



# NDC Research Report

*Research Division*

*NATO Defense College*

*01/17 – March 2017*

## **Moscow in the Donbas: Command, Control, Crime and the Minsk Peace Process**

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Both sides in the war in Ukraine have demonstrated an ability to control the level of violence in the eastern part of the country, Alexander Hug, a senior official with the Organization for Security and Cooperation in Europe (OSCE), announced at a press conference in Brussels on 18 October 2016. “There is clear evidence [they] have the ability to command and control their forces or armed formations on both sides because otherwise it would not be possible that you could calm down a situation where you regularly have thousands of violations.”<sup>2</sup> US officials agree. They have repeatedly indicated that Moscow has “enormous leverage” over the pro-Russian fighters.<sup>3</sup> “If the [the Russians] want to stop it [the violence], of course, they can do it,” a US State Department representative said in March 2016, “and they, in fact, have to do it.”<sup>4</sup>

On the other hand there also is circumstantial evidence that Moscow may not control all the fighting on the ground. In a recent report, a Dutch-led criminal investigation team published strong evidence that in July 2014 Malaysian Airlines Flight MH17 was downed by a Russian-made surface-to-air Buk missile fired from territory controlled by pro-Moscow fighters in eastern Ukraine. However, the report stopped short of saying whether the order to fire came from pro-Russia commanders acting independently, the Russian military personnel stationed nearby, or Moscow. The Kremlin has denied any responsibility for the incident, though recently leaked emails published in the German news media underscore the extent to which Moscow spin doctors managed the media response of pro-Russia fighters after the tragedy.<sup>5</sup>

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<sup>2</sup> J. E. Barnes, “OSCE Official Says ‘Clear Evidence’ Violence in Ukraine Can Be Controlled,” *The Wall Street Journal*, 18 October 2016, <http://blogs.wsj.com/brussels/2016/10/18/osceofficial-says-clear-evidence-violence-in-ukraine-can-be-controlled/>

<sup>3</sup> Calling these proxies “separatists,” – though widely used – is inaccurate, since the fighters have a variety of reasons for fighting. Moscow prefers the term because it advances the myth that the conflict is indigenous to Ukraine.

<sup>4</sup> “The United States Urged Russia to Influence the Militias in the Donbas,” *Lenta.Ru*, 5 March 2016, <http://lenta.ru/news/2016/03/05/gosdepl/>

<sup>5</sup> “MH 17 Investigation says All Evidence Points to Russia, Won’t Give Names,” *The Moscow Times*, 28 September 2016, <https://themoscowtimes.com/articles/mh17-brief-55512>; M. Schofield, “Think Russia isn’t directing rebels in Ukraine? Then read this about

This paper seeks to answer the questions raised by these contradictory official statements: Who are the so-called separatist fighters? To what extent, and how does Russia manage them? Are they an obstacle to a peace settlement? It will do so by exploring the security, political and military relationships of those fighters to Russia and to each other and how those relationships have changed over time. It also will examine the policy implications of those relationships for the Minsk peace process and NATO, as well as the political impact inside the Russian Federation of the returning fighters.<sup>6</sup>

## Background

At its core the war in Ukraine is not a civil war or the result of a popular uprising, as claimed by Kremlin propaganda. It is a conflict manufactured by Moscow to achieve a strategic foreign policy goal: preventing Ukraine's integration into Western security, political and economic structures. This overarching objective has changed little since before the Maidan crisis. What has shifted has been the way Moscow has used the pro-Russian fighters in eastern Ukraine as its short-to-medium objectives have shifted, re-considered its policy options as circumstances – especially international pressure – have warranted. The Kremlin's negotiating position at the beginning of 2017 calls for keeping the Donetsk and Luhansk regions inside a decentralized Ukraine, which many anti-Kiev fighters see as the end of their dreams of full integration with Russia, or even as outright Kremlin betrayal.<sup>7</sup>

No matter what Russia's operational goals at a given moment, however, over all the war has caused enormous bloodshed. As of 1 December 2016, 9,758 people have been killed, according to the United Nations Office for the Coordination of Humanitarian Affairs.<sup>8</sup> This figure includes Ukrainian and Russian regular soldiers, pro-Russian fighters and more than 2,300 civilians. (Almost 500 Russian soldiers make up the total, though the Kremlin has never formally acknowledged that its armed forces have been involved in the fighting). Estimates of Ukrainians displaced range from about 2-4 million people.<sup>9</sup> The social and economic impact of the war has been enormous. Since the fighting began, for example, Ukraine has lost over 20 percent of its GDP.<sup>10</sup>

Ukrainian hackers who claim to have broken into email accounts linked to Vladislav Surkov, a senior aide to Putin, show that from the beginning of the war the Kremlin guided the pro-Russia fighters.<sup>11</sup>

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leaked emails," *The Seattle Times*, 30 September 2017, <http://www.seattletimes.com/nation-world/think-russia-isnt-directingrebels-in-ukraine-then-read-this-about-leaked-emails/>

6 In answering these questions this paper relies on a wide variety of sources: interviews with US, Ukrainian and Russian officials; information published by those countries and the OSCE, which monitors the Minsk ceasefire; think tank reports; and US, Ukrainian and Russian media reports. Of special importance has been social media, especially VKontakte, which pro-Russia commanders often use to communicate with one another.

7 "The Times узнала, когда ополченцы начнут наступление на Донбассе," <http://www.newsru.com/world/22jul2015/nastuplenie.html>; "Putin Tightens Reins on Ukraine Rebels, Putting Conflict on Ice," <https://www.bloomberg.com/news/articles/2015-09-18/putin-tightens-reins-on-ukraine-rebels-putting-conflict-on-ice>

8 "Civilians in Ukraine continue to suffer – UN report," OCHA, 8 December 2016, <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?LangID=E&NewsID=20999>

9 B. Wilson, "Don't Forget the 4,000,000 Ukrainians Living through Russia's War in the Donbas," *The Interpreter*, 5 January 2017, <http://www.interpretermag.com/dont-forgetthe-4000000-ukrainians-living-through-russias-war-in-the-donbass/>

10 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016.

11 "Hackers Release More E-Mails They Say Tie Putin Aide to Ukraine Crisis," *Radio Free Europe Radio Liberty*, <http://www.rferl.org/a/hackers-russia-ukrainesurkov-emails/28092794.html>, 3 November 2016.

