

# CRS Report for Congress

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## **U.S. Assistance to the Former Soviet Union**

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# U.S. Assistance to the Former Soviet Union

## Summary

Since 1992, the United States has provided more than \$26 billion in assistance to the 12 states of the former Soviet Union (FSU). It continues to provide nearly \$2 billion annually. This report describes the broad framework of U.S. assistance programs and policies in the region and then focuses on the FREEDOM Support Act (FSA) account under the foreign operations budget which, encompassing all U.S. objectives in the region, has often been the means by which Congress has expressed its views and sought to influence policy.

Three objectives have been most prominent in the U.S. assistance program to the region — facilitating the transition from authoritarianism to democracy, promoting the introduction and growth of free market economies, and fostering security by controlling the proliferation of nuclear, chemical, and biological weapons and expertise. More recently, a fourth objective, very much encompassing the other three, has emerged — supporting the war on terror. A fifth objective of U.S. assistance, humanitarian relief, was mostly applied in the early 1990s in response to countries experiencing food shortages.

Under the control of the State Department's Coordinator of U.S. Assistance to Europe and Eurasia and encompassing all U.S. policy objectives, the FSA account has been a special interest of Congress since its creation in 1992. About \$10.5 billion of the \$26 billion in total U.S. aid provided between 1992 and 2004 has come from the FSA account. The FY2006 Foreign Operations appropriations (P.L. 109-102, H.R. 3057) provides \$514 million, \$509 million after a 1% across-the-board rescission is applied. While \$27 million higher than the Administration request, the final figure is \$46.5 million lower than the FY2005 regular appropriation.

Perhaps the most notable feature of the FY2006 Administration foreign operations request was the proposed cuts in aid. With democracy challenged in Russia, leadership changes in Georgia, Ukraine, and Kyrgyzstan, that may open the door to long-delayed economic and political reform, as well as important U.S. interests in Central Asia, some observers argued for an increase in aid to the region. In the case of Russia, managers of the FY2006 appropriations allocated \$80 million instead of the \$48 million requested.

The recent rise of democracy in Ukraine and Georgia and its evident decline in Russia have highlighted the role and possible need for U.S. democratization assistance. However, even while democracy funding in Russia appeared to grow proportionately because of a decrease in FSU account funding, absolute levels of democracy aid to Russia have not increased since 1999 when it reached a level of \$64 million. Aid to the FSU has always come with conditions. The majority of specific restrictions have been aimed at Russia. As a result, in most years as much as 60% of planned U.S. assistance to the federal Russian government has been withheld. Currently, the most difficult conditionality issue arises with respect to human rights in Central Asia. This report will be updated as events warrant.

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# U.S. Assistance to the Former Soviet Union

Since 1992, the United States has provided more than \$26 billion in assistance to the 12 states of the former Soviet Union (FSU). It continues to provide nearly \$2 billion annually. Over the years, various aspects of the program have drawn strong congressional interest and sponsorship; some country programs have been the subject of controversy and debate. At one time or another, these aid programs have sought to address the range of U.S. foreign policy, strategic, and economic interests in the region. This report describes the broad framework of U.S. assistance programs and policies in the former Soviet Union and then focuses on the foreign operations FREEDOM Support Act (FSA) account which, encompassing all U.S. objectives in the region, has often been the means by which Congress has expressed its views and sought to influence policy.

## Background

### Objectives and Programs

With the demise of the Soviet Union and emergence of a dozen new independent states at the end of 1991, the United States launched assistance programs aimed at accomplishing varied foreign policy objectives. Three objectives have been most prominent — facilitating the transition from authoritarianism to democracy, promoting the introduction and growth of free market economies, and fostering security by controlling the proliferation of nuclear, chemical, and biological weapons and expertise. A fourth objective of U.S. assistance, humanitarian relief, was especially significant at discrete points in the 1990s when several countries experienced critical food shortages. More recently, a fifth objective, very much encompassing the other four, has emerged — supporting the war on terror.

**Democracy and Economic Reform.** Efforts to boost the objectives of democratization and economic growth have been supported chiefly through assistance programs authorized by the FREEDOM Support Act (FSA) of 1992 (P.L. 102-511). The assistance, usually in the form of expert advice and associated materiel support or grants to indigenous organizations, has sought to affect a range of sectors.

