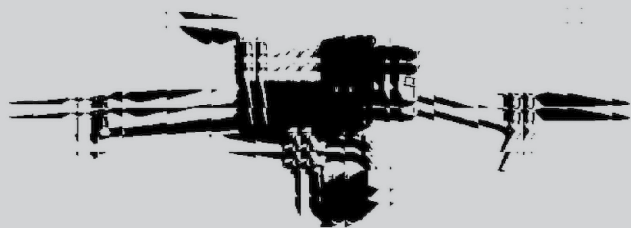


# INTERNATIONAL SECURITY AND ESTONIA 2025



Estonian Foreign  
Intelligence Service



# **INTERNATIONAL SECURITY AND ESTONIA 2025**



**Estonian Foreign  
Intelligence Service**

# FOREWORD



DEAR READER,

As I write these words, it remains uncertain whether the coming year will bring an end to the decade-long Russian aggression against Ukraine or what form that conclusion might take. Putin seems likely to view the evolving international situation as an opportunity for a temporary reprieve. Such a pause would be expedient for the war criminal to consolidate his gains, catch his breath and then resume Russia's colonialist mission.

To safeguard Ukraine's future and the security of the free world, it is essential that Russia does not dictate the terms for ending the conflict. There is no reason to believe that Putin has abandoned his maximalist ambitions, including the demand to roll NATO's military presence back to its 1997 boundaries, which makes it all the more vital that Russia leaves Ukraine with a painful lesson.

The threat of a direct military attack on Estonia remains unlikely in 2025, but Russia's policy towards us remains hostile, and its confrontation with the West continues. Despite suffering enormous losses, the Russian armed forces are growing, learning lessons from the war, and rapidly advancing technologies such as drones. This raises the threat level for NATO as well.

Russia may continue its sabotage campaign in Europe in 2025, attempting to undermine support for Ukraine. Acts of arson, vandalism and destruction may recur across the continent. However, the Kremlin fails to grasp that such acts, which potentially endanger lives, only reinforce its image as an aggressor and strengthen Western unity rather than achieving the opposite.



As its resources for escalation dwindle, leading to frustration behind closed doors among the siloviki, Moscow will persist in exploiting nuclear fear. While the Kremlin's rhetoric on nuclear weapons is forceful, its actions do not mirror these ominous threats. In our assessment, Russia is highly unlikely to use nuclear weapons in the war against Ukraine, but observing how the fear factor has restrained the West thus far, Russia is exploiting it to the fullest. The war in Ukraine could have potentially been ended some time ago had the West seen through Russia's bluff.

The Russian ruling elite maintains its grip on power through increasingly heavy-handed repression, reminiscent of the late Brezhnev era. The burden of war has stalled progress in many sectors, causing a rapid decline in quality of life and growing internal tensions. While there is no immediate threat to the regime, authoritarian systems often appear stronger than they actually are. Recently, we witnessed how the sudden collapse of the Syrian dictator's rule and his flight from the country shocked Putin's inner circle.

Sanctions have significantly weakened the Russian economy. The West's resolve to maintain sanctions directly hampers Russia's ability to sustain – let alone develop – its military machine; it limits Russia's capacity to continue the war in Ukraine and curtails its preparations for potential conflict with NATO.

China is aiding Russia in the game of drones by providing a route for Western components to reach the aggressor. China criticises international sanctions on Russia, tacitly endorsing its citizens and companies engaging in business with Russia. China's interest lies in preventing Russia from losing the war in Ukraine, as such an outcome would represent a victory for its main rival, the United States, and a setback for China's efforts to reshape the rules-based international order in favour of authoritarian regimes.

Seeking to demonstrate that it is not isolated, currying favour with China is not the only focus of Russian officials. BRICS presidency in 2024 and the numerous events held under its framework provided Russia with a valuable platform to spread its propaganda and justify its war of conquest. In 2025, the Russian foreign ministry has opportunities to extend its "peace narratives" from South America to Africa and Asia.

There have also been unusual incidents in the Baltic Sea. Ongoing investigations are expected to reveal the culprits, but the share of vessels with unclear backgrounds in regional maritime traffic is clearly increasing. Responsible coastal states must not be deterred but should instead explore joint solutions to mitigate the risks of such incidents more effectively.

I believe that the Estonian Foreign Intelligence Service's tenth annual report will help dispel the fog of uncertainty, provide context and sharpen the focus on issues critical to Estonia and NATO. Hopefully, the free world can overcome its self-imposed collective inertia, rise to the occasion with courage and resolve, and consign the drive for aggression to the ash heap of history.

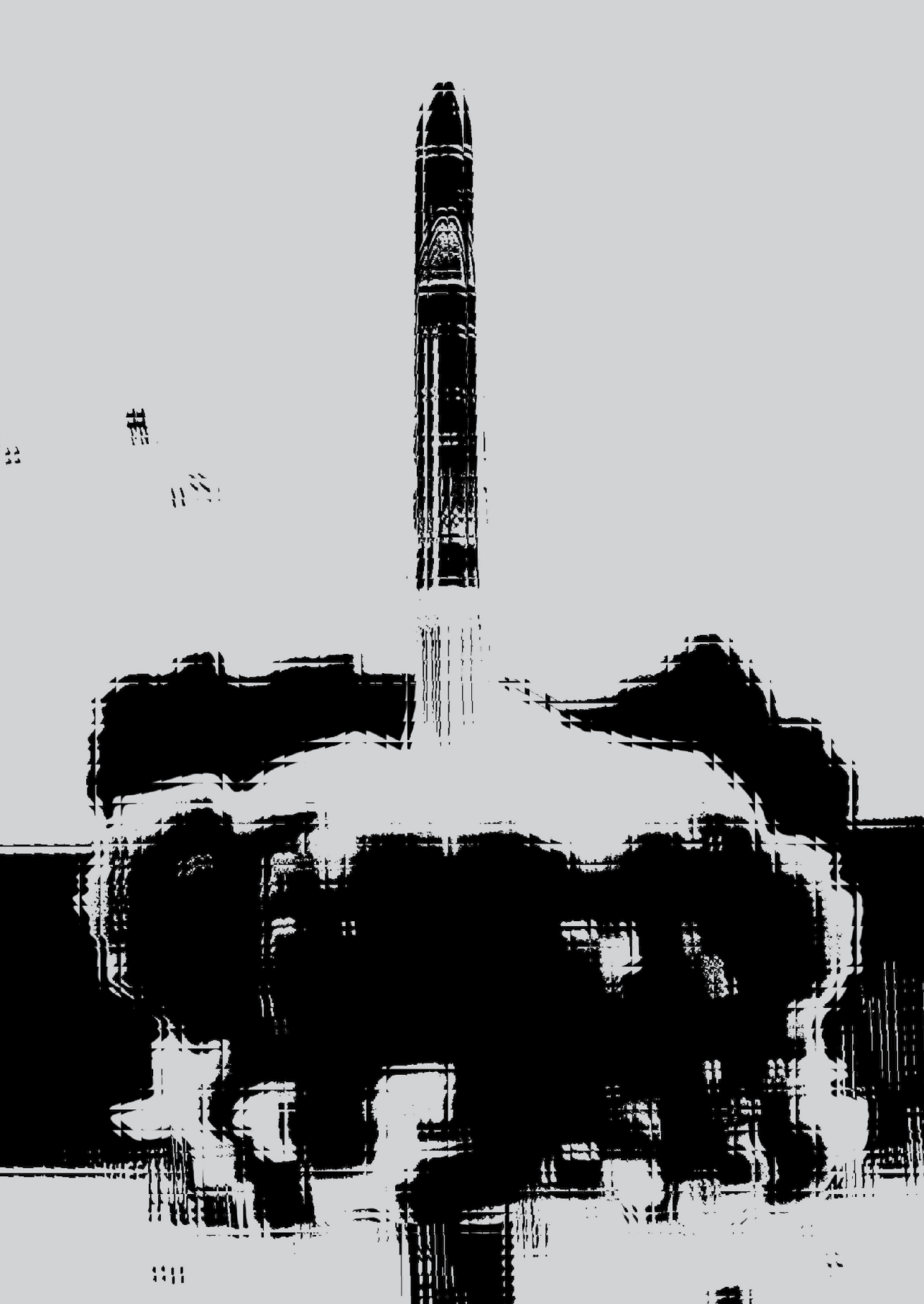
Kaupo Rosin  
Director General, Estonian Foreign Intelligence Service  
20 December 2024

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# SUMMARY

1. Russia continues to mobilise resources and rebuild its mass army. Should the war in Ukraine end favourably for Russia, or if hostilities are frozen, it is almost certain that Russian military units will be permanently stationed along Estonia's borders in greater numbers than before 24 February 2022. Russia is committed to advancing drone technology and integrating drones extensively into its armed forces. This increases the threat to Estonia and NATO. Drone production in Russia remains dependent on Western components. *Read more in Chapter 1.*
2. Russia is highly unlikely to use nuclear weapons in its war against Ukraine and instead seeks to maximise its fear factor to sway Western decision-making. Russia's nuclear threats have not yielded the desired results, and this is causing frustration among the country's leadership. *Read more in Chapter 1.*
3. Russia's ruling elite maintains domestic control through increasingly forceful repression. With the ongoing war, development in sectors outside the defence industry has stalled, and domestic tensions are rising. Russia's "war economy boom" is likely to come to an end in 2025. As Russia's focus is on its war in Ukraine, its ability to prevent Islamist extremism and thwart terrorist attacks at home is limited. *Read more in Chapter 2.*
4. Russia's leadership cynically perpetuates the claim on the international stage that the war in Ukraine could have ended as early as 2022. Russia assumes that the international community either lacks knowledge of or has forgotten the state of negotiations when they collapsed in 2022. Russia's disinformation campaigns are gaining ground among countries in the Global South. The Belarusian regime's dependence on the Kremlin is deepening. *Read more in Chapter 3.*
5. With Russia's official contacts with the West impeded, Russian academics have taken on a larger role in back-channel diplomacy, serving as discreet conduits for communication with Western diplomats and think tank representatives. *Read more in Chapter 3.*
6. Russia seeks to restore Moscow's control over most of the South Caucasus to gain access to strategic infrastructure in the region. One of the keys to achieving this is the subjugation of Georgia. *Read more in Chapter 3.*
7. The UAE has become a hub for Russian economic activity, offering opportunities for business and sanctions evasion, alongside relatively frequent political, military and intelligence interactions. *Read more in Chapter 3.*
8. Russia has launched a sabotage campaign against the West to undermine support for Ukraine. Russian propagandists are also aiming to reignite fears of a "nuclear winter" – a theory widely explored in the 1980s – among Americans in 2025. *Read more in Chapter 4.*
9. The FSB is responsible for the security of Russia's armed forces and other militarized institutions through its military counterintelligence branch, VKR, which recruits informants from both Russian and foreign nationals. *Read more in Chapter 5.*
10. China views Ukraine as part of Russia's sphere of influence but only provides selective support to Russia in the information war, guided by its own strategic interests. For China, Russia's defeat in the war against Ukraine would represent a victory for its main rival, the United States. The Chinese Communist Party uses scientific collaboration as a tool to acquire Western technology and strengthen its capabilities. *Read more in Chapter 6.*



CHAPTER 1

# **RUSSIAN ARMED FORCES AND THE WAR IN UKRAINE**

**7**

# RUSSIA'S ARMED FORCES ARE EXPANDING: THE EXAMPLE OF THE 44TH ARMY CORPS

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Russia continues to mobilise resources and rebuild a mass army to sustain its war in Ukraine and prepare for a potential conflict with NATO. The pace of this rearmament depends on the duration and outcome of the war.

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By 2025, Russia is expected to form additional divisions and combat support and service support units in the Leningrad and Moscow military districts.

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Should the war in Ukraine end favourably for Russia or if hostilities are frozen, it is almost certain that Russian military units will be permanently stationed along Estonia's borders in more significant numbers than before 24 February 2022.

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The formation of units under the 44th Army Corps shows that, despite combat losses, Russia has sufficient resources to not only recover but also expand and modernise its armed forces.

Despite suffering the largest post-World War II human losses on the battlefield, Russia's armed forces are growing. New units and formations are being established, primarily with recruited contract soldiers. Russia is not merely restoring its pre-war personnel numbers of 600,000-700,000 soldiers; this target was already reached during the partial mobilisation in autumn 2022. Since then, Russia has simultaneously worked to restore the combat readiness of its operational forces and implement force generation by creating new units staffed with contracted personnel. By 2026, the Kremlin aims to expand its military to 1.5 million soldiers.

In 2024, the Russian Armed Forces re-established the Leningrad Military District, forming the 44th Army Corps and the 6th Combined Arms Army's 69th Motor Rifle Division (Kamenka, formerly the 138th Guards Separate Motor Rifle Brigade) near Estonia. After their formation, both units were deployed to the Ukrainian front to gain combat experience. Additionally, in the second half of 2024, the 6th Combined Arms Army began forming the 68th Motorised Rifle Division (Luga, formerly the 25th Guards Separate Motor Rifle Brigade), with this process likely to continue into 2025. The fact that both an army corps and a motorised rifle division were assembled near Estonia within a single year demonstrates Russia's capacity to create large military formations in a relatively short time.

The 44th Army Corps, which contributed to the increase in Russian forces near Estonia in 2024, is planned for permanent deployment in the direction of Finland. Its core units were established over seven or eight months between autumn 2023 and spring 2024, primarily using newly recruited contract soldiers. The manoeuvre units of this corps – the 72nd Motor Rifle Division and the 128th Motor Rifle Brigade – saw their first combat in May 2024 in Kharkiv Oblast, where they attacked Ukrainian forces. Their training period, in line with Russia's current warfare practices, was brief and concentrated on individual skills and small-unit tactics (squad, platoon, company).

### OLD MILITARY GARRISONS REPURPOSED

**Old military garrisons in the Republic of Karelia will be repurposed to house new units.**

The formation of the 44th Army Corps' combat support and service support units is expected to continue into 2025, as their training, arming and equipping require more time. The permanent bases for these units will likely include repurposed old garrisons in the Republic of Karelia. Renovating and constructing these facilities is projected to take at least three to four years, while the necessary housing for military personnel and their families will likely require even more time.

In summary, Russia is expanding its armed forces both on paper – through presidential decrees increasing the official number of military positions – and, in practice, through recruitment. The establishment of units under the 6th Combined Arms Army and the



Russian soldiers during a parade on Moscow's Red Square in May 2024

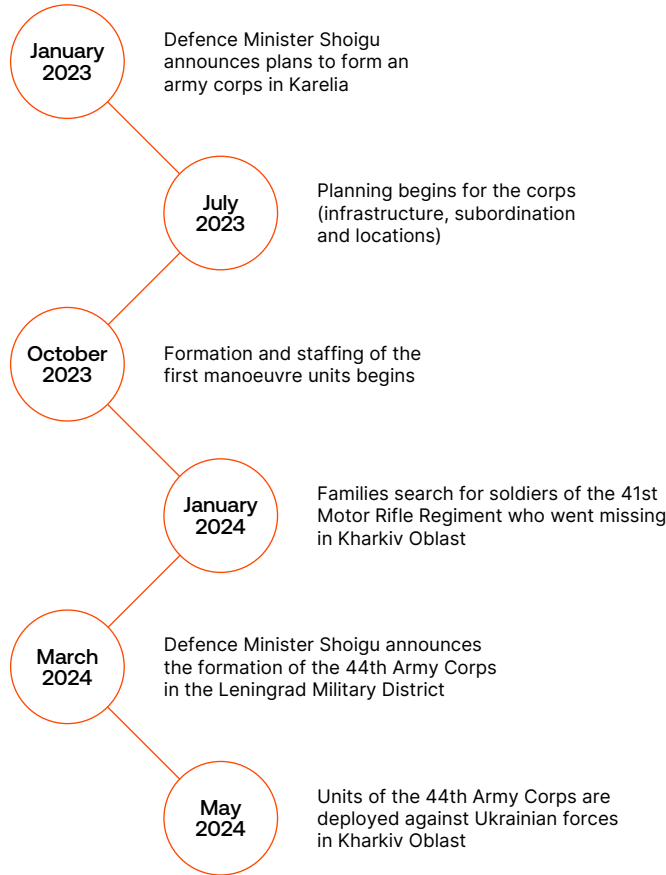
Source: Evgenia Novozhenina/Reuters



44th Army Corps in 2024 confirms that the Kremlin is not merely making plans but is also successfully executing the creation of new units. Over the next two years, a lack of political will is unlikely to impede the mobilisation of additional resources. However, the sustainability of forming and maintaining new formations over a three-to-five-year horizon remains uncertain, depending heavily on the duration of the Russia-Ukraine war, Russia's economic resilience and the determination of Western nations to maintain sanctions.

The Kremlin has chosen a path of long-term confrontation, committing to the mobilisation of additional societal resources to rebuild the military and achieve its reform goals. If Russia succeeds in continuing its military reform and forming the planned units, Estonia and NATO will face a Russian force posture in the coming years that poses a sustained military threat.

Formation of the 44th Army Corps (2023-2024)



# RUSSIA IS COMMITTED TO ADVANCING DRONE TECHNOLOGY

Given Russia's focus on developing drone technology and integrating it into its armed forces, the threat posed by the Russian reconnaissance and strike drones for Estonia and NATO increases in the short term.

