS program, while seven also received FMF grant funds. Egypt, the number nine importer of Russian arms, accounted for the sixth highest FMS buyer and received the second largest amount of grant FMF funds during the same period. Other countries that used the U.S. FMS and FMF programs were Vietnam, Azerbaijan, Malaysia, Indonesia, Uganda, and Iraq. As could be expected, the United States does not implement security cooperation programs with several (China, Venezuela, Syria, Myanmar/Burma, and Iran) of the top 15 recipients of Russian arms.

Increased transnational threats have led to broadening levels of engagement. After 9/11, the United States became increasingly engaged with countries in the Middle East that had been accustomed to Soviet or Russian defense equipment. While security assistance from the United States has started or increased in the NESAs and East Asia and Pacific regions, many of these countries also import arms from Russia. The following chapters focus on how specific countries use various security/military assistance programs, to include the U.S. and Russian programs, and how changes in the programs' support may affect the recipient nations' engagement with other implementing/donor nations.



## **IV. INDONESIA**

After 9/11, security cooperation between Indonesia and the United States expanded. The rebalance with the Asia-Pacific region became a top U.S. priority and the focus on past human rights abuses faded (Hiebert, Osius, & Poling, 2013). Since resuming security assistance programs with Indonesia, key U.S. policy objectives include military reform, capacity building, and increased counter terrorism efforts (Vaughn, 2011). While Indonesia's impact on regional security has traditionally been limited, security assistance/cooperation programs have enabled greater participation in global peacekeeping and maritime security operations. The country utilizes the U.S. FMS and FMF and Russian Military-Technical Cooperation programs.

### **A. BACKGROUND**

Indonesia is the largest country in Southeast Asia. Its size and strategic position have contributed to the country's position as an emerging regional power. Since independence in 1945, the country's armed forces, Tentara Nasional Indonesia (TNI), has struggled with internal separatist movements and insurgencies. After an alleged attempted communist coup in 1965, General Suharto took control of the country. A subsequent army led anti-communist purge left more than 500,000 people dead (Vaughn, 2011).

The TNI played a large political role during President Suharto's regime (1967–1998), and were linked to numerous human rights abuses. While significant economic growth occurred, the invasion of East Timor in 1975, and violence surrounding the independence referendum in East Timor in 1999, led to tension with the international community. While international relationships have improved, past human rights abuses occasionally flared up. For example, in 2013, after a group of civilians killed a Special Forces soldier in a drug-related brawl, soldiers retaliated by storming the prison and killing the detained civilians. While a couple of the soldiers were discharged from service and sentenced to jail, after serving a light sentence, the majority were free to return to active duty the same year (IHS Jane's, 2015c).

Significant changes have occurred in the role of the armed forces since 1998. The national police have been detached from the armed forces. The military no longer has a substantial role in day-to-day political activity. In 2004, it relinquished its reserved seats in parliament, and active duty personnel are no longer permitted to run for elected government positions (IHS Jane's, 2015c).

The aftermath of the 2004 tsunami further demonstrated some of challenges the TNI faced. The TNI lacked the equipment necessary to distribute supplies to those most impacted by the tsunami (J.C., 2012). The United States and other countries provided humanitarian assistance to the armed forces to help support their natural disaster relief efforts.

It is widely believed that the defense budget historically covered a relatively small portion of the military's actual costs. The military has traditionally supplemented its official budget with revenues from both legal and illicit businesses. A law passed in 2004 required the military to divest its businesses (IHS Jane's, 2015d). While some changes were made, it is believed that the military is still a stakeholder in numerous businesses through foundations and cooperatives (IHS Jane's, 2015d).

The majority of the defense budget is allocated to military operations, high logistical and maintenance costs for its aging equipment, and improving the welfare of TNI personnel (IHS Jane's, 2015c). In 2009, the commander of the armed forces stated that only approximately 35percent of their equipment was operational. The country has acknowledged the need to increase its defense budget if it is going to modernize the armed forces.

## **B. UTILIZATION OF SECURITY ASSISTANCE PROGRAMS**

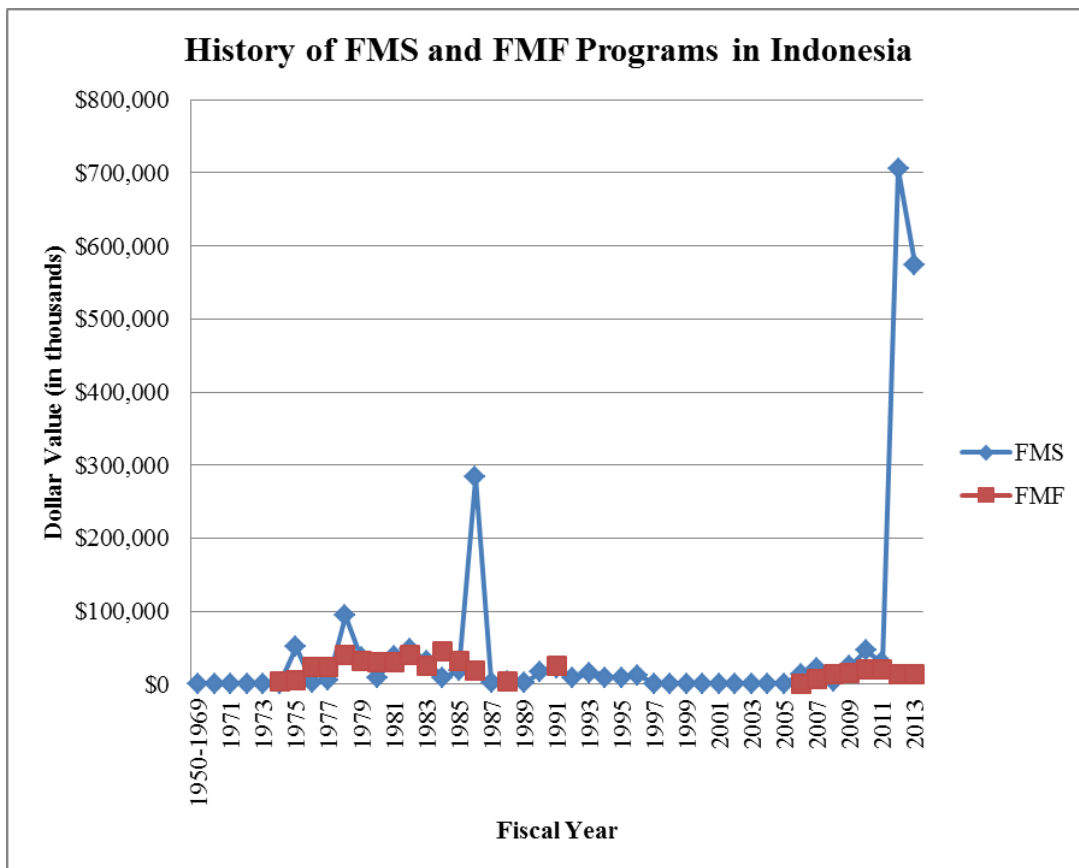
Indonesia's limited defense budget, necessity to improve military readiness levels, and geographic location impact its status as a good candidate for security assistance programs. Due to the various arms embargoes imposed in the 1990s and early 2000s, Indonesia is conscientious of not becoming overly dependent on a small number of donor nations. The largest suppliers of defense/military equipment exporters to Indonesia are

Russia, the Netherlands, South Korea, France, China, and the United States (SIPRI, 2015).

## 1. United States

From the late 1980s to the early 2000s, the U.S.-Indonesian security assistance relationship was severely strained due to documented armed forces human rights abuses. As a result, the United States banned most security assistance programs from 1992 to 2005. U.S.-Indonesian military relations resumed in 2005; however, programs with the Indonesian Army Special Forces were prohibited until 2010, due to their connection with human rights abuses (Hiebert et al., 2013). While some security assistance to the Special Forces has resumed, this assistance is subject to restrictions. See Figure 20.

Figure 20. History of FMS and FMF Programs in Indonesia.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

In 2005, the United States lifted the arms embargo on the sale of military equipment to Indonesia. That same year, “Congress approved \$6 million in grants and loans for military equipment and training for the Indonesian Navy” (Hiebert et al., 2013, p.7). Human rights groups opposed this action because they did “not feel the armed forces had taken sufficient action to end human rights abuses” (Hiebert et al., 2013). Despite objections, the United States removed most of the existing sanctions against security assistance to Indonesia (Hiebert et al., 2013).

Indonesia received the second highest allocation of FMF funds, behind the Philippines, in the East Asia and Pacific region (DSCA, 2013). FMF funds for Indonesia are intended to address challenges in maritime and border security in the Strait of Malacca (the main shipping lane between the Indian and Pacific Oceans), provide transportation capabilities for humanitarian assistance and disaster relief, and contribute to military reform (“Security Assistance in East Asia and the Pacific,” n.d.).

After suspension of the FMS program, the program was re-started in 2006 with agreements valued at approximately \$14 million, the value of the program nearly tripled by 2010, and exponentially increased to approximately \$575 million in 2013 (Hiebert et al., 2013). Agreements peaked in 2012 with an estimated value of more than \$700 million (DSCA, 2013). Major programs include the acquisition and refurbishment of F-16 fighter aircraft and Apache Longbow attack helicopters (IHS Jane’s, 2015c). Other agreements include the 2013 procurement of the Raytheon FGM-148 Javelin anti-tank guided missile system. The deal includes missiles, command launch units, support equipment, spare parts, training, and logistics support (IHS Jane’s, 2015e).