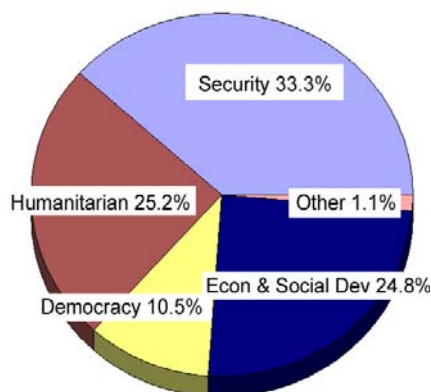
Among the **democratic initiatives** are technical assistance to political parties, parliaments, and independent media and grants to encourage the development of civil society non-governmental organizations (NGOs). Exchanges, most now funded under State Department appropriations, contribute to democratization by introducing FSU leaders and citizens to U.S. institutions and way of life. Roughly 11% of total U.S. assistance since 1992 has supported democratization.

**Economic and social reform programs** include efforts to assist private sector development — support for privatization of state-owned business; drafting of new tax, securities, and commercial law; distribution of credit to micro and small enterprise; equity investments in fledgling business; and provision of expertise to farmers and businessmen. Assistance has also addressed related health, environment, energy, and housing concerns, including efforts to combat infectious disease, promote policy reforms, and introduce innovations such as a mortgage lending system. About 25% of total aid has been devoted to economic and social development.

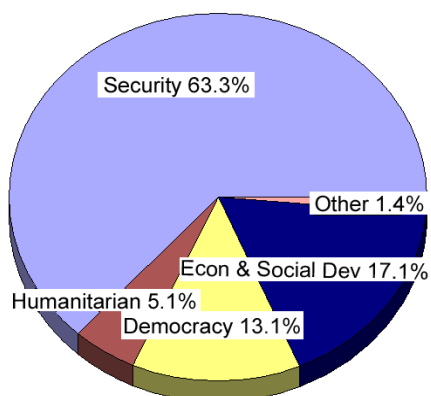
**Humanitarian.** Humanitarian programs include the PL480 food aid program (roughly 80% of humanitarian aid) and airlifts of food and medical supplies. The latter was of special importance in the first years of the transition, and the former was an especially significant part of the total aid program during discrete periods — 1993 and 1999 — when Russian farmers could not meet their country's food requirements and the United States wished to bolster President Yeltsin's position. About 25% of total aid has been employed to fill humanitarian needs.

**Security.**<sup>1</sup> Security programs mostly focus on non-proliferation concerns. They have been implemented mainly under the so-called “Nunn-Lugar” Cooperative Threat Reduction (CTR) Program legislation (P.L.102-228), much of the language of which is duplicated in the FREEDOM Support Act. Several government departments have been actively engaged in implementing security programs. Broadly, non-proliferation programs conducted by the Department of Defense (DOD) have included insuring the security of transport and storage and the elimination of nuclear, chemical, and biological weapons and materials. The Department of Energy's Material Protection, Control, and Accounting (MPC&A) program sponsors numerous efforts to protect nuclear sites and thwart smuggling of material. Both the State Department and DOE have managed programs controlling the spread of weapons expertise by encouraging scientists to remain in the FSU. State also supports export control and border security assistance. About 38% of total U.S. assistance to the FSU since 1992 has focused on security. Almost two-thirds of these funds were directed at Russia. In recent years, the proportion of aid directed at

**Figure 1. Total U.S. Assistance to FSU: FY1992-FY2004**



**Figure 2. Total U.S. Assistance to FSU: FY2004**



<sup>1</sup> For detailed discussion of FSU security programs see CRS Report RL31957, *Non-Proliferation and Threat Reduction Assistance: U.S. Programs in the Former Soviet Union*, by Amy Woolf.