Russian drone production remains dependent on Western components. Their availability – including through intermediaries in China – facilitates Russia's aggression against Ukraine and poses a long-term security threat to Estonia.

Drawing on lessons and experiences from the war in Ukraine, the Russian government is determined to ensure technological and industrial readiness for the large-scale adoption of drone technology<sup>1</sup> in both military and civilian sectors.

## RUSSIA'S PLANS FOR CIVIL-SECTOR DRONE DEVELOPMENT

The development and production of drones are very likely a top priority for Russia, as demonstrated by the launch of a national drone development project (*Национальный Проект БАС*). This initiative is divided into five federal subprojects:

- 1) stimulating demand for domestically produced drones,
- 2) standardising the drone industry and ensuring mass production,
- 3) developing drone industry infrastructure, safety assurance and certification processes,
- 4) securing qualified personnel for the drone sector,
- 5) and advancing cutting-edge drone technologies.

Under the national drone development project, drones are being developed and produced based on standardised types, sizes and functions (e.g. light, medium or heavy drones of the airplane, multirotor or helicopter type designed for transport, training or reconnaissance purposes). To ensure standardised production and development, the project aims to establish 48 research and production centres (*Научно-производственный Центр*), across Russia. These centres will provide shared laboratory and production equipment, along with facilities for development, testing and production, as well as support personnel for participating enterprises. Russia plans to allocate on average

<sup>1</sup> The term "drone" is used here as a general designation for unmanned vehicles, including unmanned aerial, ground and water vehicles, as well as one-way unmanned attack systems, loitering munitions, FPV drones and similar devices.

€1 billion annually to this project until 2030, with the aim of creating one million jobs for experts in the sector, who will be registered in a national electronic database. The project also includes the goal of integrating drone-related education into 75% of Russian schools.



A postage stamp celebrating Russia's national drone development project

Source: rusmarka.ru

**Lessons from the war in Ukraine and the national drone development project will likely provide Russia's armed forces with a strong position in future conflicts.**

The national drone development project likely reflects both economic ambitions and an intent to emulate China's model, where civilian initiatives for new technologies and production capacities also facilitate rapid and cost-efficient transfers to the military sector. By centralising the integration of private enterprise with this state-led project, the Russian government likely aims to establish complete control over development and production resources, specialist personnel and the resulting technologies. Research and development centres are envisioned as innovation hubs designed to help Russia achieve "technological sovereignty" and reduce its dependency on Western technologies and imported components. The creation of an electronic database of industry experts mirrors the practices across Russia's broader military-industrial complex, where cross-sectoral databases enable the identification and allocation of critical personnel as required. These initiatives, combined with lessons from the war in Ukraine, will likely secure a strong position for the Russian armed forces in the long-term deployment of drone technology.

## RUSSIA'S USE OF LONG-RANGE STRIKE DRONES IN UKRAINE

Russia has extensively deployed one-way attack drones (NATO designation: OWA UAS) in its war against Ukraine. These drones merge loitering munitions with unmanned aerial strike systems, creating a precision-strike platform capable of serving both tactical and strategic purposes, depending on their application.

As of December 2024, Russia has used over 8,000 Shahed, Geran and Garpiya drones in Ukraine, targeting critical infrastructure in massive waves combined with other precision weapons, such as ballistic and cruise missiles. This terror tactic aims to undermine Ukrainian morale. From Russia's perspective, targeting civilian infrastructure also increases the likelihood that Ukraine will expend its limited stock of air defence resources to intercept drones. Thus, one-way attack drones can also serve as saturation decoys for Ukraine's air defences so that Russia's more expensive and capable ballistic and cruise missiles can reach their intended military targets.

The Shahed series of one-way attack drones, produced by Iran, has been sold to Russia in large quantities. The extensive use of Shahed drones against Ukraine has been well-documented through video evidence and physical remnants; however, a key source of information emerged on 4 February 2024, when the PRANA Network hacker group leaked the email servers of Sahara Thunder, a purported front company for Iran's Revolutionary Guard. The leaked documents revealed that Iran initially offered Shahed-136 drones to Russia at a price of \$375,000 per unit. Following negotiations, the parties agreed on a reduced price of \$193,000 per drone for a bulk purchase of 6,000 units, or \$290,000 per drone for a batch of 2,000 units. The price quoted by Iran is vastly higher than the estimated production cost, indicating that, for Iran, the Shahed drone sales were primarily an economic transaction. For Russia, accepting such a high price reveals its urgent need for these drones.



Iranian Shahed one-way attack drones on a launch platform (Source: IMA Media)

Source: YouTube

Russia also produces a modified version of Iran's Shahed-136 drone under the name Geran-2 in Tatarstan's Alabuga Special Economic Zone. Compared with the original, the Geran-2 incorporates several modifications, including the use of more advanced materials. It features an improved navigation and control module assembled in Russia, which includes the adaptive Kometa antenna (see below) to enhance its resistance to Ukraine's electronic warfare systems. Reports estimate the production cost of one Geran-2 drone in Russia at \$48,800, which is significantly less than the cost of importing a Shahed-136 from Iran.

In late 2022, a group of Russian defence industry companies, led by the Almaz-Antei conglomerate, began developing a domestically produced one-way attack drone, the Garpiya A1. This drone shares many components, including its engine, with the Iranian Shahed-136 drone and its Russian-manufactured version, the Geran-2, produced in Alabuga. The Garpiya A1 is nearly identical to these models in appearance and technical

specifications. It is highly likely a case of reverse engineering the Iranian Shahed-136 in Russia, with the apparent goal of lowering the costs of acquiring one-way attack drones.

**Russia will likely apply lessons from the Ukraine war to shape the development of its forces along NATO's eastern flank.**

The Garpiya is undergoing upgrades, including new targeting systems to improve autonomy, accuracy and lethality. Plans for a jet-powered version promise greater speed and altitude, making it a more challenging target for Ukrainian air defences. The advancement of one-way attack drones, particularly jet-powered versions, blurs the line between drones and cruise missiles and offers similar capabilities at a fraction of the cost, almost certainly enhancing the scale and effectiveness of precision-strike campaigns in future conflicts. After the conclusion of active hostilities in Ukraine, Russia will likely use its drone warfare experience and insights into Western air defence systems to shape the development of its forces along Estonian and NATO borders.

### **KOMETA ADAPTIVE ANTENNAS ARE INSTALLED ON BOTH NEW AND EXISTING PRECISION WEAPON SYSTEMS**

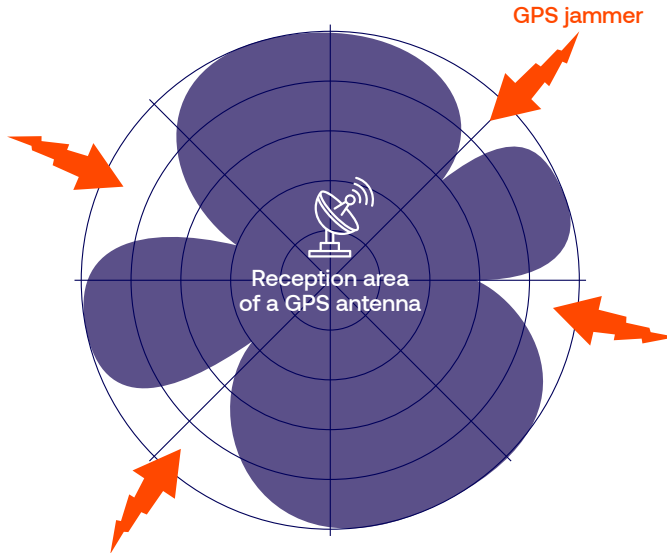
The Kometa controlled reception pattern antenna (CRPA), widely used in Russian Armed Forces equipment, ensures resilience against jamming and spoofing of Global Navigation Satellite System (GNSS) signals<sup>2</sup>. Various versions of the Kometa antenna are fitted on virtually all Russian weapon systems that rely on GNSS signals, including ballistic and cruise missiles, glide bombs and drones such as the Geran-2 and Garpiya A1.

Each element of the CRPA receiver processes signals with specific delays and phase shifts based on the direction and wavelength of incoming signals, as well as the relative positioning of the elements. This enables the system to identify and counteract interference by adjusting the antenna's reception pattern to avoid disruptive signals.

The Kometa CRPA receivers very likely enhance the resilience of Russian weapon systems, including one-way attack drones, against Ukraine's electronic warfare efforts to disrupt GNSS signal reception. This capability enables Russia's armed forces to carry out more accurate and devastating strikes. The reduced effectiveness of electronic warfare in disrupting navigation signals heightens the need for alternative capabilities, such as kinetic strike options, within air defence systems. Additionally, Kometa's proven performance and operational experience during Russia's aggression against Ukraine is a factor Estonia must consider when acquiring precision munitions and drones, as well as when developing countermeasures. The mass production of Kometa antennas will enable Russia to equip both new and existing systems with this technology, reducing the impact of adversary electronic warfare measures on its operational capabilities.

<sup>2</sup> GPS signal jamming is a technical attack against devices or signals that use the global navigation system (GPS), aimed at disrupting their operation. GPS signal spoofing, on the other hand, is an attack designed to distort the GPS receiver's location determination, causing the system to display an incorrect position.

### Operating principle of the Kometa adaptive antenna system



### RUSSIA'S DRONE PRODUCTION, SANCTIONS AND COOPERATION WITH CHINA

The Russian Ministry of Defence set an ambitious target to reach a production rate of 100,000 drones per month by the end of 2024 to support its so-called special military operation in Ukraine. To achieve this, numerous federal and regional support initiatives and funding schemes were launched. Most of the drones produced are FPV (first-person view) light multirotor drones with military functionality. It remains unclear whether Russia achieved this goal in 2024, but available information indicates that monthly production volumes grew several-fold over the year. Furthermore, Russia is likely capable of scaling up its one-way attack drone production faster than Ukraine can strengthen its countermeasures.

Russia's drone industry remains reliant on imported components, particularly electronics and drone motors and engines, for which no domestic alternatives exist. These components are largely sourced from Western manufacturers. However, manufacturers' ability to monitor end users is limited, as components are sold in bulk to electronic wholesalers, who then distribute them to end users and retailers worldwide. Russia has built procurement networks to exploit these supply chains, constantly seeking opportunities to acquire sanctioned items by involving companies from various countries as intermediaries to conceal Russia's role as the end user. As a result, the burden of ensuring compliance with sanctions falls more heavily on wholesalers than on the component manufacturers themselves.

Sanctions have had a limited impact on Russian drone production. Russia's military-industrial complex continues to access critical components via intermediaries. Estimates indicate that up to 80 per cent of sanctioned Western components reach Russia through China, suggesting that representatives of manufacturers, wholesalers and intermediaries within China are almost certainly a weak link in the supply chain. China has made some efforts to restrict its state-owned and state-associated entities from supplying sanctioned goods to Russia. It has also tightened existing restrictions and introduced new ones, such as the Chinese Ministry of Commerce's export controls on certain drones and drone components imposed on 1 September 2023. Despite this, covert supplies from Chinese private companies persist, with Beijing remaining Russia's primary hub for importing high-tech and dual-use goods.

**China continues to enable covert transfers of dual-use components to Russia.**

Dependency on imported components, including drone motors and engines, has been one of the most significant challenges to developing Russia's domestic drone production. Potential transfers of drone technology from China to Russia through private-sector collaboration could significantly decrease Russia's dependence on foreign suppliers. Although the Chinese government likely seeks to avoid the direct involvement of its state institutions in supplying sanctioned goods to Russia, it facilitates bilateral cooperation and covert transfers of dual-use components through private companies. This approach will likely decrease Russia's dependency on Western components and, in the long term, could undermine the West's ability to leverage influence in this domain.



# RUSSIA ONLY INTIMIDATES WITH NUCLEAR WEAPONS

Russia is highly unlikely to use nuclear weapons in its war against Ukraine and instead seeks to maximise its fear factor to sway Western decision-making.

Russia's nuclear threats have not yielded the desired results, causing frustration among the country's leadership.

Preparations, including updates to Russia's nuclear doctrine, are underway to enable more flexible deployment of non-strategic nuclear weapons in conflicts amid a prolonged confrontation with the West. However, any actual use of nuclear weapons remains solely Putin's decision, regardless of doctrine.

Persistent concerns about potential nuclear escalation have accompanied Russia's aggression in Ukraine. These concerns are exacerbated by Russia's approach to nuclear weapons, which departs from traditional deterrence – ensuring balance and preventing use – to intimidation aimed at expanding Russia's influence and control.

Russia does not behave as a responsible nuclear state; instead, it uses the threat of nuclear weapons to intimidate not just Ukraine but also the rest of Europe. This approach remains rooted in the Kremlin's December 2021 ultimatum to reshape European security architecture in its favour. A prominent example of nuclear intimidation was Putin's declaration of a "special regime for nuclear forces" at the start of the full-scale invasion of Ukraine – a declaration that never translated into concrete actions. Operational patterns and unit tasks remained unchanged, rendering the special regime meaningless. Throughout the war, Russia has announced multiple "red lines", such as Ukraine striking Crimea or receiving Western military aid like tanks, F-16 fighter jets, HIMARS or ATACMS. None of these scenarios has resulted in nuclear escalation.



Russian Armed Forces during exercises with the SS-26 Stone (Iskander) operational-tactical ballistic missile

Source: AP



Russia's aggressive rhetoric, paired with its lack of response to Western actions, has undermined the credibility of its 2020 nuclear doctrine. Russia has issued warnings of nuclear escalation in situations that fall short of the thresholds outlined in the doctrine. Following this discreditation and Russia's inability to deter the West, discussions within Russia's security circles intensified after the initial setbacks of the invasion. Both public and private debates focused on finding more effective ways to leverage nuclear weapons as a deterrent.

These discussions culminated in the adoption of a new doctrine on 19 November 2024. On paper, the changes lower the threshold for nuclear weapon use. However, such doctrines carry little weight in an autocratic system like Russia's, where their primary function is to create an alarming notion in the West that the choice lies between submission and nuclear war. This doctrinal change is highly unlikely to lead to the use of nuclear weapons against Ukraine under current conditions. The use of nuclear weapons is almost certainly not automatically tied to the conditions outlined in doctrine but depends on the decisions of the Russian regime's leader.

#### **NUCLEAR WEAPON USE CONDITIONS ACCORDING TO RUSSIA'S 2020 DOCTRINE:**

- Russia has reliable information on an ongoing ballistic missile attack against its territory.
- Nuclear or other weapons of mass destruction are used against Russia either on its own territory or that of its allies.
- A response is required to an attack that threatens Russia's control over its nuclear arsenal.
- A conventional attack poses an existential threat to the Russian state.

#### **KEY CHANGES IN THE 2024 NUCLEAR DOCTRINE:**

- Russia's nuclear deterrence now extends to non-nuclear states that are part of alliances with nuclear powers (e.g. NATO).
- Deterrence is intended to prevent the formation of anti-Russian alliances and coalitions, including the expansion of their military infrastructure near Russia's borders.
- Additional preconditions for nuclear weapon use:
  - A conventional attack against Russia or Belarus threatening their sovereignty and/or territorial integrity.
  - A large-scale aerospace operation targeting Russia.

By lowering the threshold for nuclear weapon use and continuing its intimidation tactics, Russia aims to influence Western policymakers. This includes deterring support for Ukraine and discouraging NATO from strengthening its defence capabilities near Russian borders. Intimidation has yielded some results; while Ukraine continues to receive support despite Russian threats, many countries have adopted measured approaches, creating self-imposed "red lines" that Russia can exploit.

The success of these intimidation tactics primarily hinges on the reactions of Western nations and the global community. If nuclear threats or limited use were successful in deterring Western aid to Ukraine and securing concessions for Russia, this would likely spark a wave of nuclear proliferation, with non-nuclear states increasingly viewing non-strategic nuclear weapons as a primary security guarantee.



Russian Armed Forces at a “non-strategic” nuclear weapons exercise in the summer of 2024

Source: AP

## THE LIMITED UTILITY OF NUCLEAR WEAPONS ON THE BATTLEFIELD

Alongside intimidation, Russia is likely revising the role of non-strategic nuclear weapons (operational-tactical and tactical nuclear weapons) in practice. Russia’s new and expanded force structure along its western flank (see section on Russian military reform, p. 8) includes a non-strategic nuclear component. Exercises in the summer of 2024 covered practical aspects such as the transportation, protection and potential use of nuclear weapons, including in Kaliningrad.

Traditionally, Russia’s non-strategic nuclear weapons have been stored in large national depots. In crises or wartime, they are moved closer to conflict zones or delivery platforms into what are known as “local depots”. The nearest national depot to Estonia is 600 km away, near Vologda, while the closest local depot is in Kaliningrad, just 400 km away. The Kaliningrad depot, previously in disrepair, has been renovated and expanded, becoming a focal point for Russia’s 12th Main Directorate (12th GUMO), which oversees nuclear weapons. In 2024, it was upgraded to a national depot, which positions nuclear warheads and delivery systems closer to the Baltic states and reduces the early warning time for potential use. This likely indicates a shift in Russia’s threat perception, intended both to further intimidate the West and to allow for faster deployment if required.