## **2. Russia**

Indonesia’s and Russia’s military-technical cooperation began in 2002 (SIPRI, 2015), primarily because of the U.S. ban on security assistance to Indonesia. Their relationship has continued to expand even though U.S. relations have improved. Russian banks have financed extensive loans to fund procurement of Russian military equipment. A bilateral commission for military-technical cooperation was established in 2005 (Domashneva, 2013).

In 2007, Russia extended a \$1 billion loan for the purchase of Russian military equipment (IHS Jane's, 2015e). The loan was designed to supply transport and assault helicopters, amphibious armored vehicles, and submarines (IHS Jane's, 2015e). Some of these orders have been canceled due to issues with funding, which continues to be a challenge for Indonesia (IHS Jane's, 2015e). The largest military-technical cooperation programs include Mi-35 attack helicopters and Mi-17 medium lift transport helicopters. In line with Indonesia's preference to expand national industrial capability, the Mi-17s were assembled in country (IHS Jane's, 2015e).

Indonesia received six Sukhoi fighters in 2009 and 2010, announced a follow on agreement in 2011, and has outlined an ambitious plan to procure over 100 additional aircraft in the next 20 years (IHS Jane's, 2015e). In 2012, Indonesia signed a contract for infantry fighting vehicles with an estimated value of \$114 million (IHS Jane's, 2015c).

While Indonesia has a fairly robust partnership with Russia, the country has declined equipment in the past. In 2014, Indonesia turned down an offer of Russian submarines due to the belief that repairs would have been too expensive (IHS Jane's, 2015e).

### **3. Other Nations**

Indonesia and China established a bilateral "Building a Strategic Partnership" plan in 2005. The plan was designed to increase military-security ties between the two countries by assisting in the development of defense industry and increasing cooperation in the fight against transnational security threats (Storey, 2012). China has sold limited amounts of defense equipment to Indonesia in the past 10 years (Storey, 2012). This equipment has primarily consisted of anti-ship missiles and air search radars.

In 2005, Indonesia purchased C-802 anti-ship missiles (ASMs) for \$11 million and ordered 130 portable surface-to-air missiles the following year. Indonesia also purchased C-705 ASMs for its domestically produced guided missile ship (Storey, 2012). China agreed to transfer part of the technology to help build Indonesia's defense manufacturing capability. One of the largest Chinese programs was the 2008 procurement of Giant Bow twin 23-mm air defense systems (Storey, 2012).

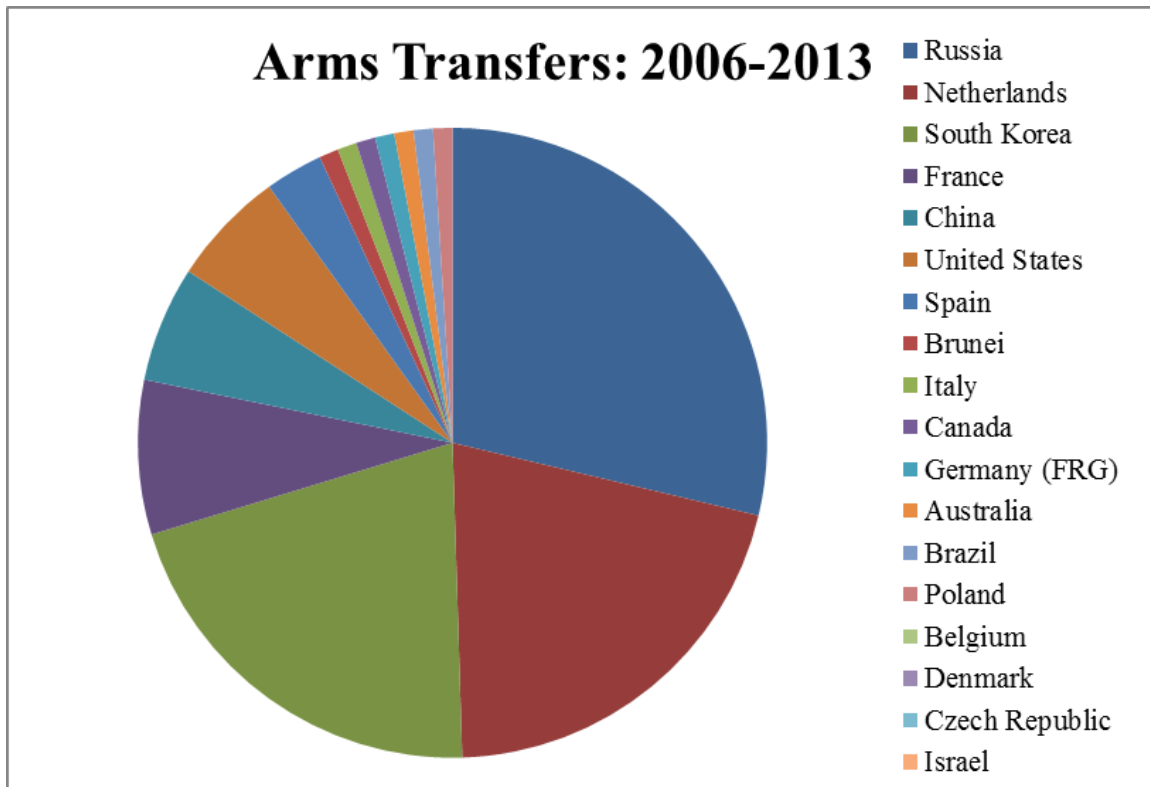
The Netherlands supplied four corvettes to Indonesia from 2007–2009. Much of their partnership is tied to follow on support related to this procurement (The Hague, 2012). The purchase of surplus Leopard battle tanks and other vehicles from Germany in 2012 confirmed a new relationship between the two countries. Indonesia had approached Germany, but approval of the procurement was delayed because of German concerns over Indonesia’s human rights record (IHS Jane’s, 2015e). These same concerns led to the Dutch government’s decision to deny a similar Indonesian request in 2012 to purchase surplus tanks (IHS Jane’s, 2015e).

Indonesia procured light combat Super Tucanos from Brazil that were delivered in 2012 (IHS Jane’s, 2015e). The Indonesian government is said to be reconsidering an ongoing procurement of additional Super Tucano aircraft. However, tensions between the two countries are high due to Indonesia’s execution in 2015 of a Brazilian citizen found guilty of drug smuggling (BBC, 2015).

Indonesia’s relationship with South Korea has grown significantly in the past decade. From 2006–2013, South Korea was the third largest defense exporter to Indonesia (SIPRI, 2015). Procurements include jet trainer aircraft, armored personnel carriers, howitzers, and submarines (IHS Jane’s, 2015e). The submarine procurement is designed to develop national industrial capability with the first submarine “to be built in South Korea with Indonesian engineers on site, the second built in Indonesia, and the third built by a national company” (Tran, 2013, p.5).

“Indonesia’s geopolitical position within Southeast Asia and the larger East Asia region has been increasingly recognized amongst global powers” (Vaughn, 2011, p.6). Given the rising Chinese threat, many countries are seeking further engagement in the region. Figure 21 shows the comparison of arms transfers to Indonesia from 2006–2013 (SIPRI, 2015).

Figure 21. Arms Transfers to Indonesia.



From SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

### C. IMPACT

The construction of an improved maritime surveillance system allows the Indonesian government to detect, track, and monitor ships in its territory. This system improved the TNI's capability to counter the threats of piracy, illegal fishing, smuggling, and terrorism in and around their maritime borders (Shapiro, 2012).

Following the 2004 tsunami, the United States sold spare parts for Hercules C-130 transport planes so that aid could be delivered to victims (O'Brien, 2005). The tsunami killed over 130,000 people and destroyed existing infrastructure. Without urgent aid, the conditions could have been even more devastating.

The acquisition and refurbishment of 24 F-16s has enabled Indonesia to bolster its air defense capability. The transfer also served as an instrumental step to increase interoperability with U.S. forces (U.S. Air Force, 2014).

The increased capability of Detachment 88, an elite counterterrorism unit, has been a significant accomplishment of the security assistance programs. Detachment 88 has been responsible for tracking and detaining several terrorists; which includes a lead terrorist behind the 2004 Australian Embassy bombing in Jakarta (Vaughn, 2011).

Indonesia participates in several multinational exercises aimed to promote interoperability with other nations' armed forces. These exercises include participation in the largest military exercise in the Asia-Pacific Region, Cobra Gold, which includes regional powers, as well as the United States and Australia.

Indonesia has also hosted several exercises in recent years. In 2011, the TNI co-hosted the inaugural Humanitarian Assistance and Disaster Relief military exercise with the Singapore Armed Forces. In 2013, Indonesia hosted the first Association of Southeast Asian Nations (ASEAN) Plus Counter-Terrorism Exercise aimed to "advance military capabilities by exchanging best practices and demonstrating tactics, techniques, and procedures" ("United States Mission to ASEAN," 2013, para. 1). This exercise included participants from the 10 ASEAN nations and several dialogue partners.