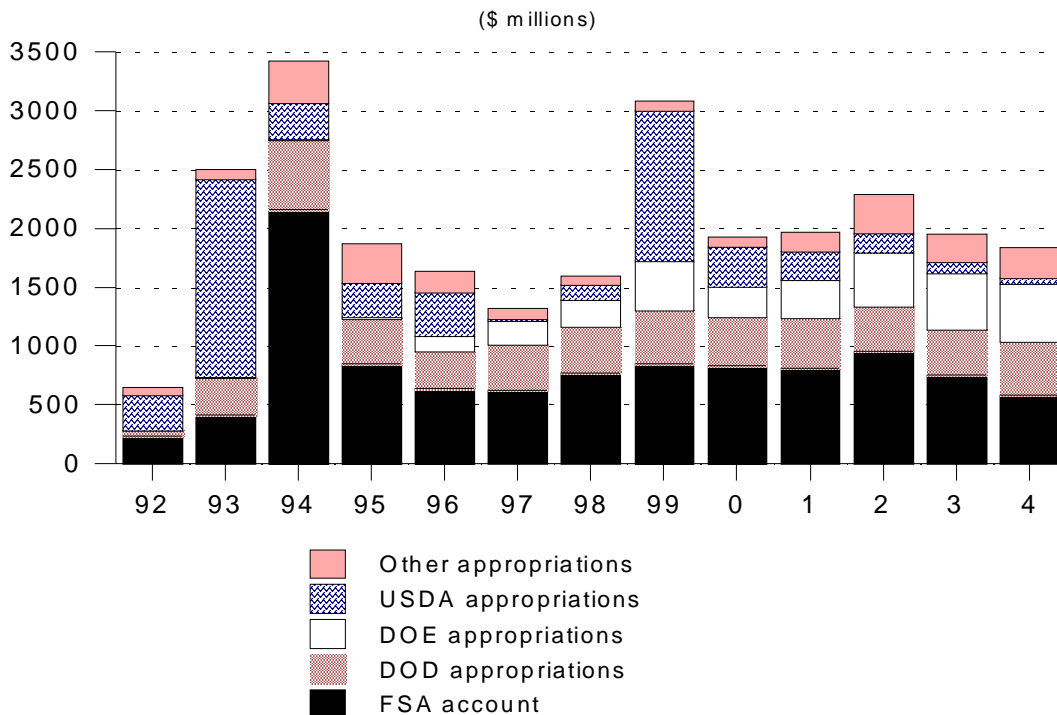
security concerns has risen substantially — in FY2004, it represented more than 63% of total aid.

**Anti-Terrorism.** While there are discrete anti-terror programs aimed at the region — such as border security and anti-terrorism training — all other assistance objectives can be viewed as supporting this one. The securing of nuclear and other weapons has always been as much to keep them out of the hands of stateless terrorist groups as other nations. The achievement of economic growth and democracy are seen as helpful conditions to discourage the sale of weapons and technology and the eruption of discontent and instability that might offer havens to terrorist operations. The emergency supplemental that followed September 11, 2001, targeted for special funding Central Asian countries which provided bases for U.S. troops fighting in Afghanistan and are themselves viewed as threatened by radical Muslim organizations.

## Funding Accounts

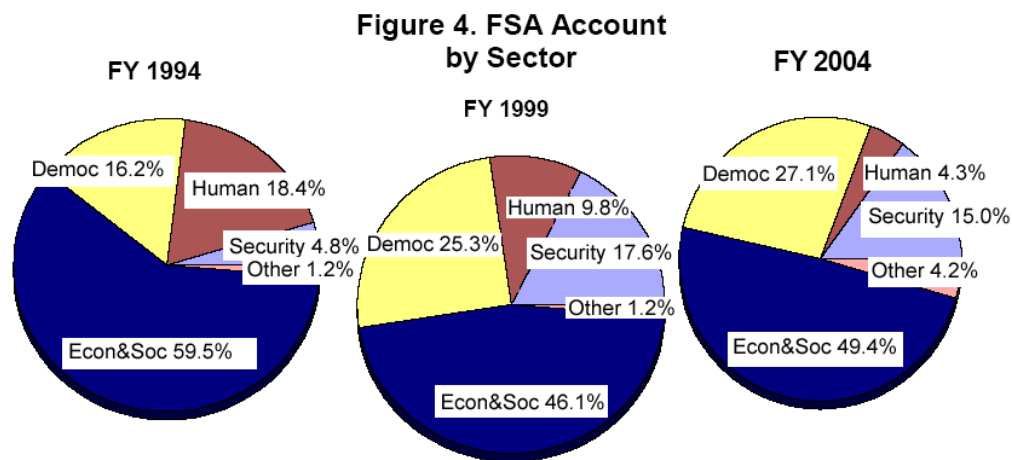
Multiple sources of U.S. funding (“spigots”) make up assistance to the region. Most security-related aid has been funded through Department of Defense (DOD) appropriations, but major related programs have also been funded under Department of Energy (DOE) and Foreign Operations appropriations, in the latter case primarily the FSA, Foreign Military Financing, and NADR (Non-proliferation, Anti-terrorism, Demining) accounts. DOD, DOE, and Foreign Operations appropriations respectively account for \$4.8 billion, \$3.0 billion, and \$2.1 billion of total U.S. security aid to the FSU since 1992.