However, the military benefits of using nuclear weapons on the battlefield are limited in modern warfare. Using nuclear weapons against Ukraine would almost certainly fail to achieve strategic objectives and would instead expose the limitations of non-strategic nuclear weapons. It would highlight the superiority of modern conventional weaponry and significantly erode Russia’s nuclear deterrence credibility. Nuclear weapons and the taboo surrounding their use remain central to Russia’s reputation and self-perception as a great power. Any use of these weapons would shatter this illusory status on the international stage, including among the Global South.



CHAPTER 2

# **RUSSIAN DOMESTIC POLITICS AND ECONOMY**

**21**

# RUSSIA'S DOMESTIC POLITICS IMPACTED BY THE ESCALATING COSTS OF THE WAR IN UKRAINE

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Russia's ruling elite maintains control through intensifying repression; it has effectively eliminated meaningful political opposition and curtailed freedom of speech and expression.

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At the core of political decision-making is an ageing dictator who acknowledges only power politics, fixated on maintaining his grip on domestic power while striving to maximise Russian influence globally.

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Domestic tensions rise due to political isolation, continued militarisation of society and growing war fatigue.

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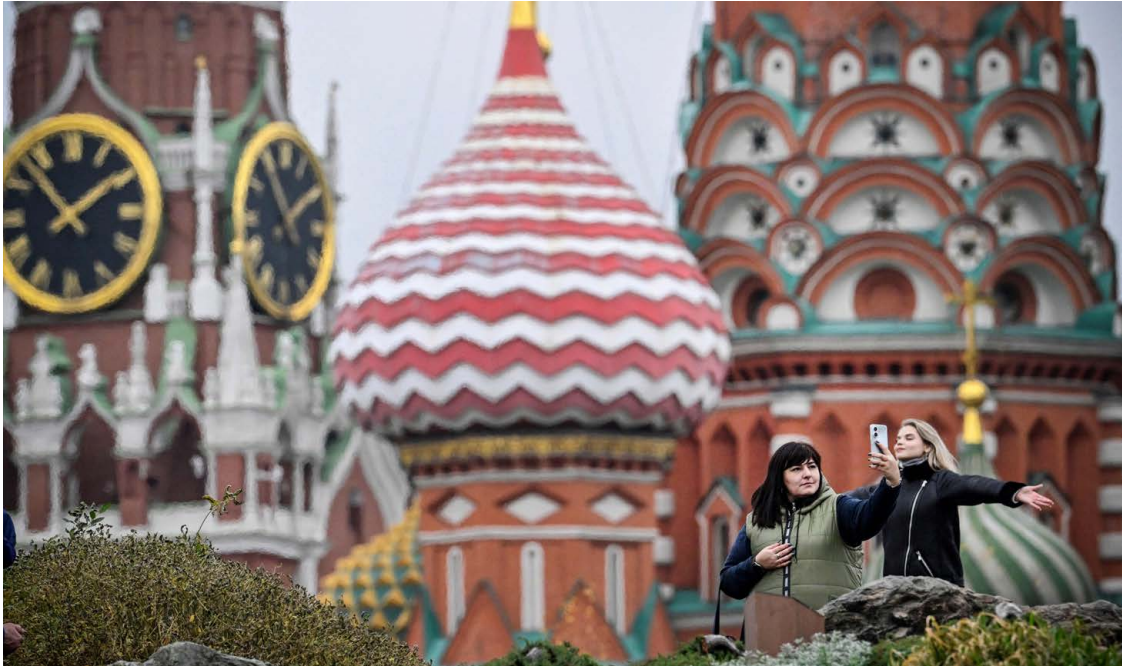
Resources are primarily directed towards warfare, causing stagnation in other sectors and rapidly declining living standards.

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In 2024, Vladimir Putin was formally granted another term as President of the Russian Federation through a so-called election. This process was little more than a Kremlin-orchestrated simulation of democracy, offering voters no genuine choice. Deliberate actions by the Kremlin have shaped Russia's current political landscape to exclude any competition with the ruling elite. Political activity and opinions deemed unfavourable to the Kremlin are aggressively suppressed through harsh repression, which has steadily intensified during the war, now reaching a level of severity comparable to that of the Soviet era.

Data collected by the independent rights group OVD-Info reveals that, between early 2022 and mid-2024, more than 20,000 people were arrested or prosecuted for expressing anti-war views. Most of these convictions are tied to the notorious "discrediting the army" clause, which has led to nearly 10,000 convictions, with 4,500 individuals receiving criminal sentences for political reasons, according to the OVD database. This uptick has been particularly evident since the onset of Russia's full-scale war in Ukraine. Furthermore, numerous civil society organisations and activists have been branded as "foreign agents" or "undesirables", effectively destroying their ability to continue operating. Meanwhile, Russia's rubber-stamp State Duma continues to expand repressive legislation, with courts dutifully enforcing these measures.





Russia's civil society has been almost completely neutralised

Source: Alexander Nemenov/AFP

As a result, civil society in Russia has been nearly extinguished. Although polls suggest that the unsuccessful and casualty-heavy war effort is increasing anti-war sentiment in Russia, these individuals have no outlet to realise their political will. Most either retreat into political apathy or opportunistically conform to state ideology. Among Russia's political, cultural and economic elites, few appear willing to challenge Putin's disastrous policies, fearing the loss of their position, assets or even their lives.

### FEAR LEADS TO MOUNTING DOMESTIC TENSIONS

**Putin's regime appears unshakable, but tensions are building beneath the surface.**

This does not mean the entire Russian population stands united behind their "leader for life", endorsing dictatorship and bloody wars of aggression against neighbouring nations. Putin's regime appears unshakable, but beneath the polished surface, internal tensions and contradictions are building. The regime primarily responds with harsher directives, restrictions and repression, offering no substantive solutions. With resources concentrated on sustaining the war and maintaining the military-industrial complex, development in other areas has nearly ceased, leading to rapidly declining living standards. At the same time, corruption, abuse of power and financial waste continue to plague all levels of government.

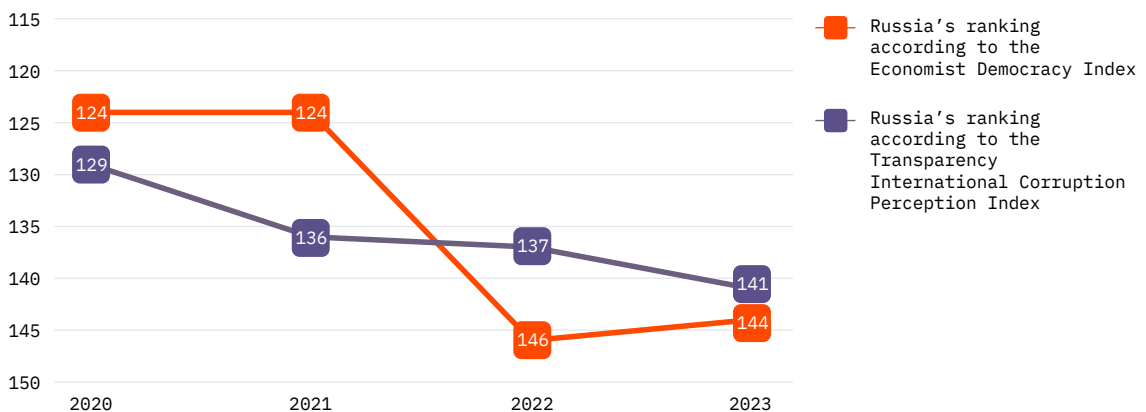
Serious issues are likely being recognised at the very top of the Kremlin's power hierarchy. Putin's latest term has coincided with numerous high-profile arrests of senior military officials on corruption charges, culminating in a reshuffle of Russia's defence leadership. The unexpectedly announced personnel changes were likely driven by Putin's aim to restore order within the Ministry of Defence, ensure unquestioning obedience and improve the efficiency of warfare. However, the reshuffle also implicitly acknowledges that things have not gone according to plan and that waging the war has become excessively challenging and costly for the state.

The newly appointed defence minister, former Deputy Prime Minister Andrey Belousov, is regarded within the Russian elite as a capable administrator and economic expert, but he lacks a military background. His appointment necessitated further personnel changes among the top leadership, including the replacement of the Secretary of the Security Council. Putin secured a soft landing for his long-time ally and former defence minister, Sergei Shoigu, by appointing him to this role.

To optimise resource allocation for military purposes and enhance the management of the defence industry, a dedicated division was established within the Presidential Administration to oversee state policy concerning the military-industrial complex. A new role of presidential aide for the defence industry was established within the Presidential Administration, assigned to Putin's trusted ally Aleksey Dyumin, who also holds responsibilities in other areas alongside the military-industrial complex.

In addition to the increasing difficulty of securing funding for the war, these changes also underscore how critical it is for Vladimir Putin to end the war on terms favourable to him. It is almost certain that this objective is driven by his awareness that losers are not respected in Russia, and for reputational reasons alone, he must conclude the war with a result that can be portrayed as a victory. Thus, the Kremlin's leader remains motivated to secure the resources necessary to continue the war, despite its costs far exceeding the original plans and the ever-growing price Russia is paying. In addition to immediate expenditures and human losses, the war's cost includes reduced allocations to other sectors and the long-term effects of foregone investments.

### Changes in Russia's position in international studies comparing levels of democracy and corruption among states





Alongside declining public services, Russians are increasingly required to directly contribute to covering the financial costs of the war. At the beginning of 2025, a tax reform was implemented, introducing higher income tax rates on both individuals and businesses. Although the Kremlin sought to justify the introduction of a five-tier progressive income tax system as necessary for ensuring social justice, it is clear that the primary goal is to finance excessive war expenditures.

## BREAD AND CIRCUSES:

### Russia's ruling elite is taking a hands-on approach to planning the Intervideniye song contest, a Eurovision alternative



Excluded from Eurovision, Russia is reviving the international music contest Intervideniye (also known as Intervision Song Contest). Reports indicate that planning for the competition has reached the ministerial level, with high-ranking officials such as Foreign Minister Sergei Lavrov, First Deputy Chief of Staff of the Presidential Administration Sergei Kiriyenko, Deputy Prime Minister Dmitry Chernyshenko and other members of the political elite directly involved. Discussions have covered various aspects of the contest, including the winner's cash prize. The sum is expected to be substantial enough to attract both national and international stars while considering geopolitical risks, such as sanctions. Organisers are also working on a voting system for the international jury to minimise the risk of bias. According to Russian media, invitations to participate in the contest have been extended to countries within the Commonwealth of Independent States, BRICS and the Shanghai Cooperation Organisation, as well as several Latin American nations.

# RUSSIA'S WARTIME ECONOMY HITS ITS CEILING

Russia's economic momentum is slowing, with the 'wartime economy boom' likely to end in 2025, significantly increasing the risk of nasty surprises, such as budget revenue shortfalls.

In the short term, a regime-threatening economic crisis is unlikely without external shocks, as the authoritarian government can fund its war machine by diverting resources from other sectors.

Since late 2022, Russia's economy has been on a wartime footing, moving steadily along an uncertain path to an unknown destination. Military spending in the federal budget has reached record levels year after year, with nearly 18 trillion roubles allocated for defence and internal security in 2025, amounting to 40% of the federal budget.

**Production capacities that stood idle before the war have been reactivated with federal funding, but the low-hanging fruit has been picked.**

However, there are clear signs that the surge in military-industrial output, driven by federal funding, has reached its limit. Even Russia's official statistics indicate that industrial production volumes in monetary terms have plateaued since September 2023, fluctuating by a few per cent in either direction month-to-month. Considering inflation of around 10%, actual output has either stagnated or even slightly declined. It appears that underutilised and idle production capacities have been brought online with federal funding, but the low-hanging fruit has been picked. Further increases in production volumes sufficient to create a macroeconomic impact would require substantial new investments in industrial capacity, which is a much more complex and time-consuming effort. Notably, only a few highly prioritised sectors, such as drone manufacturing, have seen substantial new capacity created.

Russia's budget revenues have been robust in 2024. While the high domestic tax revenues were expected due to the infusion of wartime spending into the economy, the more than 1.5-fold increase in oil and gas revenues compared with the previous year came as a surprise – even to the Russian government. Global oil prices remained high due to OPEC+ agreements, and Russia managed to bypass Western-imposed price caps with the help of a shadow fleet and intermediaries. The price of URALS crude oil occasionally reached \$80 per barrel, about a third above the price cap and higher than government forecasts.

## THE CENTRAL BANK'S IMPOSSIBLE TASK

Russia's central bank finds itself in a bind. Inflation is running at more than twice, and sometimes even three times, the bank's target rate. To combat this, the central bank has continued to hike its base interest rate, which has reached 21% with no end to the cycle in sight. This rate hike has significantly worsened prospects for sectors not tied to military procurement but has had little impact on the defence industry, which benefits from preferential loans. Consequently, the central bank faces an impossible task: to control inflation without being able to address its primary source.



In November 2024, the Russian rouble hit a new low against the dollar

Source: Maxim Shipenkov/EPA

Russian consumer sentiment ignored the war early in the year, with optimism peaking in spring before starting to cool slightly. Spending levels remain high, and Russian consumers have accumulated substantial savings, enabling them to sustain their spending habits for some time, even during more challenging periods.

### The multi-year property boom in Russian cities is likely coming to an end.

Interesting trends have emerged in the property sector. In July 2024, the government ended most programmes offering subsidised mortgage rates for new housing. As a result, homebuyers now face mortgage interest rates exceeding 20% annually. This change led to a sharp decline in transaction volumes, though the full impact will take time to materialise, as previously agreed deals under earlier terms are still being finalised. The multi-year property boom in Russian cities is likely at an end, marking the collapse of a key pillar of economic growth and consumer confidence. As a result, the construction sector will face a significant surplus of workers, which may, figuratively speaking, shift labour from “cement mixers to the meat grinder” – driving increased mobilisation for the war in Ukraine.

SANCTIONS BITE HARDER

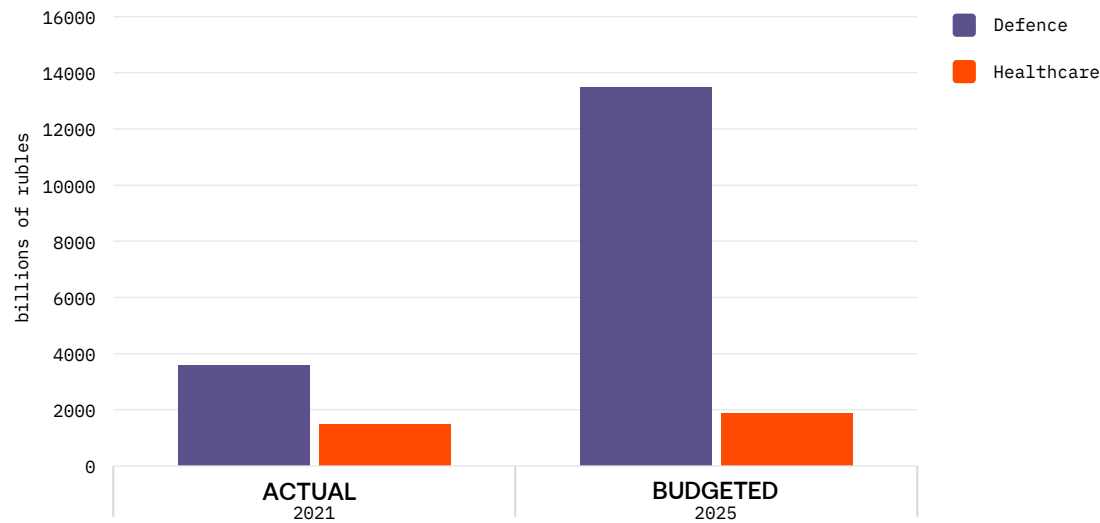
While Russia managed to mitigate the impact of oil price caps, other sanctions have significantly affected its economy. Third-party countries, including China, have begun restricting transactions with Russia out of fear of secondary US sanctions, complicating Russia’s foreign trade and raising transaction costs.

The Moscow Stock Exchange can no longer trade in Western currencies due to sanctions, making it impossible to determine their actual market value. This allows Russian banks to manipulate currency rates at the expense of clients, which substantially increases the costs of export and import transactions in Western currencies for Russian companies.

Russia’s “wartime economy boom” is likely to end in 2025, increasing the risk of negative surprises, such as budget revenue shortfalls. However, the economy retains significant inertia, making a sudden downturn unlikely without external shocks, although the overall trend is clearly downward. A potential negative shock could stem from a worse-than-expected performance of China’s economy or the collapse of OPEC+ oil production limits, which would sharply reduce global oil prices and, by the same token, Russia’s oil and gas revenues.

A special operation over medical operations

Before the full-scale war in Ukraine, Russia spent 2.4 times more on national defence than on healthcare. In the 2025 budget, defence spending is projected to be 7.3 times higher than healthcare spending.



# RUSSIA FACES ISLAMIST EXTREMISM

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Russia's focus on the war in Ukraine has limited its security agencies' ability to prevent Islamist extremism and thwart terrorist attacks.

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Islamist terrorists see this as an opportunity to carry out high-profile attacks that attract extensive media coverage.