In the aftermath of the 2014 Ukrainian revolution and the Euromaidan movement, protests by groups sponsored by Moscow took place in the Donetsk and Luhansk oblasts of Ukraine, together commonly called the “Donbas.” These demonstrations, which followed the annexation of Crimea by the Russian Federation, were part of a wider group of concurrent pro-Russian protests across southern and eastern Ukraine. The Kremlin-sponsored turmoil soon escalated into an armed conflict between pro-Moscow fighters and the Ukrainian government.<sup>12</sup> Moscow soon established the puppet Luhansk and Donetsk entities and provided the separatists with money and weapons.

What has been less clear as the fighting has rolled on has been the relationship between the Russian military and the pro-Russian fighters. Kremlin propaganda has portrayed the latter as independent “separatists” who opposed an anti-Russian coup in Kiev, the Maidan Revolution. During the early months of the war a large number of the anti-Kiev fighters were comprised of these insurgents, with Russian paramilitaries making up the remainder. Many of these fighters favored incorporation of Ukraine into the Russian Federation or the creation of a pro-Moscow, quasi-independent “Novorossiia” in ethnic Russian areas of southeastern Ukraine. Putin himself endorsed “Novorossiia” in a speech to both chambers of the legislature in March 2014.<sup>13</sup>

But in late summer 2014 the Kremlin backed off the “Novorossiia” project. It introduced regular Russian troops in large numbers into Ukraine in the wake of the first operational successes by rallied Ukrainian forces against the pro-Moscow insurgents.<sup>14</sup> Commanders who refused to be incorporated into the Russian command and control structures were killed in mysterious incidents or arrested and replaced by individuals more loyal to Moscow. The Kremlin also swapped many of the Russian advisors (*kurators*) for intelligence officers who could be more easily controlled. In the following months Russia also began to provide money for pensions (approximately \$40 million alone for the so-called Donetsk People’s Republic), other social programs, and government and military salaries.<sup>15</sup>

## The Forces in Eastern Ukraine

All major military decisions in the war are made in Moscow. In mid-October 2016 more than 35,000 fighters – including 6,000 regular Russian troops-- were in eastern Ukraine (excluding Crimea) or along the border with Russia, according to official Ukrainian sources. However, their numbers have fluctuated varied greatly since the beginning of the fighting and as Russian priorities have shifted.<sup>16</sup>

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12 [https://en.wikipedia.org/wiki/War\\_in\\_Donbass](https://en.wikipedia.org/wiki/War_in_Donbass); O. Grytsenko, “Armed pro-Russian insurgents in Luhansk say they are ready for police raid,” *Kyiv Post*, 12 April 2014, <https://www.kyivpost.com/article/content/war-against-ukraine/armed-pro-russian-insurgents-in-luhansk-say-they-are-ready-for-police-raid-343167.html>; P. Leonard, “Ukraine to deploy troops to quash pro-Russian insurgency in the east,” *Yahoo News Canada, Associated Press*, 14 April 2014.

13 “Pushing locals aside, Russians take top rebel posts in east Ukraine,” *Reuters*, 27 July 2014, «Российский Наемник: «Половина Ополченцев - Из России. Мне Помогают Спонсоры. Мы Возьмем Львов.»” *M.censor.net.ua*, 26 July 2014.

14 I. Sutyagin, “Russian Forces in Ukraine,” RUSI, 9 March 2015, <https://rusi.org/publication/briefing-papers/russian-forces-ukraine>

15 International Crisis Group, “Russia and the Separatists in Eastern Ukraine,” <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

16 Briefing, Joint Operational HQ, Armed Forces, Armed Forces of Ukraine and General Directorate of Military Cooperation and Peacekeeping Operations of the General Staff of the Armed Forces of Ukraine, December 2016.

They comprise two hybrid army corps managed, controlled, coordinated and commanded by high ranking Russian military professionals.”<sup>17</sup> As of October 2016 these forces have at their disposal about 700 Russian tanks, 1,200 armored vehicles, 1,000 artillery systems and more than 300 multiple rocket launchers.<sup>18</sup> All of the mid- and high-level commanders are Russian officers, according to one former fighter.<sup>19</sup> The combat role of the commanders of the so-called Donetsk and Luhansk People’s Republics is strictly circumscribed even though they nominally run the two entities.<sup>20</sup>

The proxy fighters, many of whom are citizens of the Russian Federation, comprise a mix of out-of-uniform regular Russian military “volunteers,” mercenaries who fought in Chechnya, North Ossetia, and Transnistria, armed gangs, former prison inmates, jobless males from the fringes of society, and nationalist extremists.<sup>21</sup>

- Unit affiliations are often fluid and overlapping. According to a Brookings/Atlantic Council Report in 2015, about 2000 fighters at that time were operating in rogue units not under Russian or so-called DNR or LNR command.<sup>22</sup>
- Alcohol abuse and criminal activity is common.<sup>23</sup>

Many of these fighters have extreme Russian nationalist views that go beyond just hostility to the Ukrainian government. These attitudes included anti-Americanism; anti-liberalism; a fascination with authoritarianism, and rejection of European integration. During the initial months of the fighting the armed militants included hundreds of members of Russian ultra-right wing groups with links to domestic nationalist organizations and power structures inside Russia. The neo-Nazi Russian National Unity Group actively recruited volunteers from the Internet. The far-right National Liberation Movement (NOD) formed and outfitted volunteers.<sup>24</sup>

In addition to the involvement of its regular armed forces, Moscow today provides extensive material backing for the fighters, including training, unit leadership, fuel, ammunition, armor and other weaponry (APCs, artillery, rocket launchers, and air defense systems).<sup>25</sup>

- Military intelligence, planning, fuel and ammunition supply are all in the hands of Russian

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17 *Ibid.*

18 V. Peshkov, “The Donbas: Back in the USSR,” European Council on Foreign Relations, 1 September 2016, [http://www.ecfr.eu/article/essay\\_the\\_donbas\\_back\\_in\\_the\\_ussr](http://www.ecfr.eu/article/essay_the_donbas_back_in_the_ussr). Interviews with former Russian Foreign Ministry officials, Washington DC, 2014.

19 “Russian ‘Former Fascist’ Who Fought With Separatists Says Moscow Unleashed, Orchestrated Ukraine War,” *Radio Free Europe Radio Liberty*, written by Carl Schreck based on reporting by RFE/RL’s Russian Service correspondent Dmitry Volchek, 8 March 2016, <http://www.rferl.org/a/ukraine-russia-neo-nazi-fought-with-separatists-says-kremlin-behind-war/27598825.html>

20 “Russia and the Separatists in Eastern Ukraine,” International Crisis Group, <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

21 Kacperr Rekawek, “Neither NATO’s Foreign Legion nor the “Donbass International Brigades: (Where Are All the) Foreign Fighters in Ukraine,” *Policy Paper No. 6* (108), PISM, March 2015, [https://www.pism.pl/files/?id\\_plik=19434](https://www.pism.pl/files/?id_plik=19434)

22 “Preserving Ukraine’s Independence, Resisting Russian Aggression: What the United States and NATO Must Do,” Brookings Institution, <https://www.brookings.edu/research/preserving-ukraines-independence-resisting-russian-aggression-what-the-united-states-and-nato-must-do/>, February 2015.

