



Kyrgyzstan: Recent Developments and U.S. Interests

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Summary

Kyrgyzstan is a small and poor Central Asian country that gained independence in 1991 with the breakup of the Soviet Union. The United States has been interested in helping Kyrgyzstan to enhance its sovereignty and territorial integrity, increase democratic participation and civil society, bolster economic reform and development, strengthen human rights, prevent weapons proliferation, and more effectively combat transnational terrorism and trafficking in persons and narcotics. The United States has pursued these interests throughout Central Asia, with special strategic attention to oil-rich Kazakhstan and somewhat less to Kyrgyzstan.

The significance of Kyrgyzstan to the United States increased after the September 11, 2001, terrorist attacks on the United States. Kyrgyzstan offered to host U.S. forces at an airbase at the Manas international airport outside of the capital, Bishkek, and it opened in December 2001. The U.S. military repaired and later upgraded the air field for aerial refueling, airlift and airdrop, medical evacuation, and support for U.S. and coalition personnel and cargo transiting in and out of Afghanistan. The Kyrgyz government threatened to close down the airbase in early 2009, but renewed the lease on the airbase (renamed the Manas Transit Center) in June 2009 after the United States agreed to higher lease and other payments. Current President Roza Otunbayeva has declared that the interim government will support the continued presence of the transit center, although some changes to the lease may be sought in the future, in recognition that ongoing instability in Afghanistan jeopardizes Kyrgyzstan and wider regional security. In 2011, the Manas Transit Center hosted about 850 U.S. troops and 750 contractors and a fleet of KC-135 refueling tankers.

Cumulative U.S. budgeted assistance to Kyrgyzstan for FY1992-FY2008 was \$953.5 million (all agencies and programs). Kyrgyzstan ranks third in such aid per capita among the Soviet successor states, indicative of U.S. government and congressional support in the early 1990s for its apparent progress in making reforms and more recently to support anti-terrorism, border protection, and operations in Afghanistan. After an April 2010 coup in Kyrgyzstan and ethnic violence in June 2010 in the south of the country, the United States committed about \$90 million in urgent humanitarian and other assistance in addition to appropriated foreign assistance of \$53.6 million. The Administration has requested \$46.6 million in foreign aid for Kyrgyzstan for FY2012 for democratization, security, health, education, and agricultural reform programs.

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Political Background

The Kyrgyz Republic gained its independence at the end of 1991 with the dissolution of the former Soviet Union. Scientist and mid-level communist party official Askar Akayev had been elected president just before Kyrgyzstan gained independence, and he was re-elected in 1995 and 2000 in polls deemed problematic by monitors from the Organization for Security and Cooperation in Europe (OSCE). In the face of growing protests by oppositionists on charges of government corruption and vote fraud surrounding a legislative election, he fled the country in March 2005. Former opposition politician Kurmanbek Bakiyev was elected the new president in July 2005 in polling viewed as problematic by the OSCE. In 2007, Bakiyev reportedly orchestrated the holding of a referendum on a new constitution he had designed, and after the constitution was approved, similarly orchestrated a legislative election that yielded a majority for a new political party he had set up. In July 2009, President Bakiyev was overwhelmingly re-elected with 76% of the vote in a race deemed problematic by the OSCE. In the winter of 2009-2010, the population faced growing electric power outages and large boosts in electricity and gas prices that many citizens blamed on corruption and mismanagement.

After two days of large-scale unrest in the capital of Bishkek and other cities that appeared to be linked to rising utility prices and government repression, opposition politicians ousted the Bakiyev administration on April 8, 2010, and declared an interim

government pending a new presidential election in six months.¹ Roza Otunbayeva, a former foreign minister and ambassador to the United States, was declared the acting prime minister.

Kyrgyzstan Basic Facts

Area and Population: Land area is 77,415 sq. mi.; about the size of South Dakota. Population is 5.59 million (The World Factbook, mid-2011 est.).