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The threat of terrorism in Russia persists due to the Islamisation of the North Caucasus and the radicalisation of immigrants from Central Asia.

Islamist radicals in Russia primarily target the North Caucasus and major cities. The so-called Islamic State (IS) has managed to carry out several attacks by recruiting both local radicals and members of Central Asian migrant communities working in Russia.

In March 2024, IS terrorists launched an attack in Krasnogorsk, Moscow Oblast, killing 145 people. Authorities arrested four men from Tajikistan following the attack. Responsibility was claimed by IS's Afghan branch, the Islamic State – Khorasan Province (ISKP).



Russia's deadliest terrorist attack in 20 years occurred at the Crocus City Hall venue in Moscow on 22 March 2024

Source: Yulia Morozova/Reuters

In June 2024, a series of terrorist attacks occurred in Makhachkala and Derbent, Dagestan. According to authorities, these attacks were linked to Islamist extremists. The attackers were from Dagestan, including two sons and a nephew of the Sergokala district head. Following the attacks, an ISKP-affiliated media outlet, Al-Azaim, expressed support for the “Caucasian brothers”.

### Corruption and the mistreatment of Muslim inmates have led to radicalisation in prisons.

Corruption and the mistreatment of Muslim inmates have also led to radicalisation and terrorist attacks in prisons. In June and August 2024, prison guards in Rostov and Volgograd were targeted in attacks. At the Volgograd Surovikino IK-19 penal colony, IS-inspired prisoners organised an assault in retaliation for the March terrorist attack near Moscow and the violence against Muslims in prisons. The attackers, originally from Tajikistan, had not been convicted of terrorism but met in prison, where they became radicalised and collaborated to plan the attack.



Screenshot from a Telegram video showing IS-affiliated fighters attacking guards at the Surovikino penal colony

Source: Telegram

### RUSSIAN AUTHORITIES VIEW ISLAMISATION AS A SECURITY THREAT

During an August 2024 session of the Russian Security Council held in the North Caucasus Federal District, Secretary Sergei Shoigu expressed concerns about attempts to replace secular legislation with Sharia Law, the displacement of traditional Islam by its radical movements and the emergence of new Salafi<sup>3</sup> groups.

Authorities believe Islamisation in Karachay-Cherkessia and Kabardino-Balkaria is driven by individuals educated abroad, while in Dagestan, it stems from the influence of local clergy. The situation is considered particularly dangerous in Dagestan, where extremist views are spreading amid a deepening socio-economic crisis, raising the risk of widespread unrest and growing separatist sentiments.

To counter terrorism, authorities have increased control over the information space and intensified ideological propaganda, emphasising patriotism, national unity and traditional values. To reduce the influence of the local clergy, the authorities want to keep the supporters of clergy away from state structures and bring existing Islamic organisations under stricter control.

<sup>3</sup> Salafism is a conservative movement within Sunni Islam advocating a return to early Islamic principles.





Group prayer in Moscow

Source: Maxim Zmeyev/Reuters

**Russia's approach to counterterrorism remains reactive, primarily focused on creating a punitive environment to deter potential attackers in order to prevent incidents.**

While Russian security agencies aim to better control Islamisation and prevent terrorist acts, their primary focus remains on Ukraine and domestic opposition to Putin's regime. This provided ISKP with an opportunity to organise a high-profile terrorist attack within Russia, and Islamist terrorists continue to seek ways to expand their membership and carry out large-scale attacks. Russia's measures to counter Islamist extremism, combat corruption and improve socio-economic conditions are insufficient. The security agencies' limited capacity to prevent terrorist attacks is coupled with repressive policies, which further exacerbate radicalisation, particularly among the youth.





CHAPTER 3

# **RUSSIAN FOREIGN POLICY**

**33**

# RUSSIA'S MYTH OF AGREEMENTS WITH UKRAINE

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Russia's leadership, including Vladimir Putin personally, cynically perpetuates the claim on the international stage that the war in Ukraine could have ended as early as 2022.

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Russia exploits both public and behind-the-scenes communication to capitalise on the international community's lack of knowledge or fading memory about the state of negotiations when they broke down.

By propagating this false narrative, the aggressor seeks to downplay its crimes and shift blame for its invasion onto Ukraine and the West. While it is true that negotiations between Ukraine and Russia lasted until April 2022, the claim that they were close to a resolution is far from accurate.

Naturally, Ukraine had a vested interest in swiftly halting Russia's aggression in the spring of 2022. However, when it became apparent during the talks that Russia sought to achieve through agreements what it could not accomplish militarily, further negotiations became futile. While both sides tested each other's willingness to make concessions, neither was prepared – or, in Ukraine's case, in a position – to agree to terms, as the negotiations exposed Russia's ruthless ambition to annul Ukraine's sovereignty.

Our information indicates that Ukraine and Russia were far apart on fundamental issues, including the illegal occupation of Ukrainian territories and Ukraine's future security guarantees, with no clear agreement in sight. Although negotiators publicly displayed goodwill, the differences were insurmountable.

After the Istanbul negotiations in late March 2022, Russia reiterated that the status of Donbas and Crimea was settled from its perspective. It repeated its original demands that any agreement must include recognising Crimea as part of Russia, recognising Donbas, Ukraine's demilitarisation and "denazification", sanctions and other bilateral matters.

Additionally, Russia demanded that its forces remain in occupied territories until all agreed conditions were met and that Ukrainian troops return to their permanent bases.



For Ukraine, the central issue in the negotiations was securing its future against further Russian aggression

Source: Sergei Kholodilin/AP

Ukraine rejected these demands, stating that no territorial concessions could be made without a public mandate through a referendum – a stance emphasised publicly by President Zelenskyy. As a compromise, Ukraine proposed freezing the question of Crimea’s status for 15 years. Ukraine also sought to include a reference in any agreement to the Budapest Memorandum of 1994, which recognised Ukraine’s borders, including Crimea and Donbas. Russia rejected this proposal.

### THE KEY ROLE OF GUARANTOR STATES

#### Russia sought to impose a cap on the size of Ukraine’s armed forces.

A central issue for Ukraine was securing its future against further Russian aggression. For Ukraine, the guarantor states participating in the agreement would need to ensure Ukraine’s security within its internationally recognised borders. Ukraine proposed allowing foreign troops in the country for self-defence, in cases of threats to sovereignty or for non-military purposes, such as disaster relief. Ukraine also called for measures like closing its airspace during attacks and allowing guarantor states to assist individually or collectively if consultations failed to resolve a threat. Russia, however, demanded that action be taken only with unanimous consent from guarantor states, effectively giving itself veto power over any response to threats against Ukraine. Russia also sought to impose a cap on the size of Ukraine’s armed forces: 85,000 troops and 15,000 national guardsmen. Ukraine rejected this condition, citing its defence and security needs.

Any proposed agreement to ensure Ukraine's security would have required at least initial negotiations with the guarantor states, as Ukraine envisioned their role in both enforcing and implementing the agreement. Russia's proposals undermined these efforts, reducing the role of guarantor states (except Russia) to a purely formal one. Meaningful engagement with guarantor states had not materialised before the negotiations collapsed in April 2022.

Russia also sought to limit Ukraine's future status as an EU member state, demanding that Ukraine refrain from participating in any EU actions that could be construed as anti-Russian, such as sanctions.

Another crucial condition for Russia was the lifting of existing sanctions. It even demanded that Ukraine advocate for sanctions relief at the UN and that all guarantor states also abandon sanctions.

### **RUSSIA DEMANDS OFFICIAL STATUS FOR THE RUSSIAN LANGUAGE IN UKRAINE**

Beyond this, Russia made sweeping demands to alter Ukraine's legal framework, including constitutional amendments that would permanently curtail its sovereignty. For example, Russia required legal guarantees granting the Russian language equal status with Ukrainian as an official language and prohibiting the political activities of organisations and individuals deemed objectionable by Russia. The list of Ukrainian laws Russia sought to amend spanned several pages.

As of early 2025, there is renewed hope that the three-year war devastating Ukraine might come to some form of resolution. However, there is little reason to believe that Russia will abandon its original demands. Russia continues to exploit, both publicly and privately, the international community's lack of awareness or memory regarding the state of negotiations in 2022.

In doing so, Russia perpetuates the myth that Ukraine and the West are responsible for prolonging the war, aiming to increase international pressure for concessions. Should meaningful peace talks occur in 2025, the stakes will be nothing less than Ukraine's future, the security of other European nations and the fundamental principles of the international security order.

# RUSSIA SEEKS INFLUENCE IN THE GLOBAL SOUTH

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Amid the war in Ukraine, Russia is gearing up for a prolonged confrontation with NATO, which entails bolstering its western border with additional military units over the medium to long term.

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Putin likely views a resolution to the conflict as dependent on dividing Europe into spheres of influence, effectively dismantling the existing security architecture.

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Russia's disinformation narratives are gaining traction in Global South countries, and it benefits even when these nations only declare neutrality in the war.

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Russia's strategic goal, and Putin's ambition, is to decouple, as far as possible, the international financial system, or at least BRICS trade, from the US dollar.

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In 2025, Russia's opposition to the West is expected to intensify. Amid the war in Ukraine, Russia is gearing up for a prolonged confrontation with NATO, which implies bolstering its western border with additional military units over the medium to long term. Putin likely views a resolution to this conflict as achievable only through a Yalta-style agreement – that is, dividing Europe into spheres of influence, undermining Ukraine's sovereignty and dismantling Europe's broader security framework. In any potential negotiations, Putin is likely to reintroduce the broader security demands presented to the US and NATO in December 2021, alongside his ultimatums on Ukraine. This package represents an effort to mitigate Russia's geopolitical setbacks, particularly Finland and Sweden's accession to NATO. A central demand from the December 2021 proposal was the withdrawal of NATO's military presence to its 1997 boundaries.

**Russia's disinformation narratives are gaining traction in Global South countries.**

In 2024, Russia's presidency of BRICS and the hosting of the BRICS summit in Kazan marked a key moment in its pivot towards the Global South. This role, along with the numerous events surrounding the summit, offered Russia valuable opportunities to spread propaganda and legitimise its invasion of Ukraine. Russia's disinformation narratives are gaining traction in Global South countries, and it benefits even when these nations only declare neutrality in the war. By leveraging the economic interests and war fatigue of BRICS and Global

South countries, Russia seeks to undermine support for Ukraine and diminish the chances of Zelenskyy's Peace Formula succeeding. At the same time, Russia works to secure international backing, or at least tacit agreement, for its preconditions for negotiations: Ukraine must declare neutrality and relinquish the territories occupied by Russia.

The expansion of BRICS is strategically advantageous for Russia, as it demonstrates a multipolar world order and the declining global role of the West as a sustained trend. While the inclusion of new countries adds complexity to BRICS' internal dynamics and consensual decision-making, it opens additional opportunities for Moscow to strengthen bilateral relationships and bolster its international influence. Most importantly, it allows Russia to project an image of not being isolated on the global stage.

**Russia's goal is to decouple the international financial system, or at least BRICS trade, from the US dollar.**

Russia's strategic goal, and Putin's personal ambition, is to decouple, as far as possible, the international financial system, or at least BRICS trade, from the US dollar. Moscow actively promotes these aims among Global South countries. Reducing the dollar's role is a long-term process, and significant progress is unlikely during this year due to the diverse financial systems of member states. For example, economic agreements between member states and the adoption of a new payment system to replace SWIFT would be necessary. Still, weakening the global position of the US dollar aligns with the shared interests of Russia and China, making the gradual reduction of dollar-based trade in the Global South likely over the coming years.

## RUSSIA'S HOSTILITY TOWARDS ESTONIA REMAINS UNCHANGED

As Russia's full-scale war against Ukraine enters its fourth year, relations between Estonia and Russia remain predictably at a low, with no signs of improvement in the near future. Russia views Estonia as a hostile state, primarily because of Estonia's unwavering support for democratic Ukraine and its pro-Western integration efforts. This hostility includes potential deterrent measures against Estonia.

**Russia's perception of the threats posed by the Baltic region has grown.**

Although Russia's approach to the Baltic states has not fundamentally shifted, its perception of threats in the region has grown. Following the onset of war and Finland and Sweden's accession to NATO, Russia's strategic position in the Baltic Sea has weakened and long-term risks have heightened. For Moscow, potential risks such as the blocking of Kaliningrad's access routes and the closure of the Gulf of Finland to maritime traffic require preventive actions and the development of possible countermeasures. Avoiding any restrictions on maritime traffic in the Baltic Sea is economically vital for Russia, as approximately 60% of its oil exports rely on Baltic ports.

Russia's toolkit for political countermeasures against Estonia has not fundamentally changed since before February 2022. It continues to influence and exploit the Russian-speaking population to serve its interests and attempts to deepen societal divisions. Tools in Russia's arsenal against the Baltic states include migration weaponisation, but also intimidation and sabotage. However, effective means of exerting economic pressure on Estonia through trade relations have largely been exhausted.





Russia's chairmanship of BRICS in 2024 became a milestone in its foreign policy pivot

Source: Alexei Danichev/IMAGO/SNA

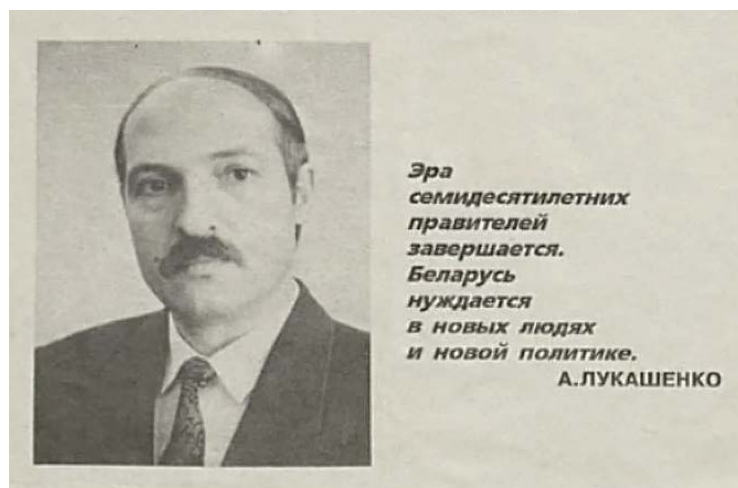
Russia's influence operations in the Baltic states still rely heavily on the local branches of the Russian Orthodox Church, which act under the directives of Russia's leadership and special services. To pressure the Baltic states, Russia continues to spread historical distortions and international smear campaigns about the persecution of Orthodox Christians. Under the guise of defending Orthodoxy and traditional values, it also seeks to consolidate its network of influence agents, who actively promote disinformation narratives.

# BELARUS STEAMROLLED BY RUSSIFICATION

The Lukashenka regime's stagnation and dependency on the Kremlin are deepening.

Russia is exploiting this dependency to intensify Russification pressures in Belarus.

In July 2024, Belarus marked 30 years since Alexander Lukashenka came to power, putting an end to the country's democratic development. During Belarus's first and only free elections in 1994, Lukashenka promised voters to end the era of septuagenarian leaders. Ironically, the dictator, who turned 70 last year, showed no sign of remembering that pledge when, in April 2024, he not only claimed another term as president – without recognition from the free world – but also assumed an additional role as chairman of the All-Belarusian People's Assembly, a position formally superior to the presidency. Thus, the dictator now occupies two seats simultaneously: head of state and chairman of the People's Assembly, which can issue directives to the presidency if needed. Should his health fail, he would likely retain the higher position as chairman.



"The era of septuagenarian leaders is over. Belarus needs new people and new politics."

A slogan from Lukashenka's 1994 campaign targeting the older generation

Source: EFIS

Amendments to the Belarusian constitution in 2022 allow Lukashenka to remain in power until at least 2035. For his regime, retaining power, particularly in the 2025 presidential election, is merely a formality and a matter of coordination with Moscow. In response to mass protests that deeply alarmed him five years ago, Lukashenka has tightened repressive measures, enforcing harsh penalties for even minor expressions of dissent. The regime hopes that fear and disorganisation will force the public to resign themselves to 30 lost years.

Russia, as the real power behind Belarus's repressive regime, is invested in keeping Lukashenka at the helm as a familiar and reliable figure. Amid its ongoing war against Ukraine and heightening confrontation with the West, in 2025, Russia will continue to dominate the foreign, economic and security policies of Belarus as the junior partner in the so-called Union State while allowing Lukashenka to operate with internal autonomy akin to a regional governor, maintaining the facade of a sovereign head of state. With Minsk having isolated itself internationally by aligning with Moscow and becoming increasingly dependent on Russia, Moscow intends to exploit Belarus's weakness to eliminate any remnants of its sovereignty, leaving it with only formal statehood.

### KREMLIN INTENSIFIES RUSSIFICATION EFFORTS

We know from experience that the Russian regime and its propagandist advisors have been troubled by the Belarusian regime's occasional inconsistencies in implementing Russian influence, particularly between 2014 and 2019. During that period, according to propagandists linked to the Russian Presidential Administration, Lukashenka supported nationalist and émigré interpretations of Belarusian history and attempted to justify Belarus's statehood through narratives involving Belarusian exiles, Soviet Belarus and Poland. The regime even cracked down on pro-Putin activists who were critical of Lukashenka personally, forcing some to flee to Russia, and tried to curb the spread of Russian propaganda symbols.