23 “Russia and the Separatists in Eastern Ukraine,” International Crisis Group, <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

24 SOVA, “The Calm before the Storm,” <http://www.newsru.com/finance/26mar2015/medvedfatp.html>, 26 March 2015.

25 Briefing, Joint Operational HQ, Armed Forces, Armed Forces of Ukraine and General Directorate of Military Cooperation and Peacekeeping Operations of the General Staff of the Armed Forces of Ukraine, December 2016.

officers.<sup>26</sup>

- Since more than 400 kilometers of the Ukraine-Russian border is out of the Kiev government's control, Russian troops regularly cross over to fight in the so-called DNR and LNR (This happens under the cover of darkness, when international observers do not operate).<sup>27</sup>
- The Russian military often delivers artillery fire against Ukrainian positions from Russian soil, while its aircraft and helicopters, based along the Russian border, regularly overfly Ukrainian territory.<sup>28</sup>
- Pro-Russian fighters also are trained inside Russia and in occupied Crimea.<sup>29</sup>
- In addition to regular troops positioned on the Russian side of the border, units capable of responding swiftly to any emergency are deployed around Donetsk. Russian military personnel of all rank wear so-called so-called DNR/LNR insignia to hide their origin.<sup>30</sup>

The Russian intelligence services play a key role in the campaign, both inside Ukraine and further abroad.

- Russian military intelligence (GRU) conducts subversive operations against Ukrainian targets; arranges the supply of arms, ammunition and military equipment to pro-Russian fighters; coordinates the activity of those fighters with regular Russian forces, and collects human intelligence against Ukraine in special centers.<sup>31</sup>
- The Federal Security Service (FSB) coordinates the military activity of Pro-Russian fighters, provides them with weapons, and conducts intelligence and counterintelligence activity against Ukraine.<sup>32</sup>
- The Foreign Intelligence Service (SVR) coordinates political intelligence and influence operations against NATO and EU countries, including the Internet, news media, and television.<sup>33</sup>
- Recalcitrant pro-Moscow fighters have reported punitive actions taken against their units by the rapid deployment internal security division of the Russian Ministry of Internal Affairs (Dzerzhinsky Division).<sup>34</sup>

26 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016, <http://euromaidanpress.com/2016/10/17/>

27 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016, <http://euromaidanpress.com/2016/10/17/>

28 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016, <http://euromaidanpress.com/2016/10/17/>

29 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016, <http://euromaidanpress.com/2016/10/17/>

30 Foreign Ministry of Ukraine, #Playbook: Реалізація Мінських домовленостей, 17 October 2016, <http://euromaidanpress.com/2016/10/17/>, "Russia's involvement in Donbas war open secret in Donetsk – France 24, [russias-participation-in-donbas-war-open-secret-in-donetsk-france-24/#arvlbdata](http://russias-participation-in-donbas-war-open-secret-in-donetsk-france-24/#arvlbdata)

31 Interviews with Ukrainian officials under Chatham House rules, Washington DC, 2014-15.

32 Interviews with Ukrainian officials under Chatham House rules, Washington DC, 2014-15.

33 Interviews with Ukrainian officials under Chatham House rules, Washington DC, 2014-15.

34 Interviews with Ukrainian officials under Chatham House rules, Washington DC, 2014-15.

The relationship among the three Russian intelligence services has sometimes been contentious. In Moscow, some elites reportedly put the blame on the FSB for not anticipating the overthrow of the Yanukvych government and the rise of a pro-Western government in Kiev. The service reportedly was restructured in mid-2014 and the GRU given more responsibility for intelligence inside Ukraine. The FSB and GRU reportedly wrestled with each other for the remainder of 2014 and all of 2015 over control of intelligence inside Ukraine. The behind-the-scenes struggle may have been a factor in the turnover of some pro-Russian leaders.<sup>35</sup>

Whether regular Russia forces or the pro-Russian fighters bear the brunt of actual fighting is determined by circumstances. When an informally agreed ceasefire was introduced in eastern Ukraine in December 2014, for example, regular Russian troops were moved to the rear, behind separatist formations, to carry out combat support. This served the Kremlin's political goal of lowering the profile of the regular Russian military so as not to disrupt the Minsk negotiations and advanced the Kremlin's political objective of introducing rebel-held territories back into Ukraine. When a new round of fighting started immediately after the ceasefire was signed, however, Russian troops, the most capable strike force, returned to prioritized forward positions, with rebel positions being used as cannon fodder.<sup>36</sup>

These dynamics continue, as illustrated by the Ukrainian News Digest action report of 7 November 2016. "Russian proxies violated the ceasefire virtually all the hotspots of the Donetsk sector," it stated. "Moreover, in the evening militants moved a tank to the frontline positions and fired at Ukrainian troops several times." Aid from Russia, meanwhile, continued to flow to the combat zone. That day two "railway cars with ammunition for Grad multiple rocket launchers arrived in STAKHANIV [from Russia] and an echelon carrying 12 units of military equipment came to ILOVAISK. Five cars with ammunition, three with spare parts for combat armored vehicles, one with batteries and three with cold weather clothes arrived in KHARTSYZSK."<sup>37</sup>

## **Russia's Shadow Government**

Outside the military sphere Moscow tries to exert administrative control over the so-called LNR and DNR at several levels.<sup>38</sup>

At the top of the pyramid is the chief "curator," Vladislav Surkov, ex-deputy head of Putin's presidential administration and also the Kremlin's point man on Abkhazia and South Ossetia. Surkov was actively involved in the negotiations that led to the September 2014 and February 2015 Minsk agreements.

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35 "A Mysterious Death Raises Questions in Russia," <https://www.stratfor.com/geopolitical-diary/mysterious-death-raises-questions-russia>, 6 January 2016. According to the Moscow rumor mill, Maj. General Igor Sergun, the head of the GRU who died in 2016, was murdered for his inadequate management of the pro-Russia Donbass fighters. M. Weiss, "The GRU: Putin's No-Longer-So-Secret Weapon," *The Daily Beast*, <http://www.thedailybeast.com/articles/2016/12/31/the-gru-putin-s-no-longer-so-secret-weapon.html>, 31 December 2016.