**Figure 3. U.S. Assistance to the FSU: All Spigots 1992-2004**



Humanitarian programs are predominately composed of the PL480 food aid program funded from Department of Agriculture (USDA) appropriations. Airlifts of humanitarian supplies were funded out of both State and DOD appropriations.

Roughly two dozen U.S. government agencies and department offices have implemented aid programs in the FSU. Among these are the Peace Corps volunteer program, the State Department's exchange and non-proliferation programs, and Environmental Protection Agency, Department of Labor, and Treasury Department activities. Many of these programs were originally supported largely or entirely by the FSA account, but as that account has decreased in size, some agencies have gradually been required to provide their own-agency appropriated funds (included in the "other" category in the figure above).



Most democratization, economic, and social programs, have been funded annually in the Foreign Operations appropriations bill under the "Independent States of the Former Soviet Union" account (FSA account). Only the FSA account has supported the whole range of U.S. policy objectives at one time or another.

**FSA Account Current Program.** Under the control of the State Department's Coordinator of U.S. Assistance to Europe and Eurasia, the FSA account has been a special interest of Congress since its creation in 1992. About \$10.5 billion of the \$26 billion in total U.S. aid provided between 1992 and 2004 has come from the Foreign Operations-funded FSA account. Unlike DOE or DOD security programs, funding for which has trended upward in the past dozen years, the FSA account has fluctuated considerably. Since 2002, however, it has been falling and, at \$509 million in FY2006, is at its lowest level since 1993. The decline may in part be explained by the view that some countries have progressed sufficiently in their economic and political development that they no longer require U.S. assistance (see issues below).

The composition of the account has also changed significantly over 15 years. In the early 1990s, economic and social reform was the largest component — as much as two thirds of the account in some years. In 2004 it was nearly half the account, but still the largest component at \$289 million. Hovering near the 15%

mark during the early and mid-1990s, democratization efforts rose to make up 25% by late in the decade. In 2004, at \$158 million, it represented 27%. Security aid was only 5% of the account in the first part of the program, but rose to a high of 25% in 2000 as a result of the so-called Expanded Threat Reduction Initiative that increased the State Department role in non-proliferation. As the State Department has steadily moved non-proliferation program funding to the NADR and other accounts, security as a component of the FSA account has declined. It was 15% in 2004 at \$88 million.

**Millennium Challenge Account (MCA).** Recently, a new funding resource became available to some states of the former Soviet Union. The MCA, implemented by the Millennium Challenge Corporation (MCC), provides significant assistance to countries that meet certain standards of accountability and commitment to economic and democratic reform. Currently, two FSU states — Georgia and Armenia — meet the criteria that make them candidates for MCA funds. On September 12, 2005, an agreement, or compact, was signed with Georgia, providing \$295.3 million over five years for the purposes of improving transport, energy, and other infrastructure and to stimulate enterprise development, especially in agriculture. A five-year \$235.7 million compact with Armenia was approved by the MCC board on December 19, 2005. Its purpose is reduction of rural poverty through rehabilitation of rural roads and improved irrigation.

## 2005 Legislation

### FY2005 Supplemental Appropriations

In February 2005, the Administration submitted an \$81.9 billion request for emergency supplemental appropriations, most of which was intended for military operations in Iraq. The request included \$60 million for Ukraine, on top of its regular foreign operations appropriation, to help newly elected President Viktor Yushchenko pursue political as well as economic reforms. Of this amount, \$19.2 million was for anti-corruption and rule of law activities; \$3 million for the new president's administration; \$12.7 for economic reform; \$10.1 million for civic organizations in the east and south; \$5 million to support parliamentary elections; \$4.5 million for HIV/AIDS; and \$5.5 million for nuclear safety. On March 16, the House approved a bill (H.R. 1268) that would provide a reduced amount of \$33.7 million for Ukraine focusing solely on the immediate need to demonstrate U.S. support and assist upcoming elections. On April 21, the Senate approved its version of the bill, providing \$60 million for Ukraine and an additional \$5 million for democratization activities in Belarus and \$5 million for relief and conflict management efforts in Chechnya and the North Caucasus. House-Senate conferees adopted the Senate's provisions, and the legislation was signed into law (P.L. 109-13) on May 11.