**The Belarusian regime's stance once again became clearly pro-Russian after mass protests were suppressed in 2020–2021.**

According to propagandists driving Russification in Belarus, the regime's stance again became clearly pro-Russian after the suppression of mass protests in 2020 and 2021. Realising that his survival depended on Moscow's support, Lukashenka began demonstrating loyalty to the Kremlin. In June 2021, the regime introduced a new public holiday, National Unity Day, celebrated on 17 September. The holiday marks the Soviet Union's invasion of Poland during World War II, carried out while it was allied with Nazi Germany, as well as the Soviet regime's atrocities, including those against the Belarusian people. Less than a year later, Belarus allowed Russia to launch its invasion of Ukraine from Belarusian territory while providing logistical, material and propaganda support for the war, including organising migration attacks against the West.

Russia has "rewarded" its junior partner with intensified ideological Russification, much of it carried out through Lukashenka's regime. For example, the Belarusian language is increasingly being marginalised in the education system, reduced to a mere dialect of Russian. The regime is branding efforts to promote Belarusian culture and national identity as aggressive anti-Russian nationalism, while extremist pro-Russian youth organisations, reminiscent of a "Putinjugend", are gaining increasing influence. Moscow,

on its part, pressures Belarus to establish ties with Russian occupation authorities in annexed Ukrainian territories.

The Russia-Belarus Union State, which celebrated its 25th anniversary on 8 December 2024, is also being praised by the Belarusian branch of the Moscow Patriarchate, curated from Moscow. Its leadership exhibits a mixture of hostility and fear towards Belarusian national traditions. A telling example of Russia's approach in Belarus is the appointment of Vladimir Medinsky – a prominent Putin aide and notorious historical revisionist – as the Russian co-chair of the Russian-Belarusian Expert Advisory Council on History, formed in 2023. This reveals the Kremlin's commitment to propaganda and historical manipulation in Belarus. In May 2025, Russia will further demonstrate its dominance over Belarus with joint commemorations of the 80th anniversary of its victory in World War II.

**Lukashenko fears people fighting for Ukraine and a free Belarus.**

Amid stagnation and the erosion of statehood, Lukashenka continues to play up the narrative of an ever-present Western threat, occasionally brandishing Moscow's nuclear deterrent while presenting himself and Russia as the sole guarantors of Belarusian independence. In reality, Lukashenka does feel threatened, but his fear is directed more at Belarusian volunteers fighting for Ukraine and a free Belarus than at any Western power. The real threat to Belarus lies not in the West, but in Russia, which seeks to reduce Belarus to a mere province under Kremlin control, using local puppets in Minsk to enforce its agenda.

# RUSSIAN THINK TANKS PROMOTE KREMLIN INTERESTS IN THE WEST

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Russian think tanks support the Kremlin in developing foreign policy and executing anti-Western influence activities.

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Researchers are expected to adhere to and propagate the Kremlin's agenda; dissenters lose their positions.

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With official contacts between Russia and the West diminished, researchers increasingly act as informal channels for discreet communication with Western diplomats and think tank representatives.

Think tanks focused on foreign policy, which outwardly seek to emulate their Western counterparts, were established in Russia in the 1990s, primarily based on Soviet-era state research institutes. While think tanks in democratic nations aim to highlight critical issues and provide policymakers with independent expertise, Russian research institutes have always been subordinate to the state apparatus. This trend has deepened amid aggression against Ukraine, transforming these institutions into tools for carrying out Kremlin and intelligence directives aimed against the “unfriendly” West.

Independent think tanks, as understood in the West, with intellectual autonomy or significant influence over public opinion and political decisions on foreign policy do not exist in Russia. All similar Russian entities – whether state-funded research institutions or private think tanks reliant on corporate donations – operate under strict control. Researchers are expected to align with and promote the Kremlin's foreign policy line in their publications, speeches and direct interactions with Western colleagues. Those few dissenters who have dared to criticise official policy, even mildly, have been publicly denounced and removed from their positions. The rest have either left Russia, adapted to the constraints (i.e. accepted censorship) or adopted a more rigidly pro-Kremlin stance than before.

**Think tank experts help the Kremlin generate new ideas and rationalise Putin's decisions to the public.**

Although Russian think tanks do not directly influence the strategic direction set by the ruling elite, they play a significant support role in decision-making. They have extensive expertise on the countries and issues within their focus areas, which is why they are often engaged in shaping Russia's foreign policy and covert influence plans. These experts help decision-makers generate new ideas and rationalise Putin's foreign policy actions to domestic audiences.

Think tanks typically receive assignments from state institutions well in advance, often in the form of a list of topics to address over the next six months or a year. However, they also handle last-minute ad hoc requests with tight deadlines and may proactively offer their services. Research institutions must vie for the client's attention against input from intelligence agencies and other state bodies, whose contributions frequently hold greater influence in the decision-making process.

### **THE KREMLIN SENDS DELIBERATE FALSE SIGNALS**

Over the past three years, the role of shadow diplomacy has grown significantly. With official contacts between Russia and representatives of “unfriendly” nations effectively frozen, the Kremlin and its intelligence services have increasingly relied on select Russian experts for discreet communication with Western diplomats and influential think tank members. Through these intermediaries, the Kremlin has deliberately sent misleading signals to Western decision-makers, suggesting either that Putin might be open to concessions in Ukraine or, conversely, issuing veiled threats of imminent nuclear escalation should the West provide Ukraine with excessive support. This nuclear rhetoric is likely intended to stoke fears of escalation among Western policymakers, aided by Russian-aligned experts in the West.

The Kremlin and Russian special services also use these think tank intermediaries to gather valuable intelligence on the prevailing sentiments among Western policymakers and opinion leaders. For example, they seek insights into “red lines”, the extent of war fatigue and the conditions under which dialogue might be possible. Feedback received from Western partners in a trusting environment is subsequently reported to the Presidential Administration and special services, where it informs the preparation of new active measures.

As with other instruments of covert influence operations, raising awareness of how Russia employs these tactics and the objectives it seeks to achieve can significantly undermine their effectiveness.

Consideration should also be given to limiting the operational freedom of Russian research institutes in the West. How are Russian think tank representatives, who recite Kremlin or intelligence talking points to their Western contacts as ostensibly independent experts, different from spokespersons for Russian state media? Both exploit Western freedom of speech and spread disinformation. Western nations largely recognise the security risks posed by Russian state media and have significantly curtailed their influence through sanctions. A similar approach should be applied to Russian think tanks operating in the West.

## KEY RUSSIAN THINK TANKS ON FOREIGN POLICY

In Russia's foreign and security policy decision-making process, key roles are played by Vladimir Putin, the Presidential Administration (PA), the Security Council (SC) apparatus and the special services. The following think tanks and networks are considered the most influential due to their close collaboration with the Kremlin and intelligence services.

| NAME                                                                                                                                                                 | KEY PARTNERS | LEADING FIGURES                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------|
|  Academy of Sciences Institute of World Economy and International Relations (IMEMO) | PA, SC       | Aleksandr Dynkin, Fyodor Voytolovsky                                                |
|  Academy of Sciences Institute of Europe                                            | PA, MID, SVR | Alexey Gromyko                                                                      |
|  Academy of Sciences Institute of Oriental Studies                                  | PA, SC       | Alikber Alikberov, Vitali Naumkin                                                   |
|  Academy of Sciences Institute of China and Contemporary Asia                       | PA, MID, SVR | Kirill Babaev                                                                       |
|  Academy of Sciences Institute for US and Canadian Studies                          | PA, SC, MID  | Sergey Kislitsyn, Sergey Rogov                                                      |
|  MGIMO Institute for International Studies                                           | PA, SC, MID  | Maxim Suchkov                                                                       |
|  Higher School of Economics in Moscow                                              | PA, SC, MID  | Sergey Karaganov, Timofey Bordachev, Vasily Kashin, Sergey Avakyants, Dmitry Trenin |
|  Russian Institute for Strategic Studies (RISI)                                   | PA, SVR      | Mikhail Fradkov                                                                     |
|  Institute of CIS Countries                                                       | PA, SC, FSB  | Konstantin Zatulin                                                                  |
|  Council on Foreign and Defence Policy (SVOP)                                      | PA, MID      | Fyodor Lukyanov                                                                     |
|  Russian International Affairs Council                                            | PA, MID      | Igor Ivanov, Ivan Timofeyev, Andrey Kortunov                                        |

MID – Ministry of Foreign Affairs of the Russian Federation  
(Министерство иностранных дел Российской Федерации)

SVR – Foreign Intelligence Service (Служба внешней разведки)

FSB – Federal Security Service (Федеральная служба безопасности)



# RUSSIA'S AMBITIONS IN SOUTH CAUCASUS AND MOLDOVA

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Since 2022, Russia's traditional 'window to Europe' has been closing. Controlling the South Caucasus would provide Russia with access to strategic infrastructure – railways, roads and ports.

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Subjugating Georgia would be a two-for-one deal for Russia: take Tbilisi, and Yerevan comes with it.

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Moscow's goal remains to thwart or at least delay Moldova's integration with the West. Moldova will almost certainly face intensified Russian influence operations in the context of its 2025 parliamentary election.

## RUSSIA AIMS TO RE-ESTABLISH MOSCOW'S CONTROL OVER MUCH OF THE SOUTH CAUCASUS, ONE WAY OR ANOTHER

Why does Russia covet the South Caucasus? To understand this, we must look at both history and geography. For more than 200 years, a significant portion of Russia's communication and trade with the outside world has passed through its "window to Europe". This has traditionally involved sea routes across the Baltic and overland connections through Scandinavia, the Baltic states, Belarus and Ukraine. However, since February 2022, this strategic window to Europe – and the world – stretching from Scandinavia to Ukraine has been closing.

**Moscow assumes NATO would likely seize control of the Baltic Sea during a conflict.**

Overland transit through the states mentioned above has either ceased entirely or dwindled significantly. NATO countries now surround the Baltic Sea, and from Russia's perspective, its connections to the outside world are vulnerable here. Moscow believes that in the event of a conflict, NATO would likely take control of the Baltic Sea and impose a de facto blockade on Russia. Thus, Russia needs a new "window to the world", and the South Caucasus is seen as the most suitable location for this purpose.

Controlling the South Caucasus would provide Russia with access to strategic infrastructure – railways, roads and ports. This infrastructure would connect Russia to the global market and grant Moscow access to regions it considers geopolitically and economically significant (Turkey and Iran, the broader Middle East, and markets in India and China).

Second, it would constitute an undeniable geopolitical victory, helping Russia gradually erode Western-imposed political isolation and economic sanctions while undermining Western unity and political resolve in its confrontation with Moscow.

Third, it holds military significance for Russia, considering the existing Russian military bases in Armenia and occupied territories in Georgia, as well as the potential to establish new naval bases along the Abkhazian and Georgian coastline on the Black Sea.



In November 2024, Georgians protested in Tbilisi after the government decided to suspend EU accession talks

Source: David Mdzinarishvili/EPA

Russia's relations with the South Caucasus states vary significantly. Azerbaijan and Russia have signed a treaty of allied relations, and cooperation between Baku and Moscow has evolved into a close, mutually beneficial partnership. This includes trade, the creation of key transit corridors, high-level political collaboration and bilateral intelligence cooperation. Azerbaijan's subjugation to Russian control is neither feasible nor necessary, as its leadership already collaborates with the Kremlin, albeit solely to advance its own objectives.

### A CORRIDOR THROUGH ARMENIA

One of Azerbaijan's objectives is to establish a transit corridor through Armenia's southern region. This would provide Azerbaijan with a land connection to the geographically separated Nakhchivan Autonomous Republic and, through it, to Turkey. It would create a direct route from Turkey and Black Sea ports to Azerbaijan and the Caspian Sea – a strategically significant east-west transport corridor of interest to Russia as well.

Armenia has so far rejected proposals to create such a transit corridor across its territory under the terms demanded by Russia and Azerbaijan – essentially, an extraterritorial corridor controlled by Russian security forces (the FSB). Furthermore, Armenia's

political orientation presents a problem for Moscow. While much of the country's economy and critical enterprises remain under the control of Russian capital, Armenia's government has taken an openly pro-Western stance, and public opinion has turned increasingly anti-Russian. This shift stems from the 2020 Nagorno-Karabakh war and subsequent military clashes between Armenia and Azerbaijan, during which Russia has supported Azerbaijan rather than Armenia.

For at least four years, Russia's de facto goal has been to topple the government of Armenian Prime Minister Nikol Pashinyan. So far, this has failed. However, another successful Azerbaijani military operation against Armenia could potentially achieve what Russia's influence campaigns have not: a regime change in Yerevan and the reassertion of Moscow's control over Armenian foreign policy.

This is where Georgia comes into play as the key to controlling the South Caucasus. Subjugating Georgia would give Russia access to Georgian ports on the Black Sea, as well as its transport networks and economic potential, which would help circumvent Western sanctions. At the same time, it would isolate Armenia geographically and politically: geographically, because Armenia's only connection to the Western world runs through Georgia; and politically, because both Azerbaijan and Georgia would then tacitly support Russia's efforts for a regime change in Armenia. This scenario would intensify domestic pressure on Pashinyan's government to either step down or fully return to Moscow's dictate.

Subjugating Georgia would thus be a two-for-one deal for Russia: take Tbilisi, and Yerevan comes with it. With Baku's active participation, Moscow could open a new window to the world for Russia.

## THE BATTLE FOR MOLDOVA

Last year, Moldova became the target of a massive Russian influence campaign, as predicted in our 2024 public report. The campaign had three objectives:

- 1) To disrupt the October 2024 referendum, which sought Moldovan citizens' approval to amend the constitution with the goal of joining the EU. Moscow calculated that lowering voter turnout below 50% would be sufficient to argue later that Moldovans do not genuinely support EU membership.
- 2) To minimise incumbent President Maia Sandu's vote share in the concurrent presidential election, where she was running for re-election.
- 3) To prepare for the Moldovan 2025 parliamentary election by promoting candidates serving Russian interests, testing various propaganda narratives, and refining influence campaign tactics and methods.

Unfortunately, Russia's influence campaign succeeded on several fronts. The referendum nearly failed, with the "yes" vote prevailing by a razor-thin margin. Maia Sandu secured a decisive victory in the second round of the presidential election, but Russia's preferred candidate, Alexandr Stoianoglo, garnered a considerable share of the vote. This was a significant accomplishment, considering that Stoianoglo had been politically irrelevant just six months before.

**The influence campaign was likely one of the largest Russia has ever undertaken to interfere in foreign elections.**

The key operative in the Russian influence campaign was Ilan Shor, a fugitive Moldovan oligarch and criminal who moved to Moscow last year and acquired Russian citizenship. The influence campaign itself was likely one of the largest, most complex and multi-layered operations Russia has ever conducted to interfere in the elections of another sovereign nation. Thousands of individuals were involved, leveraging tools such as social media platforms (Telegram and TikTok), leaflets and traditional television broadcasts. Voters were bombarded with cash handouts; opinion leaders were threatened and intimidated. Moldovan authorities have detailed the campaign's specifics in extensive public reports.

Moldova will almost certainly face a similar influence campaign in 2025, during the lead-up to its parliamentary election in the summer or autumn. As a parliamentary republic, the composition of Moldova's government and the direction of its executive branch depends on the outcome of this election. Russia's key goal remains obstructing or at least delaying Moldova's Western integration. To achieve this, Moscow will likely employ all available means to ensure victory for political forces under Russian control.



Fugitive Moldovan oligarch and criminal Ilan Shor aids the Kremlin in steering Moldova's course

Source: Alexei Maishev/IMAGO/SNA

# RUSSIA SEEKS PARTNERS AMONG PERSIAN GULF STATES

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In the Gulf region, Russia concentrates on strengthening ties with Saudi Arabia and the United Arab Emirates – the regional powerhouses – to counter the economic and diplomatic isolation caused by sanctions and to spread its narratives about the war in Ukraine.

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Russia and Saudi Arabia primarily cooperate within the OPEC+ framework, with ties in other areas remaining marginal due to Saudi Arabia's strong US alliance and unlikely to change in the medium term.

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The UAE has become a hub for Russian economic activity, offering opportunities for business and sanctions evasion, alongside relatively frequent political, military and intelligence interactions.

Russia's efforts to build relationships with Persian Gulf states aim to alleviate its isolation from Western economies and diplomacy while spreading its narratives about the war in Ukraine. These efforts focus primarily on key regional powers such as Saudi Arabia and the United Arab Emirates (UAE).

These efforts culminated in President Putin's visits to both countries in late 2023. Almost certainly, the purpose of these visits was not only to sign bilateral agreements but also to demonstrate that Russia remains engaged internationally. The Persian Gulf states, in their pursuit of independent foreign policies, diversified economic relations and neutrality in the Ukraine war, have remained open to engagement with Russia, albeit to varying degrees.