36 I. Sutyagin, "Russian Forces in Ukraine, RUSI, 9 March 2015," <https://rusi.org/publication/briefing-papers/russian-forces-ukraine>

37 Ukrainian Mission to NATO, *Ukrainian New Digest*, 7 November 2016.

38 "The Donbas: Back in the USSR," European Council on Foreign Relations, 1 September 2016, [http://www.ecfr.eu/article/essay\\_the\\_donbas\\_back\\_in\\_the\\_ussr](http://www.ecfr.eu/article/essay_the_donbas_back_in_the_ussr)

Surkov's central role, however, has not always been uncontested and he may have lost temporarily the Kremlin's Ukraine portfolio in 2015.<sup>39</sup> Disagreements over how to handle Ukraine reportedly have divided the Kremlin leadership periodically, with Security Council Chief Nikolay Patrushev, among other hardliners, reportedly advocating more vigorous support of the more radical pro-Russia fighters separatists and their more ambitious objectives. Some Kremlin factions may maintain informal, uncoordinated ties to separatist factions independent of formal channels or Surkov's authority.<sup>40</sup>

Since December 2014 the Kremlin has tried to steer political, economic and social affairs in the two separatist entities through an "Inter-ministerial Commission for the Provision of Humanitarian Aid for the Affected Areas in the Southeast of the Regions of Donetsk and Luhansk," The commission is chaired by Russian Deputy Minister for Economic Development Sergey Nazarov, with Deputy Finance Minister Leonid Gornin serving as his second in command and with Deputy Prime Minister Dmitry Kozak also playing a key role. The commission includes several working groups, supervised by the FSB, which deal with issues such as taxation, construction, and energy trade.<sup>41</sup> At the commission meeting on 23 October 2015 no members of the so-called separatist governments were present.<sup>42</sup> Russian advisors also direct the media strategy of the pro-Russia fighters.<sup>43</sup>

The next level of Russian control is through the civilian leaders of the so-called DNR and LNR: in Donetsk, Aleksandr Zakharchenko; and in Luhansk, Igor Plotnitsky. These two figures control finance and trade flows in the region. Both "presidents" have their own military units for the purposes of personal protection, but Plotnitsky and Zakharchenko have no control over how armed forces are used in the war against Ukraine.

Zakharchenko reportedly controls the profitable companies in the city of Donetsk and the surrounding region. His fighters reportedly extort money from the few remaining enterprises in the area: cafes, bars, cafes, restaurants, and shopping. As the chief organizer of illicit flows of goods into the so-called DNR, Zakharchenko allegedly sells humanitarian aid from Russia in stores that he has taken over from Ukraine's largest chain of grocery supermarkets, the ATB network, some of whose stores were renamed "First Republic Supermarket."<sup>44</sup> Plotnitsky, on the other hand, is beholden to Aleksandr Yefremov and Natalia Korolevskaya, who used to work for the pro-Russian Party of the Regions of former President Yanukovich. Plotnitsky controls the export of coal that is mined in legal and illegal mines and shipped to companies on Ukrainian-controlled territory. Plotnitsky reportedly also trades in Russian humanitarian aid and petrol products that come from Russia.<sup>45</sup>

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39 "A Mysterious Death Raises Questions in Russia," <https://www.stratfor.com/geopolitical-diary/mysterious-death-raises-questions-russia>, 6 January 2016.

40 [https://vk.com/strelkov\\_info?w=wall-57424472%2071945](https://vk.com/strelkov_info?w=wall-57424472%2071945)

41 J. Röpcke, "Putin's shadow government for Donbass exposed," *Bild*, 31 March 2016, <http://www.bild.de/politik/ausland/ukraine-konflikt/donbass-shadow-government-45102202.bild.html>. See also <http://government.ru/media/files/CPhV6tOcZNA.pdf>; [http://government.ru/dep\\_news/16219/](http://government.ru/dep_news/16219/)

42 "So kontrolliert Putin den Donbas," <http://www.bild.de/video/clip/ukraine-konflikt/schattenregierung-donbas-45107530,auto=false.bild.html>, 29 March 2016.

43 "Think Russia isn't directing rebels in Ukraine? Then read this about leaked emails," <http://www.seattletimes.com/nation-world/think-russia-isnt-directing-rebels-in-ukraine-then-read-this-about-leaked-emails/>, 30 September 2016.

44 *Ibid.*

45 *Ibid.*

The final level of the system is comprised of Russian curators, FSB agents and other military experts, embedded within local civil and military departments, who handle “sensitive security issues.” These Russian curators have a common base in Donetsk and a branch in Luhansk called the “Centre for the Management of Reconstruction.” There is a direct link between this organization and the Russian military and political leadership.<sup>46</sup>

The so-called Donetsk and Luhansk people’s republics depend heavily on Russian financial subsidies. They began to flow regularly in April 2015 after the collapse of the entities’ budgets when the self-proclaimed “people’s republics” were formed and the Kiev government stopped payments the previous summer. According to one study, Moscow channels money to the entities through banks in the Georgian separatist region of Abkhazia. Heavily guarded trains reportedly deliver “tons of bank notes and coins” to the entities. Individual persons or organizations also sometimes pay for their preferred units. These funds are coordinated and topped up with money from the Kremlin or the Russian intelligence services. One journalist estimated that Russia spends about 80 million Euros per month just to pay salaries in the two regions.<sup>47</sup>

Money and economic leverage also is provided by pro-Russia Ukrainian politicians and business oligarchs, some of whom fled to Russia after the downfall of the pro-Russian President Viktor Yanukovich.

- Business mogul Viktor Medvedchuk, widely seen as one of the key Ukrainian oligarchs supporting Putin, served as intermediary between Kiev and Kremlin appointees in the Donbass and has been accused by Ukrainian officials of financing the extremist groups that organized the violent uprising in eastern Ukraine.<sup>48</sup>
- Oligarch Oleksandr Onyshchenko, long a business partner of departed President Yanukovich and himself accused by Ukrainian officials of embezzlement of state property, has advanced Kremlin interests by accusing the Poroshenko government of corruption.<sup>49</sup>

The Kremlin also tries to control the pro-Russia commanders through the manipulation of information and access. So-called separatist officials often travel to Moscow to receive instructions. The number of local people in the so-called DNR or LNR who engage with Russian policy makers in detail is limited. Senior so-called separatist leaders regularly communicate with Russian officials in Moscow, but there is no evidence that they have ever met with anyone higher than Surkov.<sup>50</sup> It is politically useful for Putin to keep them at arms’ length.