### FY2006 Appropriations

In its FY2006 foreign operations budget, the Administration requested \$482 million for the FSA account, a 13% decrease from the FY2005 appropriation. On June 28, the House approved the FY2006 Foreign Operations appropriations, H.R. 3057 (H.Rept. 109-152), providing \$477 million for the FSA account. On July 20,



the Senate approved its version of the bill, providing \$565 million. The conference report on the FY2006 Foreign Operations appropriations (P.L. 109-102, H.R. 3057) provides \$514 million, \$509 million after a 1 % across-the-board rescission is applied. While \$27 million higher than the Administration request, the final figure is \$46.5 million lower than the FY2005 regular appropriation.

The request for DOD CTR programs was \$415.5 million, and DOE's various FSU non-proliferation programs would add up to \$525.7 million in FY2006, both slight increases from the previous year. H.R. 2863 (P.L. 109-148), the FY2006 Defense appropriations bill, provides \$415.5 million for DOD CTR programs.

<b>FSA Account Country Allocations</b> (in \$ millions)				
<b>Country</b>	<b>FY04</b>	<b>FY05 (est.)</b>	<b>FY06 (req.)</b>	<b>FY06 (P.L.109-102)**</b>
Armenia	74.6	70.0	55.0	75.0
Azerbaijan	38.8	37.4	35.0	35.0
Belarus	8.1	6.5*	7.0	12.0
Georgia	71.7	86.0	67.0	67.0
Kazakhstan	33.3	26.7	26.0	25.0
Kyrgyzstan	36.2	31.0	30.0	25.0
Moldova	22.5	17.4	17.0	19.0
Russia	96.4	85.0*	48.0	80.0
Tajikistan	24.5	27.0	25.0	24.0
Turkmenistan	5.7	6.5	5.5	5.0
Ukraine	94.3	79.0*	88.0	84.0
Uzbekistan	35.9	33.5	30.0	20.0
Regional	42.6	49.6	48.5	43.0
<b>Total app.</b>	<b>584.5</b>	<b>555.5</b>	<b>482.0</b>	<b>514.0</b>
* Not shown here is an additional \$60 million for Ukraine, \$5 million for Belarus, and \$5 million for Chechnya appropriated in the FY2005 emergency supplemental (P.L. 109-13).				
** FY2006 figures are before a 1% across-the-board rescission.				

## Issues

Several concerns have been raised in recent years regarding U.S. assistance for democracy and economic reform. (For non-proliferation aid issues see footnote 1).

### Cuts in FSA Account

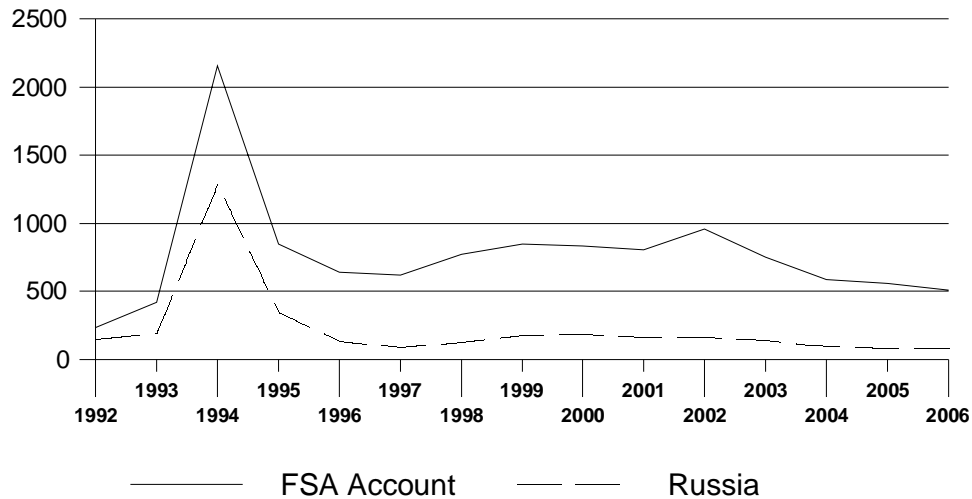
Perhaps the most notable feature of the FY2006 Administration foreign operations request was the proposed cuts in aid — the account would have been cut by 13% from the previous year, continuing a decline from levels which in the past 10 years averaged \$738 million. With democracy challenged in Russia, leadership changes in Georgia, Ukraine, and Kyrgyzstan that possibly open the door to long-delayed economic and political reform, as well as important U.S. interests in Central Asia, some observers had argued for an increase in aid to the region. Congress mirrored this division of views with the House-passed measure \$5 million lower than the request and the Senate version \$37 million over the request. In the end, the post-rescission appropriation is \$27 million above the request.