In 2011, Russia and Indonesia conducted their first joint exercise focused on maritime security (Domashneva, 2013). The two countries' relationship has continued to grow through the ASEAN-Russia Dialogue Relations ("Overview of ASEAN-Russia Dialogue Relations," n.d.).

Indonesia is a significant contributor to United Nations (UN) peacekeeping missions. With the exception of the years from 1999–2004, Indonesia has participated in nearly all UN peacekeeping missions since 1962 (IHS Jane's, 2015c). Recent years (2009–2014) have seen an average of nearly 2,000 personnel deployed on UN missions at any given time (United Nations, 2015).



#### **D. CHAPTER SUMMARY AND CONCLUSION**

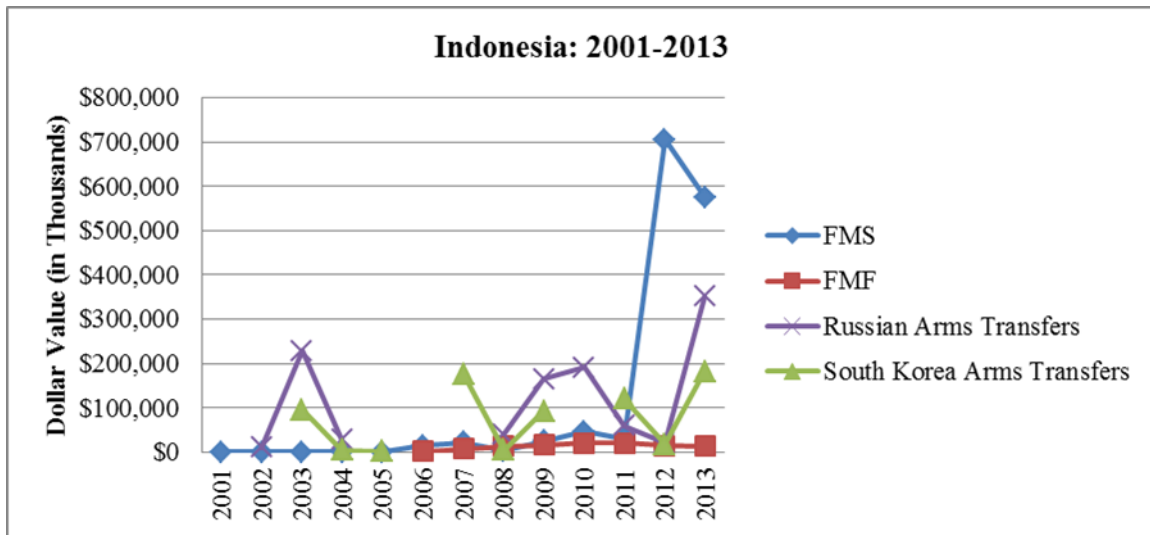
Indonesia's role as an emerging power in South-East Asia has led many countries to offer increased security assistance. However, the TNI's troubled history with human rights has impacted international relations. Indonesia has learned from prior experience with security assistance programs, and is careful not to rely too heavily on any one partner. As the political dimension has improved in Jakarta, security assistance/cooperation programs have increased, and the TNI is starting to see the impact and develop increased capability.

U.S. sanctions had a detrimental impact on the armed forces. It was reputed that more than half of the Air Force's aircraft were grounded due to lack of spare parts. Largely because of the ban in the late 1990s and early 2000s, Indonesia purchased Russian Sukhoi fighters (IHS Jane's, 2005).

The country's desire for transfer of more advanced defense technology and the building of the national industrial base relies on the confidence of international partners. The extent of ongoing and future security assistance to the Indonesian Armed Forces depends, in part, on how the government addresses human rights concerns (Hiebert et al., 2013).

As shown in Figure 22, programs with most of Indonesia's international partners have ebbed and flowed over the past decade. Security assistance/cooperation programs with the United States, Russia, and South Korea are growing. As the United States and other countries rebalance towards Asia, the world will continue to consider the tradeoff between human rights concerns and security interests. Developing effective counterterrorism cooperation with Indonesia has generated particular interest; however, the country must remain committed to the transformation of its armed forces if it is to continue to inspire confidence as a reliable partner nation.

Figure 22. International Programs in Indonesia.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf); SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

## **V. TURKEY**

U.S. security assistance/cooperation programs implemented in Turkey are primarily a result of its geostrategic position. Turkey has demonstrated commitment to the NATO alliance by providing support to numerous operations. Security threats, particularly in the Middle East, have given the U.S. a strong incentive to maintain defense cooperation with Turkey. While political strains have threatened the bilateral relationship, the U.S. has been able to sustain access to Turkish bases.

### **A. BACKGROUND**

Turkey is a regional power located along NATO's southern border. Its location at the junction between Europe, the Middle East, and the former Soviet Union, and the balance between western and eastern influences, gives Turkey a unique and valuable position. Location has been key to U.S. interests in security cooperation with Turkey. The country's economic growth and transition to a secular government has propelled Turkey forward as a potential role model for other nations.

The country has undergone several periods of political instability and experienced poor economic management that undermine security cooperation. The Turkish military has carried out multiple coups in recent decades. The first coup was in 1960, a second in 1971, and a third in 1980 (Zanotti, 2011). Numerous senior military officers have been charged with coup plotting in the past three decades (IHS Jane's, 2015f). As of 2009, civil courts are able to prosecute active duty military personnel for "anti-government activities, threats to national security, and constitutional violations" (IHS Jane's, 2015f, p.3). Many argue that such reform is necessary to limit the historical high levels of Turkish military influence in the government.

One of the greatest threats to Turkish stability is the separatist Kurdish insurgency of the Kurdistan Workers' Party (PKK), with whom the Turkish Armed Forces have an embattled history. In 1999, Turkey captured the PKK's leader, Abdullah Ocalan (IHS Jane's, 2015f). This capture brought about a significant decrease in insurgent operations. Operations increased significantly in 2007, with Turkey calling for the United States and

Iraq to help control the number of PKK rebels using the mountainous region in northern Iraq as a base (IHS Jane's, 2015f). The United States agreed to let Turkish Armed Forces conduct military incursions in pursuit of PKK forces in the region (IHS Jane's, 2015f). In 2008, PKK insurgents successfully attacked a Turkish military outpost (IHS Jane's, 2015f). Tensions rose again in 2011 and current peace initiatives do not seem to be effective.

Turkey and Greece have a contentious relationship due to sovereignty disputes in the Aegean Sea and the division of Cyprus (Zanotti, 2014). Turkey has militarily intervened to protect the Turkish minority in the northern part of the island, even when it meant opposing the United States (Zanotti, 2014). Another point of contention in the international arena is Turkey's refusal to recognize the mass killings of Armenians during the Ottoman Empire as "genocide" (Zanotti, 2014). Turkey also faces criticism for not doing more to stop extremists from using their border crossings to transit into Iraq and Syria. All these factors have likely impacted its decision to diversify from more common NATO defense suppliers.

While Turkey has experienced many trials, the country has also managed robust economic growth in the past decade and transformed into the world's 17th largest economy (Zanotti, 2011). While Turkey's economy is doing well, the country does rely on trade with Russia for key items, such as natural gas (Bonfield, 2014). Turkey has long desired to become a member of the European Union (EU); however, several of these issues have impeded the country's ascension as a member state.

## **B. UTILIZATION OF SECURITY ASSISTANCE PROGRAMS**

Turkey's strategic importance is in large part due to its social, economic, and geographic ties to both the east and west. During the Cold War, Turkey was one of the only NATO members that shared a common border with the Soviet Union. The United States and Turkey have a long history of security cooperation. U.S. security assistance to Turkey aims to increase the interoperability of the Turkish Armed Forces with other NATO countries and border security (U.S. Department of State, 2015).

Turkey purchases defense equipment from a diverse array of suppliers from numerous countries. The United States is currently the largest supplier of defense equipment to Turkey; however, Germany and South Korea are relatively close behind (SIPRI, 2015). Over the past decade, Germany, South Korea, and Israel have each held the top spot some years (SIPRI, 2015).

Turkey aims not only to be a buyer of defense equipment, but also a seller, which thus limits any supplier nation's power over them. In 2004, a shift in Turkish policy placed greater preference on its national defense industry (IHS Jane's, 2015f). As such, Turkey places great emphasis on co-production and technology transfer when buying or receiving defense equipment.