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46 *Ibid.*

47 J. Röpcke, “How Russia Finances the Ukrainian Rebel Territories,” *Bild*, 16 June 2016, <http://www.bild.de/politik/ausland/ukraine-konflikt/russia-finances-donbass-44151166.bild.html>

48 [http://www.4freerussia.org/wp-content/uploads/2017/01/russian\\_agression\\_ru\\_small.pdf](http://www.4freerussia.org/wp-content/uploads/2017/01/russian_agression_ru_small.pdf).

49 *Ibid.*

50 “Russia and the Separatists in Eastern Ukraine,” International Crisis Group, <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

## Moscow's Uneven Control

The level of fighting by all pro-Moscow forces – the so-called “separatists” as well regular Russian armed forces – corresponds to the Kremlin’s position in the peace talks. In general there are fewer ceasefire violations when Moscow tries to project a constructive role in the negotiations.<sup>51</sup> The Kremlin also tries to show it is in charge by excluding so-called DNR/LNR representatives from participating in the Minsk consultations.<sup>52</sup>

However, Russian officials do not manage the pro-Russia fighters on some key issues, especially relationships among commanders, local politicians, oligarchs, organized crime figures and corrupt officials across the front on the Ukrainian side. Moscow has sporadically intervened in these relationships when its overall authority or that of its favored satraps has been seriously threatened or it needs to re-establish overall control over competing factions. The frequency with which this happens, however, suggest some fighters on the ground are pursuing agendas which differ from Kremlin policy. Local crackdowns also may be connected to struggles inside the Kremlin, with different factions in Moscow backing different factions in Luhansk and Donetsk.<sup>53</sup>

**Infighting.** In both the so-called Luhansk and Donetsk people’s republics leaders and factions are constantly jostling for influence.<sup>54</sup> Although Moscow largely is able to direct the involvement of the pro-Russian leadership in the fighting against Kiev and ensure subordination to Russian diplomatic priorities, units sometimes battle one another without orders from the Russian military. This causes spikes in fighting along the contact line and makes it determine whether the cause of Minsk ceasefire violations comes from local commanders orders or from Moscow.<sup>55</sup> Illegal detentions, blackmail, torture, and extra-judicial killings by all factions are widespread and apparently beyond Russian control.<sup>56</sup>

On 30 December 2015, for example, fighting broke out between so-called DNR forces (The “1<sup>st</sup> Battalion of Territorial Defense” and the “3<sup>rd</sup> Motorized Infantry Battalion”) and the veteran, highly decorated “SpetsNaz Unit Troy” in a village near Gorlovka in Donetsk Oblast. Troy unit officers, according to press reports, were afraid they would be killed at Moscow’s direction, like other independent commanders, because they opposed their incorporation into so-called DNR military structures. Troy fighters carried anti-tank weapons, machine guns and sniper rifles with them. Their ranks included, according to a press report, included local militia volunteers as well as “drug addicts and alcoholics.” In turn, the leader of the 3<sup>rd</sup> Motorized Battalion, according to Troy commanders,

51 “The Ukraine Crisis Timeline,” <http://ukraine.csis.org/#467>

52 “Russia and the Separatists in Eastern Ukraine,” International Crisis Group, <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

53 J. Losh, ‘Ukrainian rebel leaders divided by bitter purge,’ *The Washington Post*, 30 October 2016, [https://www.washingtonpost.com/world/europe/ukrainian-rebel-leaders-divided-by-bitter-purge/2016/10/03/2e0076ac-8429-11e6-b57d-dd49277af02f\\_story.html?utm\\_term=.140164c83a7b](https://www.washingtonpost.com/world/europe/ukrainian-rebel-leaders-divided-by-bitter-purge/2016/10/03/2e0076ac-8429-11e6-b57d-dd49277af02f_story.html?utm_term=.140164c83a7b)

54 “Kremlin liquidates militant ‘officials’ connected to ‘Novorossiya’ project,” *Unian Information Agency*, <http://uatoday.tv/crime/kremlin-liquidates-militant-officials-connected-to-novorossiya-project-sbu-802554.html>

55 Interview, representative of the Ministry of Defense of Ukraine, December 2016.

56 P. Quinn-Judge, “Ukraine’s Eastern Separatist Leaders Turn on Each Other,” *International Crisis Group*, 1 March 2016, <http://blog.crisisgroup.org/europe-central-asia/2016/03/01/ukraines-eastern-separatist-leaders-turn-on-each-other/>

smuggled narcotics in from Dnepropetrovsk and was guilty of torture and robbery.<sup>57</sup>

**Insubordination.** Russian officials cannot assume Moscow's orders will be automatically carried out. Some pro-Russian leaders have resisted Kremlin pressure to disarm.<sup>58</sup> Others have attempted to carve out their own fiefdoms, while some Russian officers embedded with so-called LNR/DNR units may have gone native. Commanders' resistance has sometimes resulted in their elimination in hits widely regarded as inside jobs carried out by competing rebel groups or Russian Special Forces.<sup>59</sup> <sup>60</sup>

A recent major assassination occurred on October 16, 2016, when the commander of the veteran, so-called DNR "Sparta" Battalion, Arseniy Pavlov – nicknamed "Motorola" -- was assassinated. Militant police chiefs and members of the so-called DNR security forces were arrested by pro-Russian civilian authorities in Donetsk on November 2nd. This activity follows similar arrests in the so-called Luhansk People's Republic, where dozens of senior officials, army commanders ordinary soldiers, and internal opponents of the authorities were rounded up in September 2016 after a reported coup against Igor Plotnitsky, the Kremlin-anointed leader. <sup>61</sup>

**Corruption.** Moscow has been unwilling or unable to combat corruption, which flourishes in the Donbas. Illegal production and smuggling of coal is widespread, sometimes involving officials on the Russian side of the border. Other smuggling includes trafficking in scrap metal, drugs, consumer goods and weapons<sup>62</sup> Donbas regional business oligarchs, sometimes with commercial ties to both sides, also have been active in the struggle for resources and political power. A decrease in Kremlin financial support for the separatist fighters in recent months due to Russia's economic problems has led to an increase of official corruption in Luhansk and Donetsk, according to Ukrainian official sources.<sup>63</sup>

## The Problem of Returning Fighters

The return of thousands of armed veterans of the fighting in eastern Ukraine to Russian territory has raised acute security problems for Moscow inside the Russian Federation. A 2015 issue of "Voyenno-Promyshlenny Kuryer," a journal known for its discussion of fashionable issues such as hybrid war, raised the dilemma in an article describing the U.S. doctrine of "stabilizing operations." After a long

<sup>57</sup> <http://sprotyv.info/ru/news/kiiev/zhitie-v-dynyre-rasklady-v-bande-troya-ili-za-cto-zastrelen-v-zatylok-boevik-zuy-video>. [http://vk.com/strelkov\\_info?w=wall-57424472\\_89273](http://vk.com/strelkov_info?w=wall-57424472_89273). According to the article, 90 percent of "Troy" had criminal records, were prone to alcohol and drugs, or were unemployed at the outbreak of hostilities.