The cuts were to have fallen mostly on three of the four countries which have perennially been the chief recipients of FSA aid in the past 14 years. Armenia aid would be decreased by 21%; Georgia by 22%; and Russia by 44%. Some Members of Congress had expressed concerns over this development. In its report on S. 600 (S.Rept. 109-35), the proposed State Department Authorization Act, the Foreign Relations Committee urged the Administration “to consider the harm its proposed cuts in funding assistance could have on U.S. interest in stability, democracy and market reform in the Independent States.” The bill, however, authorized the FSA account at the request level. In the end, congressional appropriators maintained funding levels close to the previous year for both Armenia and Russia, while adopting the Administration request level for Georgia.

The fourth major recipient of FSA aid, Ukraine, received a modest increase in its allocation, closely matching the request. Ukraine is the largest recipient of regular FY2006 FSA assistance. Reflecting a response to the new democratic government, Ukraine earlier received \$60 million in the FY2005 supplemental appropriation. Together these appropriations have reversed a steady decline in the Ukraine program since its peak at \$225 million in 1997, a time when the government was both corrupt and non-reformist. For comparison, at \$84 million, the FY2006 allocation is half of the most recent 10-year average of \$170 million.

**Cuts in the Russia Program.** Russia was the country most threatened by proposed Administration cuts; they are meant to lead to a total “phase-out” of its aid program in the next several years. Even at \$80 million in FY2006, rather than the proposed \$48 million, aid for Russia is at its lowest level. Although the Russia program has been the largest recipient on an absolute basis (but annually only 7<sup>th</sup> or more in per capita terms — Armenia and Georgia have consistently been the highest in per capita terms), it was often the target of those who were dissatisfied with former President Yeltsin’s leadership and both his and Putin’s positions on issues such as the transfer of nuclear reactor expertise to Iran and the war in Chechnya. Russia’s importance to U.S. foreign policy and the view that aid is intended to address the need for democracy and free markets have been the chief rationales for maintaining the aid program at a higher level.

**Figure 5. FSA Account and Russia Aid**  
(\$ millions)



FSA>	235	417	2158	846	641	622	771	847	836	808	958	755	585	556	509
Rus>	150	192	1289	344	135	92	132	179	186	164	162	144	96	85	80

Although the FSA program was not established with any firm deadline in mind, most observers assumed that the program was “transitional” and would not run as long as programs in developing countries. A State Department strategy in 1994 suggested the Russia program would end around 1998. In 1997, the Partnership for Freedom initiative, which chiefly sought to reverse a sharp decline in Russia aid, made explicit a plan to wind down large-scale technical assistance to the whole FSU in 2002, but with smaller grassroots cooperation programs continuing beyond then to about 2006. In 2003, the Bush Administration decided to phase out Russia programs over several years, beginning with economic sector programs by 2006.

The questions these or any proposed cuts raise is whether they are desirable or justified in terms of what has been accomplished or remains to be achieved in each country. In the case of Russia, the Administration argues that economic reform programs are not required now that Russia is growing economically and that these programs will be phased out first while democracy programs will be maintained. Some might argue that much more remains to be done in the economic and social development sectors, especially with regard to grassroots private sector activities that might contribute as well to democratization. The claim that democracy activities will be maintained at recent levels might be scrutinized more closely. In FY2002 and 2003, Russia FSA-funded democracy programs amounted to \$63 and \$61 million respectively. However, in FY2004, the account provided only \$33 million for this purpose. All-spigots funding for democracy in Russia has gone from \$80 million in FY2003 to \$63 million in FY2004.