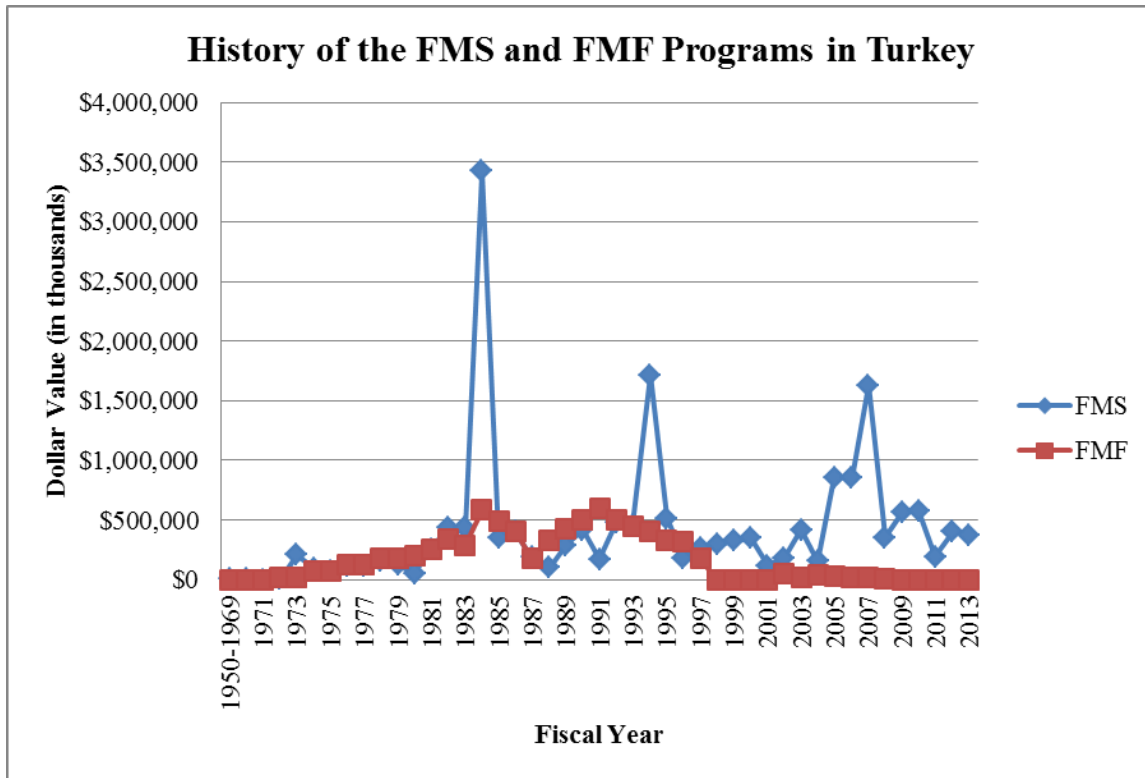
### **1. United States**

Resulting from its support of Gulf War operations, Turkey was a major recipient of U.S. security assistance throughout the 1980s and 1990s. Turkey allowed the United States to use its military bases for air strikes, closed the Iraq-Turkey oil pipeline, and increased troop deployments on the Iraqi border (Zanotti, 2011). Turkey's role as a critical ally has continued given current U.S. operations in the Middle East. Turkey serves as an access point for equipment en route to Afghanistan, Iraq, and Syria. The United States would incur significant additional costs if its forces could not use Turkey as a transition point for deployment to the Middle East.

As displayed in Figure 23, while Turkey received large amounts of funding through the mid-1990s, FMF assistance was phased out after 1997 (Robey & Vordermark, 2003–2004). The 9/11 attacks led to an influx of operations in the region. Given the extent of Turkish support of U.S. forces in past operations, the United States expected Turkey once again to allow the United States use of its bases; however, the Turkish Parliament denied the request for access. This denial perhaps influenced the U.S. decision to reinstate FMF assistance to Turkey. Turkey received approximately \$60 million as part of supplemental FMF funds from 2001 to 2003. Eventually, Turkey granted permission for the use of airspace, and also allowed “use of Turkish bases and border crossings for troop rotations and transport of non-lethal supplies to and from Iraq”

(Zanotti, 2011, p.46). Allocation of FMF funds reached over \$30 million in 2004 and 2005 (DSCA, 2013), before dropping to approximately \$14 million in both 2006 and 2007, and phased out again in 2010 (DSCA, 2013). These funds were used to defray costs associated with deploying and sustaining Turkish troops during the ISAF mission (Robey & Vordermark, 2004).

Figure 23. History of the FMS and FMF Programs in Turkey.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

Turkey is one of nine partner countries in the F-35 program. As such, some F-35 components are expected to be produced in country (“Global Participation,” n.d.). While support for the program has wavered as costs have increased, the country is currently committed to procure six aircraft (IHS Jane’s, 2015g). It is expected Turkey will procure the aircraft through DCS.

## **2. Russia**

As Turkey has sought diversification in military suppliers, the country's military-technical cooperation program with Russia has grown in recent years. In 2008, Turkey signed a \$100 million contract with Rosoboronexport for medium range anti-tank missiles and launchers (IHS Jane's, 2015h). The intent of this deal was to supply Turkish Armed Forces, while a national company continued to develop an indigenous system (Zanotti, 2011). Russia continues to seek to expand its military cooperation with Turkey.

## **3. Other Nations**

Additional major programs include a \$3 billion dollar submarine contract signed in 2009 with German Howaldtswerke-Deutsche Werft and Marine Force International (HDW-MFI) (IHS Jane's, 2015h). It was reported that a number of components would be produced in country, with industrial participation estimated to reach 80 percent (Zanotti, 2011).

In 2001, Turkey issued a \$1 billion contract to South Korean company Samsung Techwin for Firtina self-propelled guns (IHS Jane's, 2015h). This contract demonstrated Turkey's diversification of suppliers, as sales from traditional suppliers in Germany and the United States declined significantly in the same year (SIPRI, 2015). In 2008, a \$400 million contract was signed between a South Korean and Turkish defense company to develop and produce main battle tanks (IHS Jane's, 2015h). While the contract has experienced several delays, Hyundai Rotem is expected to transfer a significant amount of technology as part of the deal (Zanotti, 2011).

China's Precision Machinery Import Export Corporation (CPMIEC) HQ-9 was selected as the winner of Turkey's 2013 surface to air missile contract. China's proposal reportedly undercut systems offered by the United States, a European consortium, and Russia, by approximately \$1 billion (IHS Jane's, 2015h). Turkey's selection of a Chinese company has been seen by some as an entry point for China into the European market (IHS Jane's, 2015h). The HQ-9 would not be interoperable with the NATO defense systems already in operation in Turkey. The United States and other NATO partner

nations are rightfully concerned about the impact this selection may have on coalition efforts (Bekdil, 2015).

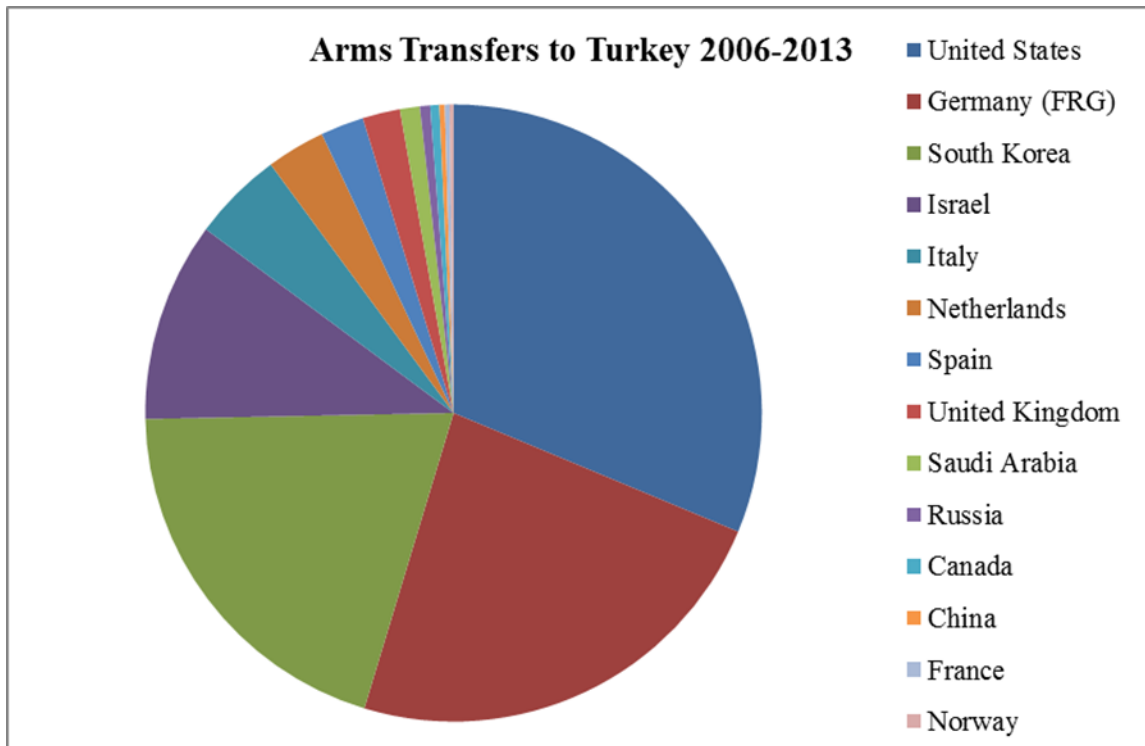
Due in large part to NATO partner concerns, the final decision is pending. “CPMIEC is subject to U.S. sanctions under the Iran, North Korea, and Syria Nonproliferation Act” (Pub .Law No. 106-178, as amended) (Bekdil, 2015, para.6). The likelihood also exists that any national companies involved in the project may be denied access to U.S. technology or equipment for this or future programs (Bekdil, 2015). The extent of technology transfer is reputed to be one of the primary factors for the selection of CPMIEC; however, the cost may be too high if it places future programs at risk.