## SAUDI ARABIA, A SOUGHT-AFTER PARTNER

As Russia's oil sector is the primary source of revenue for its war-strained state budget, it is crucial for Moscow to influence global energy prices. To this end, Russia collaborates with Gulf countries, particularly Saudi Arabia, the world's largest oil exporter, within the OPEC+ framework. For Saudi Arabia, shaping the energy market to align



Russian President Vladimir Putin and UAE President Sheikh Mohamed bin Zayed Al Nahyan

Source: Sergei Savostyanov/EPA

with its interests is equally important, as it seeks to implement resource-intensive reforms and projects under the Saudi Vision 2030 initiative, which is aimed at reducing the country's reliance on oil revenues in the long term. As a result, Russia and Saudi Arabia have repeatedly agreed to cut oil production within the OPEC+ framework, though Russia has often violated these agreements to serve its own interests. Russia's duplicity in this regard has caused significant friction in its relations with Saudi Arabia.

**Russia views relations with Saudi Arabia as a priority, although cooperation beyond OPEC+ remains marginal.**

While collaboration with Saudi Arabia as a regional powerhouse is a priority for Russia, cooperation outside OPEC+ remains marginal. Bilateral trade is limited to Russia's exports of fertilisers and agricultural products to Saudi Arabia, with minimal mutual investment. The cooperation with Russia is somewhat hampered because of Saudi Arabia's strong alliance with the US and the fact that Saudi Arabia follows the US sanctions policy more carefully than other Persian Gulf states. For example, it is difficult for Russia's nuclear energy company Rosatom to secure a contract to build Saudi Arabia's first nuclear power plant. This issue has been raised repeatedly by Moscow, even at the highest levels. US pressure is also likely behind Saudi Arabia's hesitant stance towards BRICS membership, which has caused frustration on the Russian side.

Russia's recognition of Saudi Arabia's importance is demonstrated by its decision to abandon plans to arm Yemen's Houthi rebels after Saudi Arabia objected. These weapons would have bolstered Houthi attacks on Western vessels in the Red Sea but would also have been perceived as a security threat by Saudi Arabia. This plan was likely a retaliatory response to Western considerations of arming Ukraine with long-range precision weapons. However, Russia only respects the positions of Gulf states, including Saudi Arabia, when these align with its strategic interests. This balancing act between opposing sides undermines trust in Russia and prevents the development of strong alliances with some Gulf states.

Although interactions at political and other levels are regular and constructive, Saudi Arabia has often responded cautiously to Russia's active efforts to enhance cooperation. This likely reflects Saudi Arabia's consideration of the sanctions imposed on Russia, its limited economic and other capacities, as well as Saudi Arabia's close ties with Western countries, particularly the US. This dynamic is unlikely to change in the medium term. At the same time, it is worth noting Saudi Arabia's ambitions to become a global trade hub, similar to the UAE, which implies greater openness to countries like Russia.

## THE UAE IS OPEN TO PARTNERSHIP

Compared with Saudi Arabia, the UAE is significantly more open to cooperation with Russia. Most of Russia's economic activities in the Gulf region are centred on the UAE, which offers greater business freedom and more opportunities to circumvent sanctions than other Gulf states because, unlike Saudi Arabia, the UAE is less susceptible to US pressure. As a result, thousands of Russian companies, including numerous shell entities involved in the export and re-export of sanctioned goods to Russia, are now registered in the UAE. The UAE also hosts the majority of Russia's shadow fleet, which is used for crude oil exports. Moreover, many wealthy Russians, business figures and oligarchs, such as Roman Abramovich, have relocated to the UAE. The country remains a popular tourist destination for Russian citizens, and its importance as a hub for Russia is underscored by Moscow's reported consideration of acquiring a local airport.

Unlike Saudi Arabia, the UAE is already collaborating with Russia in the field of nuclear energy. For example, Rosatom supplies nuclear fuel to the Barakah nuclear power plant in the UAE. Rosatom's plans include expanding atomic energy cooperation with the UAE, including joint projects in third countries. Additionally, Rosatom collaborates with UAE companies in other sectors, such as logistics. Notably, Rosatom and the UAE logistics company DP World have entered a cooperation agreement and established a joint venture, International Container Logistics LLC, to develop infrastructure for container shipping along the Northern Sea Route by 2028.

At the political level, relations between Russia and the UAE are close and, at times, almost familial. Russian Deputy Foreign Minister Mikhail Bogdanov, whose fluency in Arabic and cultural knowledge have helped foster bilateral ties, frequently visits the region. Coordination also occurs in intelligence and military affairs, particularly regarding conflicts in Libya and Sudan. However, their cooperation goes beyond coordination: it is almost certain that the UAE has provided financial or military support (or both) to the Wagner Group in Libya and likely in Sudan as well.

### **Russia and Gulf states collaborate on infrastructure projects for mineral extraction in Africa.**

Russia's cooperation with UAE in Africa is not limited to conflict zones and also includes joint infrastructure projects aimed at improving access to and export of natural resources. One known joint venture between Russia and the UAE, Emiral Resources, operates gold mines in West Africa.

Russia-UAE relations are diverse and close; further expansion is likely and will include various forms of cooperation, both overt and covert, in third countries.



## RUSSIAN ARMS IN THE GULF REGION

### **The threat of terrorism and tensions in the Middle East drive Gulf states to supplement their arsenals with Russian-made weapons.**

The persistent threat of terrorism and rising tensions in the Middle East prompt Gulf states, particularly Saudi Arabia and the UAE, to expand their arsenals, including with Russian-made weapons, which are often cheaper and come with fewer conditions. Diversifying their arms supply chains also gives these states more freedom in domestic and foreign policy decisions.

Russia's cooperation with Gulf states in military technology is spearheaded by the Federal Service for Military-Technical Cooperation (Федеральная служба по военно-техническому сотрудничеству, FSVTS). This state institution coordinates Russia's military-technical exports and also serves as a cover for Russian intelligence operatives working under the guise of FSVTS representatives in foreign countries, including the Gulf. FSVTS facilitates connections between Russian defence manufacturers and potential Gulf partners, organising regular intergovernmental meetings. Russian participants include defence companies like Rosoboronexport, Vysokotochnye Kompleksy (VTK) and Konstruktorskoye Byuro Mashinostroyeniya (KBM), alongside representatives of the Ministry of Defence and the Presidential Administration. On the Gulf side, state defence bodies like Saudi Arabia's General Authority for Military Industries and the UAE's Tawazun Council, as well as private companies such as International Golden Group (now part of the UAE's EDGE conglomerate), represent their interests.

Currently, the military-technical cooperation between Russia and Saudi Arabia is modest. Talks on acquiring S-400 air defence systems and Su-35 fighter jets have, to the best of our knowledge, not led to signed contracts, although Saudi Arabia is reported to have purchased the Pantsir-S1 air defence system in early 2024. Recent talks have also explored the possibility of producing Russian weaponry within Saudi Arabia, while Russia, according to Rosoboronexport, is exploring broader production opportunities across the Middle East.

The UAE is showing significantly more significant interest in Russian arms. It has already purchased Pantsir-S1 air defence systems, plans to establish a maintenance centre for its modernisation and has acquired BMP-3 infantry fighting vehicles. The UAE has also shown strong interest in other Russian air defence systems, UAVs and AI developments. Some of these systems are re-exported to third countries, likely to Africa and also Yemen, with Russian approval.

While Gulf states maintain a consistent interest in Russian arms, these weapons are technologically inferior to their Western counterparts. Moreover, Russia's defence industry is heavily focused on meeting domestic military demands due to the war in Ukraine, limiting its capacity to fulfil foreign orders. As a result, Russian arms are unlikely to expand their presence in Saudi and UAE arsenals significantly, remaining a minor component in their overall military inventories.



CHAPTER 4

# **RUSSIAN INFLUENCE ACTIVITIES**

**55**

# RUSSIA RESORTS TO VIOLENCE TO SOW FEAR AND CONFUSION IN THE WEST

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Despite efforts, Russia has failed to alter its image as an aggressor in Western public opinion or undermine Western support for Ukraine.

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To weaken support for Ukraine, Russia has launched a targeted sabotage campaign against the West.

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Although the campaign by Russian special services in Europe has so far been unsuccessful, risks arising from possible miscalculations persist.

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Despite Russia's efforts and more than two years of full-scale war in Ukraine, Moscow has been unable to shift the Western public perception of Russia as an aggressor state or erode Western resolve to continue supporting Ukraine with aid and military assistance. Since cutting off Western support is a key precondition for Russia to subdue Ukraine, the Kremlin has decided to raise the stakes by launching a deliberate campaign of sabotage against Western nations, including Estonia.

This campaign, led by Russian special services, is intended to spread fear and confusion, driving Western nations away from supporting Ukraine. Another objective is to disrupt and dismantle the supply chains delivering military and civilian aid to Ukraine. However, the Kremlin fails to recognise that acts of vandalism, arson and other physical hostility, which pose potential risks to human life, only reinforce Russia's reputation as an aggressor and strengthen further Western unity against Moscow.

Russia's covert sabotage operations have consistently backfired, reinforcing the prevailing perception of Russia as a hostile force rather than achieving any strategic advantage. This pattern has repeated over the years, as seen with the 2014 explosion at the Vrbetice ammunition depot in the Czech Republic and the 2018 nerve agent attack in Salisbury, UK. Both incidents strengthened NATO's unity rather than weakening it through intimidation. Yet, Moscow continues undeterred to pursue such aggressive measures in its attempts to achieve success.



The Blue Hills memorial in northeast Estonia doused with red paint.

Source: Prosecutor's Office

As part of this campaign, Kremlin operatives have vandalised German war memorials in the Baltic states and sought unsuccessfully to amplify these incidents in the media to incite discord and anxiety. Incidents like defacing German war memorials with “Z” symbols, dousing them in red paint or toppling them have received limited public attention. Frustrated by this, Russian propagandists have repackaged these acts to fit the familiar narrative of supposed Nazi sympathies in the Baltics. Their spin relies on the allegation that while security measures have been imposed to protect German memorials from vandalism, no such measures have been taken for Soviet war monuments. Russian propagandists have framed this as evidence of alleged double standards by Baltic governments, insinuating Nazi sympathies and promoting the narrative of widespread Nazi ideology among the authorities and societies of the Baltic states.

This propaganda effort raises suspicions that the Kremlin itself may orchestrate some of these acts of vandalism against Soviet-era monuments. Following such incidents, Moscow’s accusations against the Baltic states, frequently voiced by Foreign Ministry spokeswoman Maria Zakharova, have been particularly loud. Zakharova’s aggressive rhetoric may well be an attempt to conceal the fact that Kremlin operatives likely orchestrated these acts of vandalism to fuel their narrative.

Although the Kremlin is unlikely to turn its sabotage campaign into a strategic advantage in its confrontation with Ukraine and the West, Western governments and the public should remain vigilant against the escalating hostile activities. The campaign’s violent nature, possible miscalculations and the consequent risk of serious harm, including casualties, make the threat too significant to disregard. It is, therefore, critical for Western nations to develop effective countermeasures to deter Russia’s covert activities and prevent further escalation into even riskier behaviour.

# THE KREMLIN'S PIPE DREAM: A RETURN OF THE NUCLEAR WINTER

Russia plans to launch a campaign in 2025 aimed at instilling fear of nuclear winter among Western societies.

The nuclear winter theory, widely discussed in the 1980s, was part of a Soviet KGB disinformation operation.

Russian propagandists are aiming to reignite fears of a “nuclear winter” among Americans in 2025. This effort is based on a scientific concept, widely discussed in the 1980s, which suggested that the use of nuclear weapons would trigger an artificial cooling of Earth’s climate, with a drastic drop in temperatures leading to widespread famine and other catastrophic consequences. While once a popular scientific theory, the nuclear winter hypothesis was later heavily criticised for being based on flawed data, drawing arbitrary conclusions and suffering from ambiguity. It has since been revealed that the debate was sparked by a disinformation campaign orchestrated by the Soviet KGB to deter the US from deploying Pershing II missiles in Europe.

Forty years on, Kremlin propagandists are now seeking to revive the nuclear winter theory. Their overarching goal remains the same: to instil fear in Western, particularly American, public opinion and to discourage the provision of (military) aid to Ukraine. To achieve this, the Kremlin has even mobilised some of its oldest and most familiar figures. For example, one of the leading proponents of this revival is well-known propagandist Vladimir Pozner, who will soon celebrate his 91st birthday. Pozner has expressed his willingness to reintroduce 1980s-style televised dialogues with the US, framing discussions on various issues through the lens of a nuclear winter threat to sway American public opinion.

**Ideal strategy would be to recruit influential American science communicators to champion the nuclear winter theory.**

The Kremlin plans to launch a broader campaign that combines television with modern methods and platforms, such as YouTube, podcasts and carefully selected spokespersons with authoritative and “palatable” viewpoints. Their ideal strategy would be to recruit influential American science communicators to champion the nuclear winter theory. Similarly, in the 1980s, prominent Western scientists were enlisted to disseminate the idea, likely unaware of its KGB origins. According to our information, the Kremlin intended to wait for the outcome of the US presidential elections before fully (re) launching this campaign.

The spread of the nuclear winter theory in the 1980s created fertile ground for protests against Pershing II missiles. Hundreds of thousands rallied against NATO’s decision to deploy ballistic missiles in West Germany to deter the Soviet Union and Warsaw Pact countries

Source: Alamy



**PERSHING II  
CRUISE MISSILES**

**NEIN!**

**LEISTET  
WIDERSTAND!**



**Volksversammlung für den Frieden am 22. 10.**  
**Menschenkette von Stuttgart nach Neu-Ulm**  
**Gewaltfreie Blockade in Neu-Ulm**  
**Kundgebungen in Neu-Ulm und Stuttgart**





НК КС  
МН КС

ГЛАВНОЕ УПРАВЛЕНИЕ  
КООНТЕРРААЗВЕДКИ

СМЕРЬ



CHAPTER 5

# **RUSSIAN SPECIAL SERVICES**

**61**

# FSB MILITARY COUNTERINTELLIGENCE: BEYOND COUNTERING TERRORISTS AND FOREIGN SPIES

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Within the FSB, military counterintelligence (VKR) is responsible for ensuring the security of all Russian armed forces and other militarised institutions.

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VKR also engages in intelligence gathering on foreign states, including activities outside Russia's borders.

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Given its broad remit, VKR officers can more easily recruit collaborators for intelligence operations from among current and former conscripts and officers of the Russian armed forces.

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Military counterintelligence (*военная контрразведка*, VKR) refers to a specialised structure within the FSB (Federal Security Service), Russia's largest and most influential security agency. VKR performs nearly all the functions across the military and paramilitary institutions that the broader FSB executes across Russian society. Despite its name, VKR's remit extends far beyond military counterintelligence, encompassing broader responsibilities and a wider operational scope.

## RESPONSIBILITIES

VKR ensures security across Russia's defence-related institutions, including the Ministry of Defence, military training and research facilities, and the headquarters of all military branches and units at all levels – both domestically and abroad. This includes units stationed overseas, whether present under international agreements or engaged in acts of aggression. VKR also operates within the GRU (military intelligence), the Foreign Intelligence Service (SVR), the National Guard, the Federal Protective Service (FSO) and militarised rescue units of the Ministry of Emergency Situations.



The Department of Military Counterintelligence's (DVKR) 9th Sub-department is responsible for counterintelligence within the GRU, as indicated by the addition of one of GRU's symbols – the carnation – on its emblem

Source: internet

VKR officers are also tasked with securing Russian military units abroad. For example, prior to Russia's 2014 annexation of Crimea, a VKR operational group constituted part of the regime and security service within the Black Sea Fleet's headquarters. VKR officers are similarly deployed in the ongoing war against Ukraine, providing security for Russian forces under the coordination of a temporary operational group, "South" (VOG "Yug"), within the Southern Military District's military counterintelligence directorate. In the role of aggressor, VKR officers face challenges akin to those of regular troops, including equipment shortages, delays in pay and significant casualties.

Officers serving in VKR units are trained at the FSB Academy, where they can complete bachelor's-level counterintelligence education or pursue short-term courses in intelligence operations. VKR officers can also pursue education at the Novosibirsk FSB Institute, where they undergo counterintelligence training, or at the Yekaterinburg FSB Institute, which offers further studies in state secrets protection. Graduates of counterintelligence programmes at the FSB Academy and the Novosibirsk FSB Institute receive diplomas formally designating their field of study as "lawyer", a standard nomenclature for counterintelligence professionals trained at FSB educational institutions.

VKR's responsibilities are outlined in its official charter<sup>4</sup> – a public document approved by the Russian president – are as follows:

- Countering foreign intelligence activities, both broadly across Russia and specifically targeting organisations under VKR's jurisdiction – that is, counterintelligence. Example: VKR is informed of international contacts and visits involving Russian Armed Forces institutions and units. Beyond counterintelligence, VKR can direct military officers to gather intelligence on guests or hosts or to profile members of foreign delegations. VKR officers posing as military personnel were frequent participants in visits conducted under the Treaty on Open Skies.
- Collecting intelligence on threats to Russia in VKR's areas of responsibility, in cooperation with other Russian security and intelligence agencies and partner services in allied states, and informing the president and national or regional authorities about such threats. This also includes infiltrating foreign intelligence agencies and other organisations. Example: During the Chechen wars, VKR's operational group (OG DVKR) participated in "anti-terrorist operations" in conflict zones, which included intelligence collection. Serving in conflict zones – referred to in VKR slang as "areas with complex operational situations" – is also a prerequisite for advancing a career within VKR.
- Preventing terrorism, sabotage and the illegal use of weapons of mass destruction in organisations under VKR's jurisdiction.
- Ensuring state secret protection in cooperation with other state agencies within VKR's jurisdiction. This includes issuing state secret clearance, granting permission for foreign travel, regulating the entry of foreign nationals into Russian territory, securing confidential communications and countering foreign technical intelligence efforts.