## Support for Democratization

Questioning proposed FSA account cuts at a hearing on February 17, 2005, Senate Foreign Relations Committee Chairman Richard Lugar specifically cited the

importance of democracy programs.<sup>2</sup> Although from the beginning declared a major objective, democracy, has never risen above 15% of total all-spigots spending in any year. In most of the 1990s, democratization represented only 15-18% of the FSA account, rising to 24% by 1998 and 34% in 2003; it is 27% in 2004. Spending on democracy activities declined between 2003 and 2004 — in the FSA account, from \$254 million to \$158 million, and in total all-spigots spending from \$291 million to \$244 million.

The recent rise of democracy in Ukraine and Georgia and its evident decline in Russia have highlighted the role and possible need for U.S. democratization assistance. The latter case, in particular, has elicited repeated calls for increased aid by expert observers during the last five years as Putin has chipped away at democratic institutions and practices. Congress indicated its concern by passing the Russian Democracy Act of 2002 (P.L. 107-246) which called for increased aid and emphasized the role of NGOs and independent media in democratization.

One aspect in the creeping diminution of democratic practices in Russia is the attacks on aid recipients in civil society and especially NGOs that promote democracy. In mid-2005, a U.S.-supported human rights organization found itself accused of evading taxes, even though its U.S. foreign aid income is supposed to be tax free. Similar problems occurred in the early 1990s until they were resolved diplomatically by formal agreement with the U.S. embassy. This time, however, they are combined with attacks from the head of the Federal Security Service on other NGOs — as well as the Peace Corps which left Russia several years ago amid similar attacks — and a statement by President Putin that foreign funding of political activities would not be permitted. Legislation to control Russian NGOs and severely restricting the ability of foreign organizations to assist them was approved by the Duma in December. Analysts suggest that Russian authorities fear a Ukraine-like situation which has been blamed on U.S. and other donor-funded NGOs.<sup>3</sup>

It is not possible to say to what degree U.S. assistance is responsible for the positive developments in Georgia, Ukraine, and Kyrgyzstan.<sup>4</sup> Although the United States had pumped \$807 million in FSA account aid to Georgia, \$2.1 billion to Ukraine, and \$408 million to Kyrgyzstan (including \$138 million, \$453 million, and \$94 million respectively in democracy aid), these countries remained corrupt, economically stagnant, and authoritarian up to the time of their democratic revolutions. U.S. programs, however, may have planted seeds of change, especially in support for civil society and political party training, both of which emphasize ways in which advocacy groups can make their voices heard.

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<sup>2</sup> Senate Foreign Relations Committee, *Democracy in Retreat in Russia?*, Hearing held Feb. 17, 2005, Federal News Service transcript.

<sup>3</sup> “Secretary Criticizes Russia’s NGO Law,” *Washington Post*, December 8, 2005; “Putin Vows to End Foreign Political Funding,” *Financial Times*, July 21, 2005; “Russia Hounds Human Rights Group That Gets U.S. Help,” *New York Times*, Sept. 18, 2005.

<sup>4</sup> Some suggest that the U.S. role was critical to events in Kyrgyzstan. “U.S. Helped To Prepare the Way for Kyrgyzstan’s Uprising,” *New York Times*, Mar. 30, 2005.

All U.S. democratization support carries the danger of charges of U.S. interference in a country's internal affairs. Implementors have been careful, especially in providing aid to political parties, to be evenhanded and open to all comers. But, if the government is authoritarian, then democracy aid may be viewed as inherently subversive. Accordingly, NGOs throughout Central Asia are reportedly being harassed, some U.S. officials believe, at the instigation of Russia.<sup>5</sup>

## Conditionality

Aid to the FSU has always come with conditions. Both the FREEDOM Support Act and annual foreign operations bills contain general and specific conditions that all the states of the FSU are expected to meet in order to receive assistance. Conditions left to the broad discretion of the President include whether these countries are undertaking economic and political reform, are following international standards of human rights, are adhering to international treaties, and are denying support to terrorists. Other conditions established by Congress have been more firm and specific. Among these is Section 907 of the FSA which for a decade prevented, with some exceptions, policy reform and other direct assistance to the government of Azerbaijan unless it took steps to cease blockades and other uses of forces against Armenia and Nagorno-Karabakh. Beginning in 2002 and in each year following, the President has waived this prohibition.