Historically, Turkey has had a close defense relationship with Israel. From 2001–2013, Israel was the fourth largest arms supplier to Turkey (SIPRI, 2015). Israeli companies have been awarded a number of contracts for the upgrade of Turkish equipment. There is also a history of contracts for co-production designed to increase the capability of the Turkish defense industry (IHS Jane’s, 2015h). In 2005, two Israeli companies were awarded a \$190 million contract for unmanned aerial vehicles (UAVs). Turkey was then able to develop an indigenous UAV (IHS Jane’s, 2015h). In response to a request for proposal issued in 2007, a Turkish company won the contract to produce mine-protected vehicles with the support of an Israeli firm (IHS Jane’s, 2015h). Relations soured in 2010 when Israeli forces raided a Turkish ship attempting to deliver supplies to Gaza. This raid infuriated Turkey, which announced that it would suspend military and defense trade. Later that year, Israeli Prime Minister Netanyahu apologized for the incident (IHS Jane’s, 2015h).

Turkey’s diversification of defense suppliers has partially been a result of Turkish preference for co-production and transfer of technology. While many countries are reliant on donor nation assistance for defense equipment, Turkey’s strong economy has allowed it greater choice with which programs (and countries) it chooses to engage. See Figure 24.



Figure 24. Arms Transfers to Turkey.



After SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/data/bases/armstransfers>

Supplying nations may have less control of Turkish programs because the country has the capability to fund much of its own defense procurement. Turkey's willingness to engage with countries across the spectrum has raised concerns in many circles. Moving forward, it will be interesting to see with which countries Turkey decides to align itself more closely.

### C. IMPACT

Turkey is located on the southeastern border of NATO and hosts an early warning missile defense radar system (Zanotti, 2014). Significant arms procurement has resulted in increased interoperability with the United States and other NATO nations. Turkey has also provided humanitarian assistance through NATO operations after Hurricane Katrina and the Pakistan Earthquake in 2005.

One of the key considerations of U.S. security assistance is access to Turkish bases and border crossings. Incirlik Air Base hosts a significant U.S. military presence and has been used to support numerous U.S. and NATO operations in the region (Zanotti, 2014). At the peak of its FMF program in the early 1990s, Turkey provided support to the Operation Provide Comfort and Operation Provide Comfort II that provided humanitarian support and protection to Kurds in northern Iraq.

Turkish cooperation has helped to combat terrorism in the region. While Turkey initially hesitated to play a significant role in regional conflicts, it has contributed troops for humanitarian aid and training of ISAF forces in Afghanistan, and has twice commanded the ISAF mission (Zanotti, 2014). In the past several years, Turkey has participated in the Eager Lion Exercise that facilitates responses to conventional and unconventional threats in the region. Turkey supplies assets to the Blacksea Harmony and Operation Active Endeavor missions. These missions contribute to maritime security in the Black Sea.

Turkey's ability to pay for defense equipment and its preference for co-production has helped not only to strengthen its defense industrial base/economy, but also support defense industry in many nations. Turkey exports arms to a number of countries, including Saudi Arabia and UAE (SIPRI, 2015), and is one of nine partner nations on the F-35 program (IHS Jane's, 2015h). Participation in this project not only leads to greater cost sharing, but increases long-term interoperability.

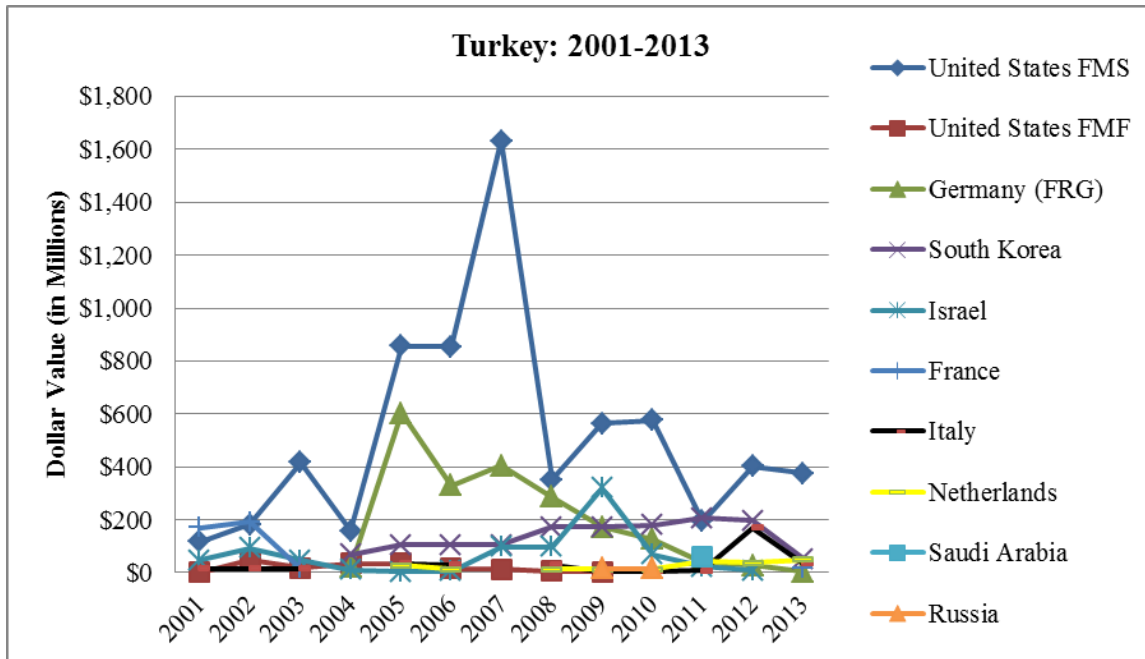
#### **D. CHAPTER SUMMARY AND CONCLUSION**

With its well-trained and equipped armed forces, Turkey is among the strongest military powers in the region (Zanotti, 2011). Continued economic growth, increased military spending and a developing national industrial base help to ensure Turkey will be a key contributor in future regional security matters (Zanotti, 2011). Other nation's apprehensions about civil liberties and secular governance in the country will likely continue to impact international relations.

The extent of U.S. assistance to Turkey has ebbed and flowed, depending in large part on operations in Europe and the Middle East. Turkey's initial decision not to approve

the U.S. request to use its bases and border crossing may have been influenced by the fact that the United States had stopped providing foreign military financing grants. This decision demonstrates the potential impact that the elimination of a security assistance program may have on future interactions with a country. Figure 25 shows trends in the value of several international programs in Turkey from 2001 through 2013.

Figure 25. International Programs in Turkey.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf); SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

Turkey has demonstrated its willingness to diversify away from traditional NATO defense partners in exchange for a better price or increased technology transfer. Its desire to become more self-reliant for design and development of defense equipment can be seen as both a positive and negative matter. While increased national defense industrial capacity will allow for continued national economic growth, Allies have expressed concerns about whom Turkey is willing to partner with to expand their industrial base.

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## **VI. LEBANON**

The United States is the dominant security assistance provider to Lebanon. U.S. FMF objectives include supporting counter-terrorism efforts and U.N. objectives and strengthening border security. Despite opposition forces operating in Lebanon, U.S. aid has resulted in improved interoperability, access, and understanding with the Lebanese Armed Forces (LAF). In addition to U.S. assistance, other prominent donors are supporting the LAF efforts. The LAF will continue to require security assistance to support efforts to maintain national security and stability. Lebanon utilizes the U.S. FMS and FMF programs. While Lebanon received arms from the Soviet Union in the 1970s and 1980s, it does not have an active program with Russia.

### **A. BACKGROUND**

Lebanon plays an important role in the security and stability of the Levant and the broader Middle East. The country has struggled with military occupation and external interference in recent decades. Civil war erupted in 1975 over internal ethnic, religious, and political differences and external pressure from the Palestinians, Israel, and Syria. Signed in 1990, the Taif Agreement brought the civil war to an end (Blanchard, 2014). The Saudi government helped broker the agreement, which outlined the disarmament of non-government forces and set a timetable for the withdrawal of Syrian Forces. Syrian military forces departed in 2005, after a nearly 30-year presence. The United States participated as part of multinational peacekeeping force in the early 1980s; however, U.S. forces were withdrawn after the October 1983 barracks bombing that killed 241 U.S. servicemen (Blanchard, 2014).

As a result of United Nations Security Council Resolution 1559 (2004), “which declared support for a free and fair presidential election, and called for the withdrawal of foreign forces” from Lebanon, Syrian Forces withdrew and a pro-Western government came into power (United Nations, 2004, para.1). This change led to a reinstatement of U.S. security assistance to the country.

The withdrawal of Syrian Forces meant the LAF had to assume responsibility for internal security challenges (IHS Jane's, 2015i). In 2006, Israel began an air and ground assault against Hezbollah forces and suspected Hezbollah infrastructure. After a month of conflict, the United National Security Council passed Resolution 1701, "which called for a permanent ceasefire based on the creation of a buffer zone free of armed personnel other than UN and Lebanese Forces in southern Lebanon" (United Nations, 2006). While the United States continued to provide security assistance to the country, policy was refocused towards building state security forces capable of controlling the territory and implementing the aforementioned U.N. Security Council resolutions (Addis, 2011).

Hezbollah's more advanced weapons, which historically exceeded the weapons capability of the LAF and police, is one of the primary internal security concerns in Lebanon. These concerns are driven by the role of Hezbollah in the country. While a Hezbollah is a formal political party in the country, they are supported by Iran and are considered a terrorist threat by the U.S. and many European countries (Blanchard, 2014). While Congress has generally supported extensive security assistance for Lebanon, some lawmakers argue that Hezbollah may use U.S. equipment against Israel. Others refute this argument by arguing that security/military assistance is a counterweight by strengthening the LAF (Blanchard, 2014).