- Combating organised crime, corruption, smuggling, illicit arms trade and specialised equipment, and drug trafficking in collaboration with other state agencies, as well as fighting illegal armed groups, criminal organisations and attempts to overthrow the government by force within VKR's jurisdiction.

Example: VKR officers have participated in Ministry of Defence working groups overseeing Russian elections under the framework titled "Coordination of FSB and Ministry of Defence activities in preparing and conducting elections. Countering extremist political parties and movements and terrorism". Given that all genuinely oppositional parties and movements – described as the "non-systemic opposition" – are officially declared extremist in Russia, VKR's involvement in organising elections goes beyond ensuring election security; it also facilitates achieving election outcomes favourable to the regime.

To fulfil the tasks listed above, VKR officers may establish connections with individuals who agree to cooperate – that is, they are authorised to recruit covert collaborators or agents.

## STRUCTURE

At the FSB headquarters, military counterintelligence is overseen by the Department of Military Counterintelligence (*Департамент Военной Контрразведки* – DVKR or Military Unit No 14057, also known as the FSB Third Department). The DVKR is one of the highest-level structural units within the FSB and reports directly to the FSB leadership. The DVKR is divided into functional departments (*отдел*), which are responsible for counterintelligence in specific branches of the armed forces, other institutions within the military structure (such as the GRU) or other supervised organisations. These functional departments are further divided into divisions (*направление*), section (*отделение*) and so on. The DVKR also includes units such as the Investigation Directorate, which handles criminal investigations within the armed forces; the Analysis Department; the Personnel Department; the Registration and Archive Funds Department, which coordinates security clearances and foreign travel for officers; and a secretariat.

As with other FSB units, the VKR deploys undercover officers (known as APSs<sup>5</sup>) to work within the organisations it is tasked with securing. For example, DVKR officers have worked in the Ministry of Defence as aides to deputy ministers and chancellors.



Letterhead of Unit 14057, also known as the DVKR, which can present itself as part of the Russian Ministry of Defence structure

Source: EFIS

5 Abbreviation of *аппарат прикомандированных сотрудников*, which refers to seconded personnel or staff assigned to another institution.

In the structure of military districts (MDs) and fleet headquarters, FSB directorates (UFSBs) coordinate military counterintelligence activities within their respective districts or fleets.

Until spring 2024, the Western MD UFSB oversaw military counterintelligence in the Western MD, with both the Western MD Headquarters and UFSB located in Saint Petersburg. However, in February 2024, the Western MD was divided into two districts: the Leningrad MD and the Moscow MD. As a result, the Leningrad MD UFSB was established. This change is largely formal, as the Leningrad MD UFSB uses the same legal registration number as the former Western MD UFSB, remains under the leadership of the same officer, Aleksey Pushkarev and operates from the same address in Saint Petersburg: officially Liteiny Prospekt 4 (the headquarters address of the UFSB for Saint Petersburg and the Leningrad Region), but actually Ulitsa Mira 20.

FSB departments (OFSBs) exist within individual military units, from the largest to the smallest, and are divided into investigative and operational branches. On a daily basis, OFSB officers (known as *osobisty*) in military units work to prevent terrorist acts, address internal conflicts among military personnel, combat extremism (including the “non-systemic opposition”) and economic crimes, prevent drug use, and ensure adherence to classified information handling requirements, including preventing unauthorised use of communication devices.



A badge of the Western SR UFSB's regional intelligence centre. The globe on the badge symbolises an intelligence unit collecting information on foreign countries. In Russian security and intelligence agency insignia, the globe only appears on badges of units involved in intelligence gathering

Source: internet

## INTELLIGENCE ACTIVITIES

The VKR charter does not specify the nationalities from which VKR officers may recruit agents, but according to our information, attempts are made to recruit informants among both Russian and foreign citizens. Like other FSB units involved in intelligence gathering, the VKR's preferred method is “intelligence from the territory”. This approach consists of initiating contact with the target, recruiting them to work on behalf of VKR and maintaining regular contact with them within Russian territory. Since VKR officers rarely travel abroad themselves, they rely on Russian agents to establish and maintain relationships with foreign targets outside Russia.

The intelligence interests of VKR counterintelligence officers are broad. Regarding Western nations, they focus on internal political situations, defence policies (including NATO alliances), intelligence agency capabilities and the personal profiles of key individuals involved in these areas.

The collection of intelligence on foreign countries is primarily conducted by regional intelligence centres within the UFSBs located in the headquarters of Russian military districts.

VKR officers responsible for the security of Russian military units stationed abroad also engage in intelligence collection. These units are typically based in allied countries, where the operational environment facilitates interactions with partners, local residents and foreign nationals without fear of interference from local counterintelligence services.



## THE CAREER PROFILE OF A VKR OFFICER.

The individual's name is known to the Estonian Foreign Intelligence Service. If anyone recognises themselves or a colleague in this description, please contact us – we would gladly learn more about your experiences.

- o Born: 1969
- o Education: Attended the Feliks Dzerzhinsky Higher KGB School (now the FSB Academy) from 1989-1994; graduated from the Faculty of Counterintelligence with a degree in "law, with proficiency in Dari".
- o Career: Worked at the DVKR from 1988 to 2008, including an overseas posting in former Soviet republics in 1994-2005.
- o Awards: Received the FSB badge "For Work in Counterintelligence" and, during his overseas assignment, the medal "For Merits in Intelligence".
- o Retirement: Retired in 2008 with the rank of colonel.

Source: Estonian Foreign Intelligence Service

VKR officers are also embedded in Russian diplomatic missions. For example, Dmitry Filippenok, declared *persona non grata* and expelled from Belgium in October 2021 along with several other "diplomats" working at Russia's NATO mission in Brussels, had previously served in the Western MD UFSB (Military Unit 55297), according to a Dossier Centre article<sup>6</sup>. The article suggests Filippenok's primary responsibility was not spying on NATO but ensuring the security of Russian personnel at the mission, which would be a foreign counterintelligence role. However, this claim is questionable, as another VKR officer-diplomat at the same mission, Andrei Esiotr, who was stationed in Brussels in the mid-2010s before Filippenok, was directly involved in intelligence gathering.

Another example of VKR's intelligence capabilities involves a case from a few years ago when local FSB directorates (UFSBs) within a Russian federal district were required to report on their activities related to China as part of the comprehensive plan Amur. A review of the data revealed that the SR UFSB in the region – the military counterintelligence branch – had the largest number of agents collecting intelligence on China. The high intelligence-gathering capacity of military counterintelligence officers is partly explained by their access to personnel records of all soldiers and officers serving or having served in Russian military units within their region. This allows VKR officers to recruit informants or agents with the desired profiles for intelligence purposes based on language skills, personal traits, education or employment.

<sup>6</sup> Dossier Centre, "NATO Spy"; [dossier-center.appspot.com/nato-spy](https://dossier-center.appspot.com/nato-spy).  
We can independently confirm the Dossier Centre's information that Filippenok served in the Western MD UFSB.



During an event in Omsk in May 2024, the FSB's military counterintelligence department sought inspiration for its future activities from a century-old Estonian-language rifle schematic. The Russian text on the screen below the DVKR emblem reads, "We look to the future."

Source: Internet

| TX | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
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| TX | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |





# CHINA'S NARRATIVES ON THE WAR IN UKRAINE

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Chinese narratives portray Ukraine as belonging to Russia's sphere of influence.

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China's support in the information war, much like its backing of Russia in the kinetic conflict, is both selective and self-serving. Yet, it effectively amplifies the scope and influence of Russian aggression.

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Chinese media's anti-NATO rhetoric has intensified over the past year, mirroring its opposition to NATO's expanding security cooperation with Asia-Pacific countries.

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From China's perspective, a Russian defeat would signify a victory for its primary rival, the US, and a setback to Beijing's efforts to reshape the rules-based international order in favour of authoritarian regimes.

Since Russia launched its full-scale invasion of Ukraine, ideological and media cooperation between China and Russia has become closer and more focused. This cooperation is coordinated at the highest political levels, with particular emphasis on news dissemination. A key goal is to present the war in Ukraine in a pro-Russian light within China's tightly controlled public information space. However, despite the growing alignment and shared worldview between the two countries, China selectively adopts Kremlin propaganda narratives that serve its strategic objectives and disregards those that do not. As a result, the carefully curated narratives about the war circulating in China's tightly controlled information sphere often reveal more about Beijing's true stance than the typically vague and ambiguously worded official statements issued by its leadership.

China's strategic narratives – those reflecting the authorities' overarching political beliefs and long-term objectives – widely portray the war not as Russian aggression against Ukraine but as a conflict between Russia and the US and its allies, who are allegedly using Ukraine as a proxy to expand NATO and increase their influence in the region at the expense of Russian interests. In this narrative, Russia is depicted as having been compelled to initiate its “special military operation” as a preventive action.

A similar perspective shapes Chinese media coverage of NATO's growing security cooperation with Asia-Pacific countries. Over the past year, this has coincided with a marked escalation in NATO-critical rhetoric.





During his annual press conference in December 2024, Putin assured a Chinese journalist of “unprecedented trust” between Russia and China

Source: Cao Yang/Sipa

## USING RUSSIAN VOCABULARY

**In China’s view, global leadership rests with major powers representing ancient civilisations, which have the right to shape the fate of smaller nations.**

Although China officially recognises Ukraine’s sovereignty and does not recognise Crimea or the occupied territories in eastern Ukraine as part of Russia, it emphasises Russia’s alleged security concerns while downplaying the security threats faced by Ukraine. Moreover, China questions Ukraine’s right to join alliances, reinforcing the notion that Ukraine belongs to Russia’s sphere of influence. This perspective aligns with Chinese Communist Party General Secretary Xi Jinping’s 2023 Global Civilisation Initiative, which envisions a world where leadership is divided among major powers that represent ancient civilisations, which grants them the authority to shape the fates of smaller nations.

When reporting on the war, Chinese media frequently uses Russian terminology, referring to the conflict as a “crisis” or “issue”, and avoids focusing on the destruction caused by Russia or condemning its actions. At the same time, Chinese media actively criticises the international sanctions imposed on Russia. Seeking to avoid significant economic loss, China formally adheres to the sanctions regime and has imposed its own restrictions in sectors such as finance and exports, such as limiting transfers to Russian companies via Chinese banks and controlling the export of drones and some of their components. However, by downplaying Russian responsibility and portraying sanctions as repressive measures, China implicitly endorses its citizens and companies



conducting business with Russia, which has resulted in the proliferation of covert logistical and financial schemes that enable Russia's military-industrial complex and economy to endure despite sanctions.

## **CHINA'S SUPPORT HELPS RUSSIA OFFSET SANCTIONS AND SUSTAIN ITS WAR EFFORT**

The strategic narratives are supported by tactical narratives, which are often disjointed in content and structure, rely heavily on misinformation, and appeal more to emotions than reason. In China, most widely promoted tactical narratives are those that reinforce the central idea of its political discourse: the “great changes unseen in a century”, culminating in China's rise as the world's leading power to replace a declining United States.

These narratives portray China as a just and responsible superpower, contrasting Western divisive rhetoric by urging nations to contribute to building a “community with a shared future”. This concept underpins all of Xi Jinping's global initiatives.

Reflecting Beijing's priorities, Chinese media avoids echoing those aspects of Russian propaganda that are aimed at Russia's domestic or diaspora audiences, including narratives promoting Soviet nostalgia or imperialism. Unlike Russia, China's objective in Ukraine is not to destabilise the situation or spread fear and confusion. As a result, Russian tactical narratives that fuel myths of Ukrainian Russophobia or alleged genocide in Donbas, aimed at inciting ethnic hatred, rarely appear in Chinese media.

Instead, China promotes tactical narratives that resonate with domestic audiences and Global South nations. These narratives often find their way into Western information spaces via groups susceptible to populism and conspiracy theories. Criticism of Ukraine in these narratives focuses less on its resistance to Russia and more on its integration with the West, depicted as a consequence of the Western-orchestrated Euromaidan protests of 2013-2014. Examples include claims that Ukraine jeopardises global food security with the West's backing and operates secret US-run bioweapons labs. These stories, typically absent from official Communist Party publications, spread through tabloids and social media, which authorities use to deepen anti-Western and nationalist sentiments.

Although much of the information about the war in Ukraine in Chinese media originates from Russian sources, it is heavily curated to align with Chinese authorities' messaging. For example, Chinese tabloids have repeatedly provided a platform to Russian ultranationalist ideologue Aleksandr Dugin. However, the post in his Chinese language account in Chinese social media platform Weibo promising to reveal the unredacted truth about Ukraine was deleted by the censors, confirming that ultimate narrative control rests with Beijing.

## **NO EXCEPTIONS, EVEN FOR RUSSIA**

Even high-profile figures are subject to this control. Before the 2023 Belt and Road Forum, Chinese state media broadcast an interview with Vladimir Putin, but only the segments highlighting his friendship with Xi Jinping and criticism of US hegemony were aired; references to the war in Ukraine were cut entirely.



亚历山大·杜金

24-6-6 11:56 发布于 上海 来自 微博视频号

+关注

亲爱的中国朋友们，大家好！我是亚历山大·杜金，我正式开通了中国的社交媒体账号。

我一直关注着中国网友们的声音，尤其是互联网上关于俄乌冲突的讨论。近期，我注意到有一位中国的“俄罗斯问题专家”，在西方媒体《经济学人》杂志上发表文章，认为俄罗斯必败。俄乌冲突已经持续两年多了，但许多人仍对现状了解不足。

未来，我希望能够与中国的朋友们共同探讨，让大家更加了解真实的俄罗斯，更加明白今天世界人民共同反抗以美国为首的霸权主义的重要性。📍俄罗斯联邦·莫斯科 📺 亚历山大·杜金的微博视频



22

19

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分享这条博文

A post by Alexandr Dugin on the Chinese social media platform Weibo, which was soon removed due to Chinese censorship

Source: Weibo

Occasionally, since the full-scale invasion of Ukraine, Chinese scholars and think-tank experts have published critical analyses of Russia in both Chinese and English. These pieces often aim to distance China from Russia's brutal methods, stressing Beijing's desire to avoid jeopardising the prospect of improved relations with Europe or warning against the risks of deepening dependency on Russian resources. However, such views have no impact on decision-making within the Chinese Communist Party and are primarily designed to mislead external observers about the true nature of China-Russia relations.

**China is highly likely to continue working to prevent Russia's defeat.**

To maintain its image as a peace-loving nation, China deliberately obscures its association with Russia's aggression in Ukraine. However, this does not indicate a neutral stance, despite official claims to the contrary. The fact that China frames the war exclusively as a consequence of actions by the US and its allies underscores its lack of impartiality. China will likely continue to take various measures to prevent Russia's defeat, as such an outcome would represent a victory for its primary rival, the US, and a setback to China's efforts to reshape the rules-based international order to favour authoritarian regimes.

China's narratives on the war in Ukraine consistently dismiss Ukraine as a genuinely sovereign nation capable of independent political decision-making, portraying it instead as a pawn in a game of global powers. China's perspective would likely be the same if Estonia were in Ukraine's position.

# THE CHINESE COMMUNIST PARTY PURSUES SCIENTIFIC COLLABORATION OPPORTUNITIES

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Scientific collaboration is an instrument used by the Chinese Communist Party (CCP) to access Western technology and enhance its capabilities.

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A significant portion of research activities at Chinese universities is curated by a party organisation operating within the university.

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When forming scientific partnerships with China, it is crucial to carefully review the potential partner's background and their previously published research.

Collaborating with China on research projects requires a heightened focus on knowledge security to prevent sensitive information and technology from reaching Chinese research institutions, which could pass it on to Chinese businesses or the military sector. Unfortunately, China's interest in advancing international scientific collaboration is often tied to the strategic and geopolitical objectives of the CCP.

Chinese universities are under strict party control. Party organisations within these institutions are not merely supervisory units; they play an active role in guiding and controlling research. These organisations often operate autonomously or hold a higher status than other university departments.

China's technological capabilities remain heavily dependent on the West, prompting President Xi Jinping to prioritise technological self-sufficiency as a strategic goal. However, growing Western resistance to scientific collaboration with China has made international educational and research partnerships especially significant for the CCP, as it works to strengthen Chinese universities' ties with foreign institutions to advance China's innovation and technological development in particular.

**The CCP sees education as a sector with fewer Western restrictions than the technology industry.**

The CCP sees education as a sector with fewer Western restrictions than the technology industry. This makes education a strategic avenue for accessing Western expertise through international collaboration.

There are several methods for advancing scientific collaboration and gaining access to Western research. For the CCP, the most straightforward approach involves attracting Western scientists or doctoral candidates to work at Chinese research institutions or offering collaboration by establishing dedicated positions or even entire research laboratories in China.