<sup>58</sup> «Сдав Донбасс, Россия потеряет Крым, Калининград и Курилы, <http://strelkov-info.ru/read/p1000/>

<sup>59</sup> "Ukrainian rebel leaders divided by bitter purge," *The Washington Post*, 3 October 2016, [https://www.washingtonpost.com/world/europe/ukrainian-rebel-leaders-divided-by-bitter-purge/2016/10/03/2e0076ac-8429-11e6-b57d-dd49277af02f\\_story.html?utm\\_term=.d885433ac3fc](https://www.washingtonpost.com/world/europe/ukrainian-rebel-leaders-divided-by-bitter-purge/2016/10/03/2e0076ac-8429-11e6-b57d-dd49277af02f_story.html?utm_term=.d885433ac3fc)

<sup>60</sup> Kremlin liquidates militant 'officials' connected to 'Novorossiia' project, <http://uatoday.tv/crime/kremlin-liquidates-militant-of-ficials-connected-to-novorossiia-project-sbu-802554.html>

<sup>61</sup> "Ukraine Update: October 13-November 9, 2016," [http://iswresearch.blogspot.com/2016/11/ukraine-update-october-13-november-9.html?utm\\_source=Ukraine+Update%3A+October+13-November+9%2C+2016&utm\\_campaign=Ukraine+Update%3A+October+13-November+9%2C+2016&utm\\_medium=email](http://iswresearch.blogspot.com/2016/11/ukraine-update-october-13-november-9.html?utm_source=Ukraine+Update%3A+October+13-November+9%2C+2016&utm_campaign=Ukraine+Update%3A+October+13-November+9%2C+2016&utm_medium=email)

<sup>62</sup> "Russia and the Separatists in Eastern Ukraine," International Crisis Group, <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>, 5 February 2016.

<sup>63</sup> Briefing, Joint Operational HQ, Armed Forces, Armed Forces of Ukraine and General Directorate of Military Cooperation and Peacekeeping Operations of the General Staff of the Armed Forces of Ukraine, December 2016.

consideration of conflict in Iraq and Afghanistan, the article veered off to the subject of the situation in the Donbas. “We should admit that fighting in the Donbas is a seriously destabilizing factor, which should be urgently nipped in the bud,” it said. The article referred to the “endless stream” of contraband, much of it illegal weapons, that has been crossing the Ukrainian-Russian border since fighting started. It warned of the risk of increased criminality on both sides of the border.<sup>64</sup>

Indeed, available data suggest these concerns are well founded. The war has turned Rostov Oblast, the staging ground for Russian troops just across the eastern, 600 km-long Ukraine-Russia border, into a major center of criminal activity. Since the war began more than 20,000 fighters in camouflage – sometimes with “Novorossiya” insignia -- have crossed the border in both directions.<sup>65</sup> They have contributed to sharp rises in drug and arms trafficking and criminal activity in southern Russia (an area already the target of Islamic militants).<sup>66</sup> In 2015 criminal cases rose to 8,000 from 5,000 in 2013 – the year before Russia annexed Crimea from Ukraine and the invasion of the east began. In the first half of 2015 year law enforcement agencies foiled more than 60 attempts to smuggle weapons and ammunition from Ukraine, according to the Rostov branch of the Interior Ministry. Officials seized more than 200 hand grenades, 100 shells, 40 firearms, 30 mines and about 6,000 ammunition units. Many other crimes involved theft, burglary, robbery, assault and dealing in drugs.<sup>67</sup> Rostov, moreover, is a gateway to the rest of the country, so crime introduced into the country there has spread. In St. Petersburg in April 2016 police arrested former fighters from the so-called LNR national-bolshevik “Zarya” (Dawn) battalion in a vehicle carrying 9 grenades, 10 fuses, a Kalashnikov rifle, a Mosin rifle and more than 70 rounds.<sup>68</sup>

Russian officials have taken several steps to respond to these threats.

- Border checkpoints have been strengthened and the frontier sometimes closed entirely.<sup>69</sup>
- Military personnel have dug a 100 km trench along the Ukraine-Russian frontier, according to state-owned Sputnik, and have set up more than 40 km of barriers (In 2014 Ukrainian authorities built a separate, 2000km wall along the boundary).<sup>70</sup>
- Russian border troops also have occasionally fired on fighters to prevent their return, according to several unconfirmed reports.<sup>71</sup>
- Russian military buildups along the border also have the effect of preventing veterans of the

64 P. Quinn-Judge, “Rebel Infighting Bringing Chaos to East Ukraine,” 27 July 2015, <https://themoscowtimes.com/articles/rebel-in-fighting-bringing-chaos-to-eastukraine-48559>

65 <http://www.novayagazeta.ru/politics/69367.html?print=1>

66 “Three men blow themselves up outside police station in southern Russia,” *Reuters*, 11 April 2016, <http://www.reuters.com/article/us-russia-crime-blast-idUSKCN0X80RD>

67 “Police in Southern Russia Link Crime Increase to Ukraine Crisis,” *The Moscow Times*, 18 March 2016, <https://themoscowtimes.com/news/police-in-southern-russia-link-crime-increase-to-ukraine-crisis-52205>

68 “В Петербурге задержаны боевики ЛНР с оружием и боеприпасами,” <http://graniru.org/Society/Law/m.250906.html>

69 “Russia Ramps up Border Security as Ukraine Conflict Rages On,” *Sputnik International*, 28 May 2015, <https://sputniknews.com/russia/201505281022646830/>

70 *Ibid.*

71 *Ibid.*

fighting in eastern Ukraine from coming back into Russia.<sup>72</sup>

Returning fighters also pose a potential political threat to Kremlin rule. Many of the fighters feel betrayed by the Kremlin's retreat from its promise in 2014 to create a "Novorossiia" entity in southwest Ukraine. With their radically nationalist ideas, some of these leaders have tried to call for political movements that would pressure Kremlin to shift its goals in the war back toward incorporating "Novorossiia" into the Russian Federation or even more ambitious objectives. A few fighters disgruntled with Putin's more limited goals even have called for the replacement of Putin himself.<sup>73</sup> SOVA Center, a Moscow think tank that studies Russian nationalist movements, stated in its 2016 report expressed concern that far-right groups that earlier sent fighters to Eastern Ukraine were conducting military training.<sup>74</sup>