The LAF has limited capabilities in comparison to its more powerful neighbors. Historically, it has been underfunded and underequipped, with a significant portion of its budget spent on salaries and benefits for military personnel. As a result, the LAF is reliant on international assistance for acquisition, training, operations, and maintenance (IHS Jane's, 2015j).

The LAF has an ambitious multi-year capabilities development plan (CDP) designed to ensure it can fulfill national defense duties. Signed in 2013, the plan details priorities, goals, and requirements required to build the capacity of the LAF (Blanchard, 2014). This plan is particularly noteworthy, as it is reportedly the first attempt by the LAF to formulate a strategic vision for its way forward.

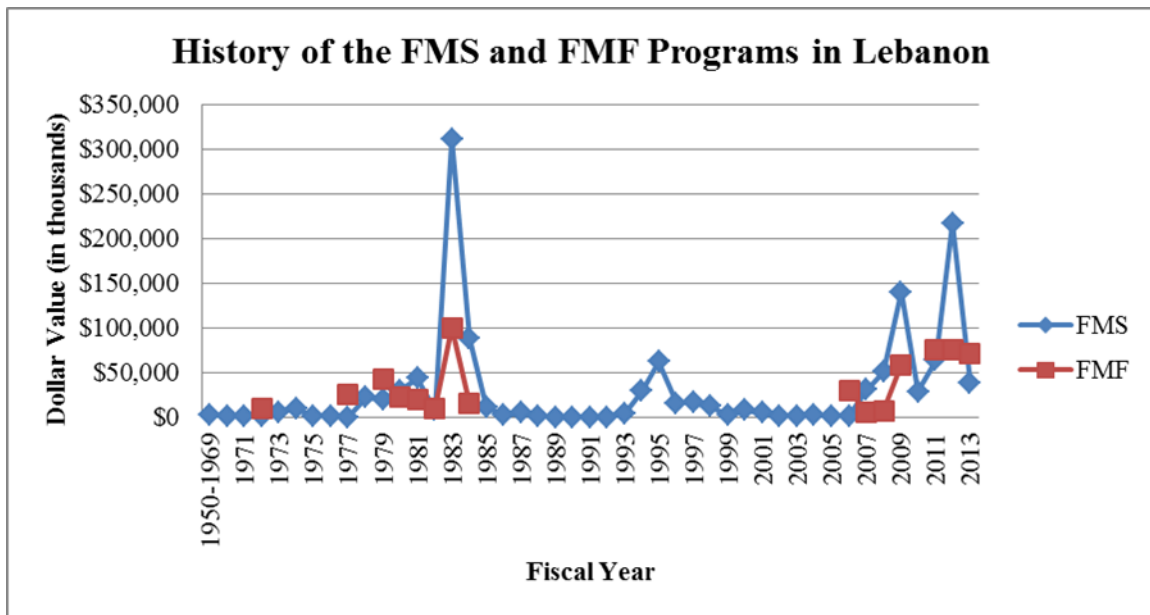
## B. UTILIZATION OF SECURITY ASSISTANCE PROGRAMS

Due to a limited national defense budget, the LAF is dependent on international military/security assistance. The largest international donors include the United States, UAE, and the Kingdom of Saudi Arabia (Nerguizian, 2014). As a recipient country, Lebanon recognizes that foreign assistance is a political tool and depends on the priorities of the donor nation.

### 1. United States

Figure 26 shows the trend of the FMS and FMF programs in Lebanon (DSCA, 2013). It is not surprising that the peaks in FMS agreements correspond with high value FMF budgets in 1983, 2009, and 2012, as FMF funds were used to buy equipment through the FMS program.

Figure 26. History of the FMS and FMF Programs in Lebanon.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf)

The country was embroiled in a civil war from 1975–1989, and assistance during that time focused on training and equipping the LAF (Addis, 2011). Following Syria’s withdrawal from the country in 2006, U.S. security assistance has steadily increased. More than \$400 million of overseas contingency operations (OCO) FMF funds were allocated between 2007 and 2010 (“Foreign Military Financing Account Summary,” n.d.). These funds are not accounted for in Figure 26 since they are considered part of a separate budget for temporary extraordinary costs.

FMF assistance is limited “to professionalize the LAF and to strengthen border security and combat terrorism, including training and equipping the LAF to secure Lebanon’s borders, interdicting arms shipments, preventing the use of Lebanon as a safe haven for terrorist groups, and to implement United Nations Security Council Resolutions” (Blanchard, 2014). Lebanon uses several million dollars of FMF on U.S. training each year (White House, 2013). Core programs have focused on training for the use of technical equipment and Special Forces.

When the FMF program resumed in 2006, early assistance to the LAF comprised of ammunition and spare parts (Addis, 2011). Assistance gradually expanded in both quantity and quality, to include more advanced equipment, such as an armed Cessna Caravan to improve air support and surveillance (Addis, 2011). In 2009, several UAVs intended to help protect against rocket launches were delivered (Addis, 2011). Lebanon also received communications equipment, to include tactical radios and a radio system (Addis, 2011). Other large programs include high mobility multi-purpose wheeled vehicles and coastal security craft (Johnson, 2013).

The United States has decreased or cut FMF assistance to Lebanon in several instances. As mentioned previously, one case followed the barracks bombing during the Civil War in the 1980s. Another significant reduction occurred in 2010 when the LAF fired upon an Israeli Defense Force Unit performing routine operations near the Israel-Lebanon border (Addis, 2011).



## **2. Other Nations**

The UAE has a strong relationship with the LAF. UAE Armed Forces assisted in mine-clearance operations in southern Lebanon in the 1980s and 2000s (“UAE and Lebanon’s Military Bond Becomes Stronger,” 2010). More recently, the UAE has provided approximately \$150 million in security assistance. Equipment provided consisted of IAR-330 Puma and Gazelle helicopters, A-3 tanks, trucks, body armor, tactical radios, and various spare parts to “boost the capabilities of the LAF” (Johnson, 2013).

The role of the Kingdom of Saudi Arabia as a donor nation is fairly new in Lebanon. While previously donating approximately \$68 million primarily for ammunition (Johnson, 2013), in 2013, Saudi Arabia pledged \$3 billion to procure French armaments for the LAF (IHS Jane’s, 2015k). The procurement of French equipment was said to be a snub to the United States, which Saudi Arabia felt was doing too little to help the uprising against the Assad regime in Syria. The agreement to provide 24 CAESAR 155 mm self-propelled howitzers was formally signed in 2014 (Van Tets, 2014). Other requested items included Mistral short-range air defense systems, anti-aircraft guns, armored combat vehicles, Cougar helicopters, and Combattante fast attack craft (IHS Jane’s, 2015j). While officially designed to boost stability in Lebanon, the donation was also meant to bolster the Army against Hezbollah (Van Tets, 2014).

While Saudi Arabia included conditions (such as procurement from France) on the donation, the LAF were able to provide input as to the selection of the equipment. Evidence suggests that the analysis included life cycle costs and integration considerations. Lebanon reportedly turned down offers for France’s attack helicopter, tanks, and large ships (“French Weapons to Arrive in Lebanon to Fight IS,” 2015).

As the Islamic State of Iraq and the Levant (ISIL) threat in the region has grown, Saudi Arabia has continued to increase assistance. The Kingdom announced an additional \$1 billion for Lebanese security forces in 2014, with nearly half of the donation designated for the LAF (Van Tets, 2014). Part of the funding is being spent on U.S. armed Cessna aircraft, which will be able to fire Hellfire laser-guided missiles (Van Tets,

2014). The recent Saudi pledges account for more than double the estimated annual national defense budget.