The majority of specific restrictions have been aimed at Russia. These include directions that aid be cut or withheld if Russia implemented a law discriminating against religious minorities, if its troops remained in the Baltics, if it did not provide NGO access to Chechnya, or if it did not cooperate with war crime investigations in Chechnya. Since FY1996, direct assistance to the government of Russia has hinged on its continuing sale of nuclear reactor technology to Iran. As a result, in most years as much as 60% of planned U.S. assistance to the federal Russian government has been cut.

The new Millennium Challenge Account compacts also come with their own conditionality. To become eligible for the program, countries must meet certain standards of behavior related to governance, social development, and economic freedom. While Armenia, for example, appears to have met those standards sufficient to warrant a compact agreement, it also has been warned that it must maintain them or risk losing aid. Even as its \$236 million award was announced in December 2005, a letter from the MCC to Armenia's President Kocharian suggested that steps be taken to correct problems raised in recent months, particularly with regard to charges of electoral fraud and media restrictions in the November constitutional referendum.<sup>6</sup>

Currently, the most difficult conditionality issue arises with respect to human rights in Central Asia. The authoritarian governments of the so-called "stans" were

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<sup>5</sup> "Pro-Democracy Groups are Harassed in Central Asia," *New York Times*, December 4, 2005.

<sup>6</sup> "U.S. Approves Grant to Armenia, but Urges Greater Political Rights," *New York Times*, December 20, 2005.

not seen as fertile territory for U.S. assistance in the 1990s. Consequently, most received minimal aid. However, after 9/11, these states became potential targets for Muslim radicalism as well as front lines in the war on terrorism. In FY2002, they received an additional \$174 million in FSA account funds from anti-terrorism supplemental appropriations. Although their strategic value has increased, their poor record in supporting human rights has raised concerns reflected in succeeding appropriations bills. In the FY2006 Foreign Operations appropriations, for example, aid to the central government of Uzbekistan is conditioned on its making “substantial and continuing” progress in human rights and democratization. Aid to the government of Kazakhstan similarly depends on its improvements in protection of human rights, although the condition can be waived on national security grounds; Secretary of State Rice most recently employed the waiver in May 2005.

In 2004, the Secretary of State was unable to make a determination allowing Uzbek aid to go forward, and \$18 million planned for the central government was withheld. At the same time, DOD waived a human rights requirement under the Nunn-Lugar Cooperative Threat Reduction legislation to allow non-proliferation aid to Uzbekistan.<sup>7</sup> Following a violent Uzbek government response to unarmed demonstrators in mid-May 2005 and critical comments by the United States, relations between the United States and Uzbekistan have been strained. Although the United States had been negotiating for long-term use of the base there, the Administration was forced to consider whether a military relationship was viable in a situation of authoritarian rule and civil unrest. The decision appears to have been made for it when, on July 31, the Uzbek government formally evicted U.S. forces from the base, effective within six months, and, reportedly, has stopped cooperating with the United States on counterterrorism activities. Nevertheless, no decision has been made to certify whether 2005 economic aid should be provided to the Uzbek government.<sup>8</sup>

It is not clear how these developments will affect continuing non-government aid to Uzbekistan, but, increasingly, non-democratic countries in the region have placed constraints on civil society and other non-governmental organizations that U.S. assistance targets. In June 2005, the Peace Corps suspended the program in Uzbekistan, because the Uzbek government did not renew the visas of volunteers. In September, the FSA account-funded organization IREX, which had been working in the country since 1994, was ordered by a Uzbek court to stop its programs — exchanges, internet access, and community development — for six months.<sup>9</sup>

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<sup>7</sup> Although it is not unusual for different types (and objectives) of aid to be subject to different legislative conditions and to be treated differently, the *Washington Post* reports the unusual recent circumstance of the Chairman of the Joint Chiefs of Staff, General Myers, criticizing the State Department’s aid cut-off while praising Uzbekistan’s cooperation with DOD. “Barriers to Freedom,” *Washington Post*, Apr. 10, 2005.

<sup>8</sup> “Uzbeks Stop Working with U.S. Against Terrorism,” *Washington Post*, Sept. 30, 2005.

<sup>9</sup> For more detail, see CRS Report RS22295, *Uzbekistan’s Closure of the Airbase at Karshi-Khanabad: Context and Implications*, by Jim Nichol.