The authors of the report suggested that the Kremlin has had some success in preventing far right opposition groups from "absorbing the fighters returning from Donbas in whom it is impossible not to see a potential threat." The campaign has forced reconfiguration of the far right and created space for pro-Kremlin nationalist groups to grow stronger. The report also noted that a flurry of police searches and criminal cases opened by the authorities against opposition ultranationalist groups in 2015, coupled with divisions among ultranationalists over Russia's war in Ukraine, have splintered the nationalist underground and diminished their political potential as a political force, at least for now.<sup>75</sup>

The political career of army officer Igor Strelkov (nee Girkin), a retired GRU officer who played a key role in the Russian occupation of Crimea and organizing the separatists in Donetsk during the early months of the war, illustrates the challenge the Russian authorities have faced in controlling nationalist leaders and groups. Strelkov was one of the first media superstars of the Ukraine war before the Kremlin forced him to resign as "Defense Minister" of the so-called Donetsk People's Republic in August 2014 because the authorities believed he was too much of a political liability. Strelkov, in turn, accused Putin of dithering at this crucial moment because he feared the war might rupture ties between Russia and the West.<sup>76</sup> He later was accused by Ukraine authorities of terrorism, torture and murder and sanctioned by the European Union for his leading role in the conflict. Strelkov admits having people shot for looting, but claims the executions were legal since they were carried out according to a Soviet law on wartime justice.<sup>77</sup> Strelkov was sued by the families of eighteen passengers who were killed when forces under his command allegedly shot down Malaysia Airlines Flight 17 in July 2014.

When Strelkov became a media celebrity in the initial stages of the war, it was widely assumed he was

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72 *Ibid.*

73 [https://vk.com/igoristrelkov?w=wall347260249\\_38544](https://vk.com/igoristrelkov?w=wall347260249_38544)

74 N. Y. udina, V. Alperovich, "The Ultra-Right Movement Under Pressure: Xenophobia and Radical Nationalism in Russia, and Efforts to Counteract them in 2015," SOVA Center for Information and Analysis, edited by A. Verkhovsky, 08 April 2016, <http://www.sova-center.ru/en/xenophobia/reports-analyses/2016/04/d34247/>

75 *Ibid.*

76 S. Walker, "Russia's 'Valiant Hero' in Ukraine turns his fire in Vladimir Putin," *The Guardian*, 5 June 2015, <https://www.theguardian.com/world/2016/jun/05/russiasvaliant-hero-in-ukraine-turns-his-fire-on-vladimir-putin>

77 *Ibid.*

operating on the direct orders of the Kremlin. But he “was to a large extent an independent figure,” he later claimed, though he was in touch with contacts and curators in Moscow.<sup>78</sup> Strelkov’s public statements after his departure from the Donbas, which refuted the Kremlin version of the “Russian spring,” often disagreed with Kremlin policy in Ukraine indicated that he his activities in the conflict were not fully coordinated with the top. Strelkov spoke openly, for example, of the participation of Russian troops in seizing Crimea. A behind the scenes figure in the drama was Strelkov’s patron, oligarch Konstantin Malofeyev, whom the European Commission, the United States and Ukraine have accused of financing terrorism in Ukraine. Malofeyev seemed more influential with Strelkov than either or the Kremlin or the Russian Defense Ministry.<sup>79</sup>

After Strelkov’s return home some supporters suggested, to the authorities’ public displeasure, that he run for the Duma. It was clear, however, the Kremlin, aware of the difference between activism in Moscow and Donetsk, would not allow Strelkov’s military popularity to be converted into political capital, especially if it threatened to disrupt Moscow’s agenda. The authorities put Strelkov on a “stop list,” the unofficial list of those individuals to whom it is forbidden to give air time on state television.<sup>80</sup> Although barred from the legislature, Strelkov kept up a stream of criticism of the Kremlin.<sup>81</sup> In March 2016 he accused pro-Russia fighters of bringing poverty and ruin to the Donbas as well as building a copy of Russia’s oligarchic system.<sup>82</sup> Strelkov opposes the Minsk talks and often blamed Surkov for sabotaging the Novorossiia project.

Strelkov has tried several times without success to create far-right political movements, but has been frustrated at every turn by the authorities. In October 2015 he said he planned to create a party that would oppose Putin’s government and “respond to the Western fascist threat that Russia faces today.” Early in 2016 he helped form a “January 25 Committee” with similar goals.<sup>83</sup> In May 2016, Strelkov announced the creation of the Russian National Movement out of the Committee, a neo-imperialist political party in favor of “uniting the Russian Federation, Ukraine, Belarus, and other Russian lands into a single all-Russian state and transforming the entire territory of the former USSR into an unconditional zone of Russian influence.” The movement, Strelkov said, “fully rejects President Vladimir Putin’s regime and calls for an end to the current climate of fear and intimidation of Russia’s citizens.”<sup>84</sup>

Strelkov has had trouble raising money for these activities. None so far have caught political fire.<sup>85</sup> In December 2016 he asked his followers on social media to help him find a job. “If there are any

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78 *Ibid.*

79 <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0826>

80 “Russia’s ‘Valiant Hero’ in Ukraine turns his fire in Vladimir Putin,” <https://www.theguardian.com/world/2016/jun/05/russias-valiant-hero-in-ukraine-turns-his-fire-on-vladimir-putin>,

81 <https://republic.ru/posts/52470>. [https://vk.com/igoristrelkov?w=wall347260249\\_76900](https://vk.com/igoristrelkov?w=wall347260249_76900)

82 “Igor Strelkov: Pro-Russian separatists have brought poverty and ruin to the Donbas,” UAWIRE, 25 March 2016, <http://uawire.org/news/igor-strelkov-pro-russian-separatists-have-brought-poverty-and-ruin-to-the-donbas>

83 <http://novorossia.pro/25yanvaryia/1668-zayavlenie-komiteta-25-yanvaryia.html.0>

84 <https://web.archive.org/web/20160602041435/http://georgiatoday.ge/news/3927/Ex-Separatist-Leader-Launches-Party-Aimed-at-Restoring-Russia%E2%80%99s-Empire>

85 Newsru.com, <http://www.newsru.com/russia/17oct2016/strelkov.html> ; <http://www.kommersant.ru/Doc/3113279>

proposals, please send them in a personal message.”<sup>86</sup> But his continued outspokenness on a matter highly sensitive to the Kremlin and on which it usually brooks no open criticism suggests he has hardline protectors in the upper echelons of power and may speak for them. In contrast to some of the other early pro-Russia commanders, he remains alive, regularly trying to make Vladimir Putin look foolish.