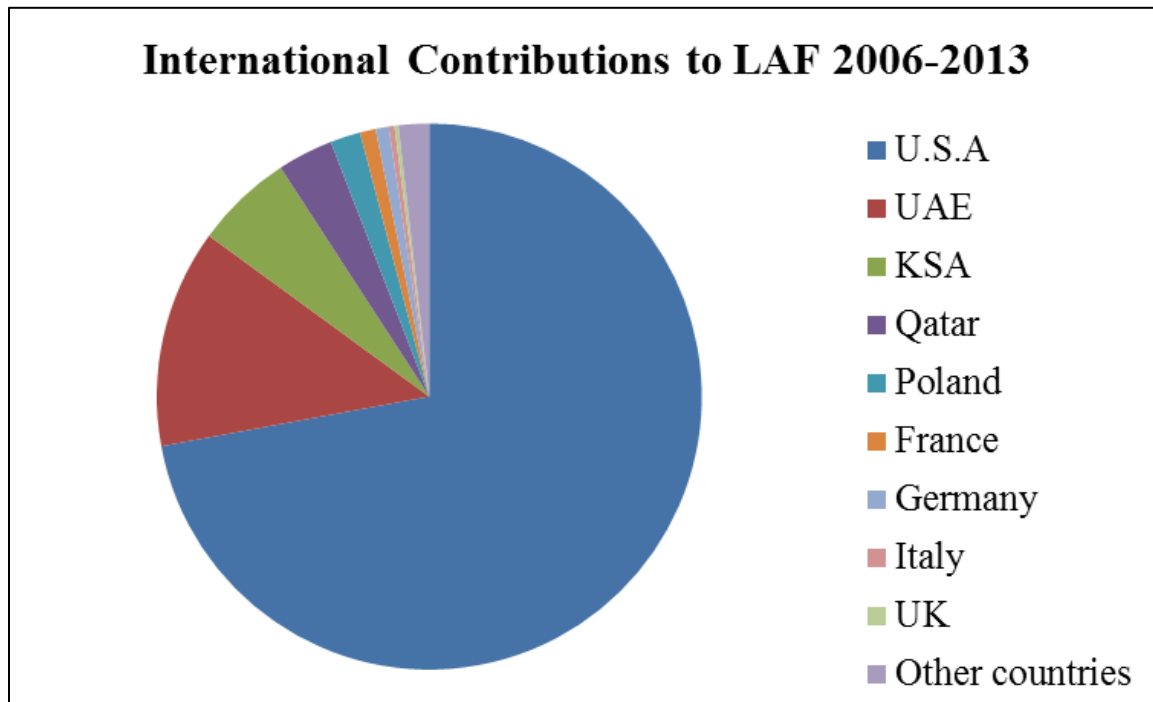
As noted in Figure 27, other international donors include Qatar, Poland, France, Germany, the United Kingdom, and Italy (Johnson, 2013). Qatar's assistance program has primarily consisted of helicopters, vehicles, and spare parts, with an estimated value of \$40 million (Johnson, 2013). Poland's assistance consisted of small arms and ammunition (Johnson, 2013). Germany's program provided patrol boats, naval radars, and related equipment at an estimated value of \$12 million (Johnson, 2013). French assistance consisted of body armor, sniper rifles, and ammunition (Johnson, 2013). The United Kingdom has provided anti-riot equipment and an explosive ordinance disposal system (Johnson, 2013). Italian assistance has consisted of vehicles and spare parts (Johnson, 2013).

While the Soviet Union provided Lebanon with limited military equipment in the 1970s and 1980s, the relationship has not continued with Russia (SIPRI, 2015). This discontinuation is likely in part due to Russia's role as a primary arms supplier to Iran and Syria.

Iran has offered military aid in the form of tank ammunition, artillery, and heavy machine guns in both 2011 and 2012; however, the offers were not accepted (IHS Jane's, 2015i). Unsurprisingly, Hezbollah expressed support for the deal with Iran. Notwithstanding, the UN arms embargo, and integrating Iranian weaponry would have proven difficult. Iran is not a viable candidate to support LAF goals of military stabilization and within its own borders as it funds the Hezbollah militia (Van Tets, 2014).

As shown in Figure 27, the United States accounts for nearly 75 percent of international security assistance to Lebanon. Since 2006, the United States has provided more than \$1 billion in assistance funds. From 1960–2013, the United States and France were the two largest arms exporters to Lebanon (SIPRI, 2015).

Figure 27. International Contributions to the LAF.



From Nerguizian, A. (2014). *Lebanon at the crossroads*. Statement before the U.S. Senate Foreign Relations Subcommittee on Near Eastern and South and Central Asian Affairs.

### C. IMPACT

Security assistance programs in Lebanon have emphasized successful implementation of UN Security Council Resolutions 1559 and 1701 in support of a free and fair presidential election, the withdrawal of foreign forces, the creation of a buffer zone, and counter terrorism efforts. The LAF has made strides and will continue to require international assistance as it works towards these goals.

Lebanon has improved internal security with the acquisition of modern equipment. During the 2007 confrontation with pro-Al-Qaeda militia fighters, the United States and several Gulf countries (including Jordan, Egypt, and the UAE) airlifted artillery and tank ammunition to the LAF to supplement diminishing supplies. Syria supplied T-54/55 tank ammunition, along with artillery ammunition for the LAF's Soviet

origin guns (IHS Jane's, 2015k). The United States alone flew eight re-supply flights to Beirut in May 2007 (IHS Jane's, 2015k).

In the same year, Belgium's minister of defense confirmed an agreement to supply Leopard-1 tanks and other armored vehicles to the LAF (IHS Jane's, 2015k). The delivery of the Leopard tanks was put on hold pending permission for the deal from the authorities in Germany, where the tanks were manufactured (IHS Jane's, 2015k). Discussions in 2008 focused on the sale of armored vehicles (IHS Jane's, 2015k). Subsequently, Belgium delivered the armored infantry fighting vehicles (AIFVs), each equipped with a 25 mm cannon, and the M113 ambulances (IHS Jane's, 2015k). With extensive international military assistance, the LAF were able to take full control of the area of conflict after several months, but a large portion of the Nahr al Bared refugee camp was destroyed (Johnson, 2013).

Modern communications equipment has better enabled the LAF to remain connected throughout Lebanese territory. Previous communications systems were incompatible between units and with other government agencies because their primary methods of communication were landline or mobile phones that were vulnerable to interception and jamming (Addis, 2011).

Border security continues to remain a significant concern in Lebanon. Receipt of numerous helicopters, armored vehicles, and trucks has enabled the LAF to become a more mobile force that can better patrol Lebanon's still porous borders. The LAF has captured several high-profile terrorists, including a facilitator for several al Qaeda-affiliated groups that have carried out suicide bombings in Beirut and other Lebanese cities (Blanchard, 2014).

The LAF has been working to improve force readiness levels and have seen significant improvement in this area. The LAF has received extensive equipment donations from an array of countries. While the equipment is critical to expanding LAF capability, these donations have also created a challenge in terms of maintaining and supporting the various types of equipment (IHS Jane's, 2015i). Equipment is extremely expensive to keep operational. It is estimated that approximately 70 percent of the total

ownership cost of equipment is in operation and support costs. If these expenses are not considered in planning, significant risks arise of not being able to use the equipment down the line.

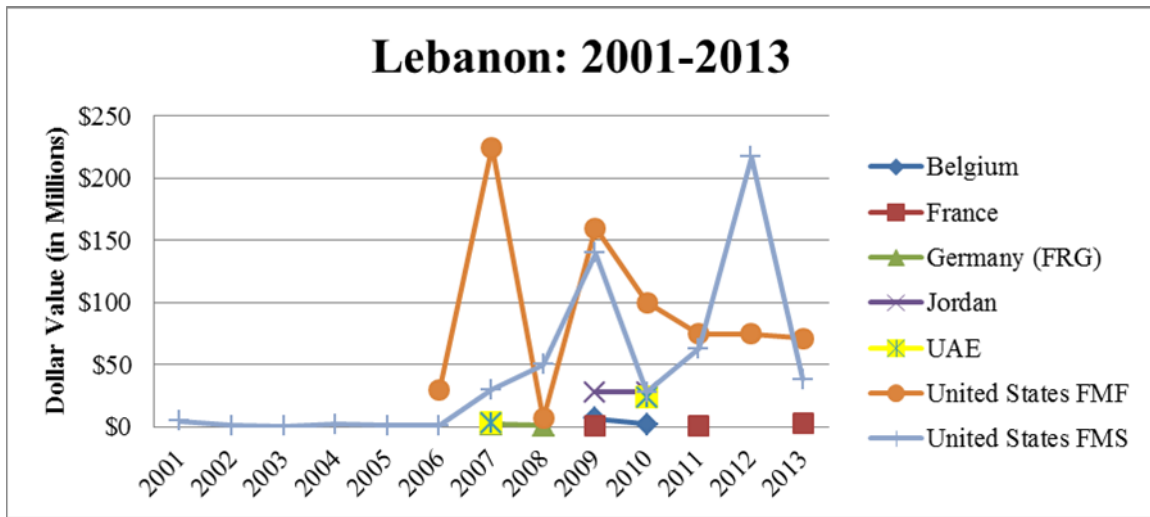
Since 2008, the LAF and United Nations Interim Force in Lebanon (UNIFIL) have steadily strengthened their cooperation. They have started jointly conducting patrols on a daily basis. They also conduct joint exercises at the battalion, sector, and headquarters levels focused on a range of scenarios (“UNIFIL Operations,” 2015).

Lebanon has participated in several of the past iterations of the annual Eager Lion Exercise. Eager Lion is one of the largest military exercises in the Middle East region and is designed to facilitate responses to both conventional and unconventional threats (U.S. Central Command, 2015). Participating nations strengthen partnerships and increase military interoperability.

#### **D. CHAPTER SUMMARY**

Lebanon has encountered many trials and tribulations since becoming independent. The withdrawal of Syrian forces and the Israeli-Hezbollah war have been tests in Lebanon’s recent history. Lebanon has found reliable international partners willing to provide significant security assistance to support efforts to build a stable and secure nation. The capability of the LAF is instrumental in the ongoing efforts to achieve these goals. Given the limited national defense budget, international security/military assistance is critical to grow LAF capability. Security assistance programs implemented by the United States, and recent pledges from Saudi Arabia and the UAE, have increased significantly in the past decade and must continue to provide funding and modern equipment for the LAF to implement UN Security Council Resolutions 1559 and 1701 successfully. Figure 28 shows trends in the value of several international programs in Lebanon from 2001 through 2013.

Figure 28. International Programs in Lebanon.