### INVOLVEMENT WITH THE CCP IS KEPT HIDDEN

Party officials in the Chinese education sector understand that the European Union and other Western research institutions are unlikely to transfer sensitive or valuable information to China willingly. As an alternative, Chinese researchers or doctoral candidates are sent to Western research institutions, or collaborative research labs are established in the target country. Efforts are made to obscure the CCP's involvement in these projects. Chinese students and doctoral candidates' party memberships may be temporarily suspended during their time overseas.

Various approaches are used to establish research labs. For example, when targeting information controlled by research institutions in major European countries, a proxy method may be used. This involves first establishing a research lab in another European country, which then facilitates collaboration with the target country's research institution, effectively masking China's involvement.



Chinese institutions are more reserved than their Western counterparts when sharing research results

Source: Jin Liwang/ZUMA Press

Larger collaboration projects may receive funding from Chinese companies, but the sources of this funding are not always transparent, raising concerns about potential influence activities.

Chinese institutions are generally more reserved than their Western counterparts when sharing data, infrastructure, and research results. This creates an imbalance in collaborative projects.

Researchers participating in Chinese-funded programmes may face loyalty conflicts or pressure to prioritise Chinese interests, raising ethical and security concerns about their affiliations. Furthermore, foreign researchers may feel pressured to avoid sensitive topics – such as China’s aggressive foreign policy, human rights, press freedom or its influence campaigns in the West – to preserve their relationships with Chinese institutions or secure funding. This leads to self-censorship and undermines academic integrity.

Another method for fostering international cooperation with Western universities is the establishment of Chinese language and culture centres. The aim is to use such institutions to train foreigners who are friendly to China and can promote bilateral relations across various fields.

**Affiliations with the Chinese military or state institutions are often revealed with a simple internet search.**

We want to remind our readers about the importance of carefully checking research partners’ backgrounds and previous publications when developing collaborations with China. Although China deliberately limits access to its databases of academic publications, affiliations with the military or state institutions are often revealed with a simple internet search.

We also want to highlight the use of targeting foreign individuals for recruitment purposes as a method associated with China. Attractive online offers are often orchestrated by individuals who operate from unfurnished rental offices in medium-sized Chinese cities, acting as intermediaries and, much like human traffickers, selling the initial contact to Chinese intelligence services in exchange for a finder’s bounty.

# CHINESE STATE-OWNED ENTERPRISES AS POLITICAL INSTRUMENTS

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Chinese state-owned enterprises (SOEs) often function as political tools, implementing the country's strategic visions rather than operating solely as business entities.

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SOEs actively coordinate with Chinese government bodies and ministries.

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The political ties of Chinese SOEs provide them with competitive advantages that distort global markets.

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Investments by Chinese state-owned enterprises (SOEs) in Estonia should be evaluated with a clear understanding of their deep politicisation and strong ties to the Chinese Communist Party (CCP). These enterprises are often required to carry out numerous strategic visions defined by the CCP, making them more akin to political instruments than traditional business entities.

According to CCP regulations, party members stationed abroad must establish a party cell (*dang zhibu*) with other members. These cells may consist of employees from a single company, but if numbers are insufficient, members from different organisations, such as embassies, research institutions or media outlets, may also be included.

**Party cell members are required to complete exams on ideological content.**

Party cells serve as political tools, holding regular meetings to review ideological materials and enforce control over state-owned enterprises and individuals associated with the state. Their tasks include ensuring that companies adhere to China's strategic visions. Party cell members are required to periodically complete exams on ideological content or submit self-reflection essays for evaluation. The CCP also dispatches inspection teams to oversee the activities of party cells in Chinese SOEs operating abroad.

China's economic activities often go beyond business interests and are deeply tied to implementing strategic visions developed by the CCP. For example, in Europe, China deliberately implements a "Chinese elements" strategy aimed at expanding its influence in the region by involving various Chinese stakeholders through a multi-layered approach. Such coordinated efforts must be conducted through Chinese embassies. This strategy allows embassies to leverage various tools during diplomatic tensions effectively.





Chinese state-owned enterprises are occupying strategic positions in logistics hubs around the world

Source: Hidalgo Calatayud Espinoza/dpa

## CHINA WILLINGLY INVESTS TO EXPAND ITS INFLUENCE

One example of the “Chinese elements” mechanism in action is loans issued by China for foreign projects. The loans frequently come with requirements to use Chinese suppliers and technology. Alongside regular business operations, Chinese banks act on political directives, subsidising projects that prioritise influence over economic returns to expand China’s political reach.

The political ties of Chinese SOEs provide them with competitive advantages that distort global markets. These enterprises and strategically important private companies have privileged access to capital, information and political leverage. They can secure loans from China’s central political banks (the five largest) at below-market rates, benefit from favourable repayment terms and, in the event of financial difficulty, gain easier access to refinancing either from the banks or other state-owned enterprises. Such advantages often lead to Chinese companies winning international procurement bids.

Several state-created funds in China, often linked to the country’s broader strategic goals — most notably the extensive Belt and Road Initiative — contribute to unfair competition and market distortion.

**A larger presence of Chinese state-owned enterprises in Estonia increases the risk of becoming dependent on China.**

China is building a politically and technologically autonomous ecosystem designed to challenge the West, with integrated solutions among Chinese enterprises playing a central role. As a result, a larger presence of Chinese state-owned enterprises in Estonia, combined with private companies possessing strategic expertise, increases the risk of Estonia becoming technologically dependent on China.

Chinese SOEs closely coordinate with various government ministries and agencies, such as the Ministry of Foreign Affairs, the Ministry of Commerce, the Ministry of Transport, the Ministry of Culture, the National Development and Reform Commission (NDRC), and the State-Owned Assets Supervision and Administration Commission (SASAC). They also collaborate with Chinese embassies.

These enterprises serve as “frontline” organisations that are tasked with gathering cutting-edge information for the state, including information on technology and legislative developments abroad.

Engaging with Chinese SOEs often means interacting directly with the Chinese central government, as the above authorities are among the key state bodies responsible for developing strategic plans.

SASAC, which operates under the State Council (the Prime Minister’s Office), oversees approximately 90 national-level conglomerates with extensive subsidiary networks. Additionally, SASAC has local offices managing a large number of enterprises that typically fall outside central government oversight. Through SASAC and the NDRC, the CCP implements its strategic visions. Doing business with a SASAC-managed enterprise often involves direct ties to the central government, the CCP and, in many cases, the military. Regular ideological sessions within these enterprises further reinforce their political alignment, making them highly ideologised legal entities.

CC CLASSIFIED

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# PROTECTION OF CLASSIFIED INFORMATION

# LESSONS FROM CYBER WARFARE: STRONG CRYPTOGRAPHY IS CRITICAL

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Russian special services actively seek access to critical information of their perceived enemies, both classified and unclassified.

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Protecting electronic information requires the methodical use of robust, independently evaluated cryptographic solutions.

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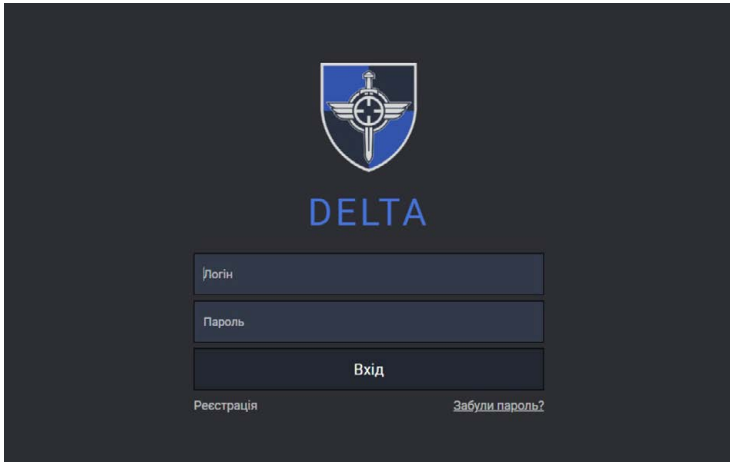
Post-quantum cryptography should already be adopted to address emerging threats from quantum computing.

In warfare, critical information has to be delivered to the right place at the right time, one can be only then victorious. No one wants the data they rely on for a strategic advantage to fall into the hands of a competitor or worse - to hostile intelligence services. Protecting such information requires making deliberate choices and accepting that user convenience may sometimes come after security.

Russian special services continuously attempt to penetrate systems containing sensitive information. During Russia's war against Ukraine, these efforts have also targeted systems used by Ukraine's Armed Forces, such as the Delta situational awareness platform. Accessible via both smartphones and computers, Delta aggregates battlefield data from sources like air surveillance, satellites, drones and security cameras. If this information were to fall into Russian hands, it would jeopardise Ukrainian soldiers' lives and their military successes.

Russia has employed various tactics to breach Delta:

- cyberattacks on smart devices used by Ukrainian soldiers on the front line and physical theft of devices from the battlefield to gain network access;
- creating fake websites mimicking the platform to trick soldiers into entering their data;
- attempting to compromise soldiers' email accounts.



The Delta platform aggregates information on enemy positions from various sources, such as drones, radars and satellites, and displays it on an interactive map with geolocation.

Source: Internet

**Highlight: Significant damage can be avoided by designing sensitive systems intelligently.**

Ukraine has identified these attempts and responded with prompt countermeasures. Significant damage can be avoided by designing sensitive systems intelligently, for example, by using strict segmentation (combining need-to-know principle with rigid access control lists) and encrypting information using rigorously evaluated cryptographic solutions.

Estonian state institutions and critical service providers are also targets of Russian cyber espionage. The year 2024 was particularly significant, as Estonia publicly attributed a cyberattack to Russia's military intelligence service, the GRU, which had accessed tens of thousands of unclassified documents marked for "official use only" in 2020. While these documents did not contain state secrets, it would be naïve to assume that GRU analysts could not piece together information from fragments of "official use only" documents to infer information classified as state secrets in Estonia.

## WHY DO WE NEED CRYPTOGRAPHY?

One of the most common ways to protect information and ensure its security, is through encryption. Cryptography dates back to Ancient Rome, where information deemed critical – because it poses a threat to an individual, their associates or the security of the state – was encrypted to keep it out of enemy hands. Today, cryptography is widely used in ways often invisible to the user – in mobile communications, messaging apps, communication between routers and computers, internet data transfers, and data encryption using ID cards. Cryptography is a technology rooted in mathematics and computer science, designed to keep information confidential and untampered by unauthorised parties. It ensures the secure transfer of data between sender and recipient while mathematically verifying the trustworthiness of both parties. Information security can be undermined by selecting or implementing unsuitable cryptographic solutions (e.g. weak algorithms, insufficient key lengths or lack of quantum resistance) or by neglecting the importance of cryptography in information systems, devices and services.



Beyond the immediate cyberespionage threat posed by hostile intelligence services, advancing quantum technologies present a growing challenge to classical cryptographic algorithms and the information they protect. The cybersecurity community has long warned of the “store now, decrypt later” problem, whereby adversaries could collect large volumes of data today with the intent of decrypting it in the future using quantum computers.



Mosca’s theorem estimates when a transition to quantum-resistant cryptography is necessary. X – the duration for which information must remain secure; Y – the time required to transition to quantum-resistant cryptography; Z – the time until a powerful quantum computer emerges.

To mitigate quantum threat, organisations must adopt post-quantum cryptography – solutions employing algorithms that remain secure even against quantum computers. However, whether using current or quantum-resistant cryptographic solutions, classified systems require methodical, independent evaluations of their security.

Protecting sensitive state information requires systematically standardised evaluation of cryptographic solutions. This involves setting specific requirements for the solutions used in information systems and independently verifying whether these products (cryptographic tools and software) meet those requirements. Evaluations consider the cryptographic algorithms used, the production processes, the internal requirements for handling components, the ultimate beneficiaries of the manufacturers, and the methods of delivery to end users. Trust is not based on a single check but on a recognised, standardised system of product evaluations that accounts for the specific protection needs of critical information, security measures, and their application. Using thoroughly evaluated cryptographic solutions can mitigate both threats from hostile intelligence services and the risks associated with the broader adoption of quantum technologies.

Estonia is neither alone nor isolated in facing these threats; in cyberspace, much like in the physical world, we can also rely on international partnerships, adopt best practices, and engage in trust-building activities, such as establishing criteria and implementing standardised validation or certification processes. Estonia’s security depends on protecting its most sensitive information – a mission supported by advancing education in mathematics and cryptography. This, in turn, opens opportunities for long-term careers, such as at the office of the National Security Authority within the Estonian Foreign Intelligence Service, which is responsible for approving secure state communication solutions. For more information, visit [www.valisluureamet.ee/infosec](http://www.valisluureamet.ee/infosec).

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# MORE ESTONIAN COMPANIES JOIN CLASSIFIED EUROPEAN PROGRAMMES

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Interest among Estonian companies in classified projects is growing rapidly, with 19 firms already participating in defence industry programmes.

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Estonian companies currently have access to seven classified European Commission programmes.

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The National Security Authority within the Estonian Foreign Intelligence Service supports companies in navigating classified information protection requirements for projects.

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The European Commission has developed several large-scale classified programmes for companies from the EU and partner countries. Designing a security framework for any classified project is a complex process. The large-scale EU programmes benefit from the Commission's standardised security framework, reducing administrative burden and streamlining both project preparation and oversight.

Classified information need not intimidate companies, as the National Security Authority within the Estonian Foreign Intelligence Service is available to clarify the requirements for protecting classified information and to create a security framework that is easy to understand and follow for all project participants.

Since 2015, several classified programmes focused on innovation and development in the defence industry have been launched at the Commission's initiative:

- 2017-2019: Preparatory Action on Defence Research (PADR)
- 2019-2021: European Defence Industrial Development Programme (EDIDP)
- 2021 onward: European Defence Fund (EDF).

The EDF projects have a total budget of €8 billion, allocated until 2027

19 Estonian companies have participated in 46 EDIDP and EDF projects

To date, 19 Estonian companies have participated in 46 EDIDP and EDF projects, with several companies involved in multiple projects. Estonian companies stand out as active participants, particularly in cybersecurity-related projects.

They also contribute to projects focused on developing components for larger weapon systems – including warships, tanks, armoured vehicles, drones, radars, navigation systems and autonomous weapon systems – as well as artificial intelligence implementations and projects advancing innovative and smart military capabilities. Several Estonian companies have even acted as consortium coordinators in EDIDP and EDF projects, effectively leading the projects.

|                                      | European Defence Industrial Development Programme (EDIDP) |         | European Defence Fund (EDF) |          |         |
|--------------------------------------|-----------------------------------------------------------|---------|-----------------------------|----------|---------|
|                                      | 2019                                                      | 2020    | 2021                        | 2022     | 2023    |
| New projects                         | 16                                                        | 26      | 60                          | 41       | 54      |
| Projects with Estonian participation | 4 (26%)                                                   | 7 (27%) | 12 (20%)                    | 16 (39%) | 9 (17%) |
| Estonian companies                   | 4                                                         | 7       | 7                           | 12       | 11      |
| New Estonian companies               | 4                                                         | 4       | 2                           | 4        | 5       |
| Estonian lead companies              | 1                                                         | –       | 1                           | 1        | 2       |

Table 1. Classified projects with Estonian participation (excluding projects where Estonian companies joined at a later stage or participated as subcontractors)

Participants in EDF projects enter into grant agreements to contribute to specific capability development efforts. Projects typically last two to five years, though activities may continue under follow-up projects. Most projects are classified at the lowest level, which significantly simplifies access to classified information and its electronic handling and exchange. Some EDF projects do not involve classified information but still benefit from the support framework for large-scale projects. The final classification level is determined after contracts are signed, with participants given time to meet requirements for protecting classified information.

The European Commission has long funded research and innovation projects. For example, the Horizon 2020 programme (2014-2021) and its successor Horizon Europe (from 2021 onward) include classified projects, though the majority are not classified. Estonian involvement in Horizon’s classified projects includes approximately ten initiatives, with some led by Estonian participants. Key areas include cybersecurity, critical infrastructure and civil defence, as well as preventing terrorism and other crimes.

While the Commission has also launched other classified programmes, Estonian companies have shown less interest in these. A few Estonian companies have, however, participated in classified projects under different programmes. The Global Navigation Satellite System (GNSS) programme has now been integrated into the European Union Space Programme, which also includes classified projects within its other components, such as Copernicus, Galileo and GOVSATCOM. Classified projects are also open for application under the European Quantum Communication Infrastructure (EuroQCI) initiative and, less frequently, within the Digital Europe (DIGITAL) programme and the Connecting Europe Facility (CEF Digital) programme.

Programmes are continuously updated, and new classified initiatives are regularly introduced, offering opportunities for Estonian companies to participate. For example, in 2023, a €500 million programme was launched to support ammunition supplies to Ukraine under the Act in Support of Ammunition Production (ASAP), though Estonian companies were not involved in the first round. A €1.5 billion European Defence Industry Programme (EDIP) is also under development.

For more on industrial security and protecting classified information in the private sector, please refer to our 2024 annual report.

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Estonian companies' interest in classified projects is proliferating. Even participating in just one classified project provides valuable experience, making it easier and more encouraging to apply for future opportunities.

For more information, contact us at [NSA@fis.gov.ee](mailto:NSA@fis.gov.ee)

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