## Prospects

In public, officials on both sides declare that there is no alternative to the Minsk agreements. Among its many provisions the 13-point Minsk plan provides for the withdrawal of “foreign armed formations” and the turning over control of the Ukraine-Russian border to Kiev in exchange for constitutional changes that would provide for “decentralization” of power. Local elections and amnesty for pro-Russia fighters are also part of the package.<sup>87</sup>

In private, few leaders on either side see much chance for the full implementation of Minsk. The framework is riddled with loose language and the sequencing of many steps in its implementation is highly convoluted or unclear. Russia says it is pushing hard for complete Minsk implementation as quickly as possible, but Ukraine and its Western supporters claim that it has not done enough to remove heavy weapons, which remain at the line of contact, or discuss a troop withdrawal. The OSCE repeatedly has blamed “combined Russian-separatist” fighters for the majority of ceasefire violations and harassing the work of OSCE monitors. Pro-Russian fighters also block humanitarian aid from reaching people under their control.

Putin endorsed the Minsk process and took a relatively mild line toward the Ukraine war in his annual press conference on 23 December 2016. As usual he balanced his outward commitment to a negotiated solution to the crisis with avoidance of what could be interpreted as betrayal of the nationalist lobby which he leaned on in the early stages of the Ukraine war. In his remarks Putin stated that the Minsk framework works “sluggishly,” but there is no alternative. “If we lose this mechanism, the situation [in Ukraine] will deteriorate speedily, and that is not what we want.” No journalist present asked about the fate of the so-called Donetsk or Luhansk People’s Republics or the pro-Russian fighters present there, whose fate is central to any negotiated settlement.<sup>88</sup>

In publicly supporting the Minsk agreement Putin may be calculating that in the end Russia does not need the Donbas – that it is a financial drag and a source of Western sanctions and that it would be better to turn the problem over to Ukraine, which understands that trying to reabsorb the region would be a social and economic catastrophe. Such a settlement would give Kiev a large, restive and somewhat disloyal region that would be difficult to integrate and likely give Moscow an important say in Ukraine’s domestic and foreign affairs.<sup>89</sup>

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86 N. S., “Former separatist leader Strelkov is looking for a job,” *The Moscow Times*, 19 December 2016, <http://www.economist.com/blogs/economist-explains/2016/09/economist-explains-7>

87 <http://www.economist.com/blogs/economist-explains/2016/09/economist-explains-7>

88 Vladimir Putin’ annual news conference, 23 December 2016, <http://en.kremlin.ru/events/president/transcripts/53573>

89 *Ibid.*

But there also are major downsides to the Minsk agreement for the Kremlin. Evidence suggests that some pro-Russian formations would resist pressure to withdraw or disarm. The Kremlin could very likely force them to do so by cutting off money, supplies and weaponry. But the process would be chaotic and violent, with the results unstable and probably sputtering into local chaos and scarcely controlled criminal fiefdoms. Moscow thus might unwillingly be drawn into trying to pacify units it once backed. Returning the Donbas to Kiev, moreover, also would raise uncomfortable questions about the massive human rights violations committed by pro-Russia fighters in eastern Ukraine and about reparations.

Widespread international frustration over the Minsk process and the coming to office of Donald Trump has touched off speculation that the new US President might seek a “Grand Bargain” with Russia over Ukraine. Such conjecture has been strengthened by Trump’s suggestions during the election campaign that his foreign policy priorities lay elsewhere, the vagueness of White House comments on Ukraine so far and Trump’s repeated calls for better relations with Moscow, especially to fight terrorism. The sharp escalation in fighting after a telephone call between Trump and Putin on January 28, a conversation in which sanctions were not mentioned, was probably an attempt by the Kremlin to test the new administration’s intentions.

The key element of any Grand Bargain, according to its advocates, would be a trade of Donbas back to Kiev and withdraw Russian troops in exchange for the removal of Western sanctions and at least de facto recognition of Russian control of Crimea. (The return of Donbas would include the liquidation of the Donetsk and Luhansk entities). A deal also would include promises from Kiev that Ukraine would join neither NATO nor the EU, decentralize political power to give the Donbas more autonomy, and include Western recognition of Russia’s privileged position in the former Soviet space. Moscow, in turn would also would help pay for the rebuilding of eastern Ukraine and compensation to Kiev for property taken on the peninsula.<sup>90</sup> As under the Minsk agreement, with any Grand Bargain there is good reason for pro-Russia fighters, who interests are better served by escalation than a negotiated settlement, to fear a rapprochement between Moscow and the West. Any return of the Donbas to Kiev’s control could mean disarming pro-Russia fighters and perhaps execution for their commanders.<sup>91</sup>

Despite Russia’s formal support for the Minsk process, Moscow may be considering several other alternatives, especially if it cannot get a deal with Washington.

First, and most likely, it may try to keep its options open, from freezing the conflict to dropping the Donetsk and Luhansk, until it can use the situation for maximum benefit. Despite key miscalculations in dealing with Ukraine, Moscow has repeatedly shown the ability to adjust to changing circumstances. The Kremlin also may be waiting to see if the Western consensus for sanctions erodes even further or it makes other concessions, perhaps on Crimea. It also is likely to delay until it takes the full measure of Trump.

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90 V. Frolov, “Ракеты в обмен на Крым. Что стоит за предложением Трампа о ядерном разоружении?” *Republic*, <https://republic.ru/posts/78593>

91 Tatiana Stanovaya, “Опять война. Что стоит за обострением в Донбассе?” <https://republic.ru/posts/79178>

Second, it may want to turn the war into a frozen conflict that would continue the status quo and push the issue off the international agenda. This could avoid the challenge of pacifying Donetsk and Luhansk and allow Russia to put a brake on Ukraine's further integration with the West.

Finally, though least likely, Putin and the inner core of people around him who make decisions on Ukraine may be divided or unsure of what to do next. This is suggested by the frequent lack of political and military coordination at the front.<sup>92</sup>

## Implications for NATO

NATO is likely to face significant challenges under any Ukraine scenario. Even if Kiev were forced to renounce its alliance aspirations under a Grand Bargain, NATO would still likely have to continue providing security assistance in several areas: intelligence sharing; operational planning and cooperation; and strengthening Security in the Black Sea region. The Ukrainian government also might find it difficult to resist rising popular pressure for integration into the Alliance. NATO also might be called upon to help pacify the Donbas under any scenario that requires a Russian withdrawal.

92 <https://www.crisisgroup.org/europe-central-asia/eastern-europe/ukraine/russia-and-separatists-eastern-ukraine>



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