After Defense Security Cooperation Agency. (2013). *Historical facts book*. Retrieved from [http://www.dsca.mil/sites/default/files/historical\\_facts\\_book\\_-\\_30\\_september\\_2013.pdf](http://www.dsca.mil/sites/default/files/historical_facts_book_-_30_september_2013.pdf); SIPRI arms transfer database. (2015). Retrieved from <http://www.sipri.org/databases/armstransfers>

Security assistance has evolved from basic supplies of ammunition and spare parts following the withdrawal of Syrian forces, to more advanced systems such as helicopters, UAVs, and self-propelled howitzers that the LAF requires to fulfill its role in ensuring security and stability within its nation. Security assistance providers have remained largely unchanged over the past few decades; however, that assistance has increased sharply in the past few years. Continuity of recent security assistance programs has strengthened LAF capabilities and provides continued encouragement for a stable and pro-western government.

## **VII. CONCLUSION**

Security assistance programs help build partner nation capacity and serve as a mechanism to obtain access to and influence militaries in allied and friendly nations. The sheer number and cost of conflicts make it impossible for a limited number of nations to carry the full burden of providing global security. Partner nations must be empowered to play a role. More often than not, these nations require assistance to increase military capability before they are able capable of making a greater contribution. Security, or military, assistance programs are one of the primary methods in which a country can build partner nation capacity. Capable armed forces are better able to defend their countries and contribute to joint operations. The implementing nations gain benefits, such as defense industrial growth, greater access in the region, and are better able to achieve national security objectives.

The United States and Russia have two of the largest security/military assistance programs in the world. Both programs strengthen the capabilities of the armed forces in recipient nations and strengthen the implementing nation's strategic position. Historically, U.S. and Russian programs focused on different countries; however, the end of the Cold War and globalization has resulted in countries utilizing programs from a larger number of nations. Emphasis has shifted from the more traditional East/West focus to countering transnational threats and the rising military power of China.

Both Russia and the United States have complex structures in place to oversee, coordinate, and implement their security assistance programs. Program implementation typically involves multiple government organizations and defense companies, who may have competing interests. Given the current global environment, strong defense industries and national military capabilities, it is likely that the United States and Russia will remain key players in the implementation of security assistance programs. The United States seems to be significantly more transparent, with the government publishing detailed data on security assistance programs online. The Russian data was primarily available through secondary sources, such as SIPRI and IHS Jane's.

Regional trends for both U.S. and Russian programs indicate growing engagement in the Near East South Asia and East Asia-Pacific regions that can likely be attributed to China's rising threat, from the perspective of both the implementing and recipient nations. The United States and Russia are both concerned with China's rise to global power and keen to protect their own interests. Incidentally, countries in the region are also extremely anxious about China's aggression in the South China Sea. From 2006–2013, countries in these regions accounted for over 80 percent of U.S. FMS agreements, (DSCA, 2013), 95 percent of FMF budget allocation (DSCA, 2013), and approximately 73 percent of Russian arms transfers (SIPRI, 2015). While recipient regions share strong similarities, the programs within the regions are more diverse. With the exception of the Near East and South Asia, the top recipient country in each region accounts for a relatively small portion of security assistance from the other country. This level of assistance is a key indicator of foreign policy objectives and demonstrates while intersecting regional concerns are occurring, less commonality results at the national level.

The use, implementation, and impact of security/military assistance programs in Indonesia, Lebanon, and Turkey were studied. In today's environment, it is not uncommon for countries to use security assistance programs from multiple nations. Implementing and recipient countries may have competing interests that must be strategically balanced. To have a successful lasting engagement, both sides must benefit from the program. Background information, history of security/military assistance programs, implementing nations, and operational impact of equipment received are analyzed throughout the country chapters. Sufficient planning prior to program implementation can help to ensure the recipient nation is able to support and maintain the equipment throughout its operating life. Both implementing and recipient nation should make efforts to ensure programs are complementary. Suspension, or drastically altering the level of engagement with a country, can have a long-term impact on future political relations.

Indonesia is a key partner in counterterrorism and maritime security operations in the East Asia and Pacific region that uses the U.S. FMS, FMF and Russian MTC



programs. Its size, demographic, and strategic position have contributed to the country's position as an emerging power. The armed forces have been connected to numerous human rights abuses that have impacted the implementation security/military assistance to the country. While the program has been halted temporary at times, Indonesia's significance to key U.S. objectives in the region has contributed to the reinstatement of security assistance programs.

Indonesia is reluctant to "place all their eggs in one basket," after previous sanctions on the receipt of security assistance. Historically, the United States, Germany, the Netherlands and the United Kingdom were the primary suppliers of military equipment to Indonesia. Russian military-technical cooperation started in the early 2000s when the United States halted security assistance to the country. Arms transfers from South Korea and France increased during this time period as well. These relationships have continued to expand even though programs with traditional partners have been reinstated. From 2006–2013, Russia accounted for the largest portion of arms transfers (SIPRI, 2015). The country must remain committed to the transformation of its armed forces if it is to continue to inspire confidence as a reliable partner nation. Reverting to poor treatment of human rights could have a negative impact on its security assistance programs.

Security assistance programs in Indonesia have helped to improve the capability of the TNI. Programs have focused on maritime security, humanitarian and disaster relief, and peacekeeping operations. Receipt of modern equipment has helped to counter threats of piracy, illegal fishing, smuggling, and terrorism. Indonesia participates in several multinational exercises, and in the past few years, has begun hosting exercises focused on humanitarian assistance and disaster relief and counterterrorism. Building the capacity of Indonesia's Armed Forces has resulted in a partner nation able to serve as a significant contributor of personnel to UN peacekeeping missions.

As a NATO member, Turkey has an established defense relationship with the United States and other allied nations. Its location, at the junction between Europe, the Middle East, and the former Soviet Union, and the balance between western and eastern

influences, gives it a unique and valuable position. With its well trained and equipped armed forces, Turkey is among the most able military powers in the region.

While the country has undergone several periods of political instability and experienced poor economic management, it has seen significant economic growth in the past decade. Turkey's desire not only to be a buyer, but also a global exporter of military equipment, has influenced its use of security assistance programs. Higher preference is placed on co-production and technology transfer, which has impacted the nations and companies the country chooses to partner with for procurement of defense equipment. Turkey has demonstrated a willingness to diversify from traditional suppliers in exchange for increasing national defense industrial capability.

The extent of U.S. security assistance to Turkey has widely varied over the years, and is dependent on operations in Europe and the Middle East. Turkey hosts a NATO early warning missile defense radar system, and has participated in numerous joint operations that have resulted in increased interoperability. The United States has long benefited from access to Turkish military bases and border crossings, which have been used to support recent operations in Afghanistan, Bosnia-Herzegovina, Iraq, and Kosovo. Turkey's ability to use national funds for defense procurement has resulted in a more capable defense industrial base and strengthened its national economy.

Lebanon plays an important role in the security and stability of the Levant, and the broader Middle East. Despite opposition forces operating in Lebanon, U.S. aid has increased interoperability, access, and understanding with the LAF. In addition to U.S. assistance, strong regional partners, such as the UAE and Saudi Arabia, have increased assistance to the country. The country has struggled with external pressure from Israel and Syria; however, the LAF is becoming increasingly more capable. The United States accounts for approximately 75 percent of international security assistance to the country in support of LAF efforts to strengthen border security and fight terrorism (Nerguizian, 2014). One of the primary goals of UNIFIL is to assist the armed forces in restoring its authority and securing borders in southern Lebanon. The LAF continues to make progress towards building the capacity necessary to fulfill national defense duties.

Security assistance programs in Lebanon have helped the LAF progress in its efforts assume full responsibility for national defense. Receipt of modern equipment has helped improve readiness levels and enabled the LAF to patrol its borders better and fight terrorism. It has steadily increased its collaboration with UNIFIL and increased participation in multilateral regional exercises. While security assistance providers have remained largely unchanged over the past few decades, assistance has increased sharply in the past few years, which is likely due to increased regional security concerns.

The impact of significant changes in levels of engagement is particularly true in Indonesia and Turkey. These countries have had significant peaks and drops in levels of U.S. security assistance, and in both instances, the decline has led to increased levels of engagement with other nations.

As the transnational threat of terrorism has increased in the past decade, U.S. engagement has increased with each of the three countries included in this study. It could be argued that counterterrorism efforts have perhaps surpassed human rights concerns in implementation of U.S. security assistance programs. Evidence suggests it may be true, and administrations must weigh the tradeoffs between such decisions. The rising threat of China has also led to increased programs in East Asia and the Pacific, as countries in the region aim to increase their national defense capabilities.

Major global powers implement security assistance programs that not only benefit themselves, but also build partner national capacity. A more capable partner nation is a valuable asset when it comes to addressing common security challenges. Capable partner nations are better able to defend their sovereign territory and contribute to joint or coalition efforts. Security assistance programs not only help to build defense relationships, but also promote diplomatic ties between countries. Given the ever-changing global environment, security assistance programs will remain essential countering security threats and continue to evolve.

Research conducted for this project identified several areas for further examination:

1. Trends in all security assistance programs and their impact on a recipient nation
2. How changes in one security assistance program impact other programs implemented by the same nation
3. Examination of the impacts of security assistance programs for all nations in one region
4. Process improvements in the implementation of security assistance programs
5. The influence a recipient nation can have on the direction of security assistance program

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