Ethnicity: 69.2% Kyrgyz, 14.7% Uzbek, 8.3% Russian, and others (Kyrgyzstan National Statistics Committee, 2009 est.). Ethnic Uzbeks are a majority in areas of southern Kyrgyzstan. About 420,000 ethnic Kyrgyz reside elsewhere in the former Soviet Union and 170,000 in China.

Gross Domestic Product: \$11.85 billion; per capita GDP is about \$2,200 (The World Factbook, 2010 est., purchasing power parity).

Political Leaders: President: Roza Otunbayeva; Prime Minister: Almazbek Atambayev; Foreign Minister: Ruslan Kazakbayev; Defense Minister: Maj. Gen. Abibilla Kudayberdiyev.

Biography: Otunbayeva was born on August 23, 1950, in Osh, and graduated from Moscow State University. In 1975, she became a kandidata (similar to Ph.D.) in philosophy. In 1981, she was the second secretary of a district committee of the communist party in Frunze (now Bishkek). In the late 1980s, she served as head of the Soviet delegation to UNESCO, and later as Soviet ambassador to Malaysia. In 1992, she was Kyrgyzstan's foreign minister and deputy prime minister, then in 1992-1994 was ambassador to the United States and Canada. In 1994-1997, she again was foreign minister. In 1998-2001, she was ambassador to the United Kingdom and in 2002-2004 was deputy head of the U.N. special mission to Georgia. In late 2004, she co-founded the Ata-Jurt (Fatherland) Party. She was prominent in the opposition which ousted former President Askar Akayev in 2005. In December 2007, she was elected to the legislature on the list of the Social Democratic Party, and in 2009-2010 served as the head of the party faction in the legislature. On April 7, 2010, she was chosen by opposition leaders to head the interim government after President Kurmanbek Bakiyev was ousted.

¹ Some analysts argue that the 2005 and 2010 unrest was orchestrated by competing elite and inter-related criminal interests. Scott Radnitz, *Weapons of the Wealthy: Predatory Regimes and Elite-Led Protests in Central Asia* (New York: Cornell University Press, 2010); Pavel Dyatlenko, "Kyrgyzstan: Protests on Demand, Marginalized Groups Serve as Rent-a-Mob Demonstrators Whenever the Country is Convulsed by Unrest," *Report News: Central Asia*, War and Peace Reporting, Issue 626, August 24, 2010. Some analysts argue that Russian policies, including media criticism of the Bakiyev regime and the imposition of fuel tariffs, contributed to Bakiyev's ouster. See Bruce Pannier, "Russia's (continued...)"

Bakiyev initially fled to his native region in southern Kyrgyzstan but was given refuge in Belarus on April 19. The interim leadership formed a commission on May 4 to draft a new constitution to establish a system of governance with greater balance between the legislative and executive branches.²

Deep-seated tensions between ethnic Kyrgyz and ethnic Uzbeks in southern Kyrgyzstan erupted on June 10-14, 2010 (see below). Despite the violence, the interim government felt strongly that the country's stability would be enhanced by going ahead with a June 27, 2010, referendum on the draft constitution. According to the government, the turnout was 72% and over 90% approved the draft constitution. A limited OSCE observer mission reported that vote-counting procedures seemed problematic in the polling stations visited.³ Although at least some ethnic Uzbeks felt that the draft constitution failed to protect or enhance their interests, voting was reported to be largely supportive of the draft constitution, although turnout was lower. Under the law implementing the new constitution, Otunbayeva was designated the president, although it also was stipulated that she cannot run when presidential elections are held at the end of 2011. She was sworn in as president on July 3, 2010.

On October 10, 2010, 29 political parties competed in an election of the 120-seat unicameral legislature, the Jogorku Kengesh. OSCE monitors reported that the election "constituted a further consolidation of the democratic process and brought the country closer to meeting its international commitments on democratic elections." The OSCE monitors stated, however, that vote-counting was poorly organized and that tabulation procedures were not followed properly in half of the polling stations visited and in one-third of territorial electoral commissions.⁴ Five parties were determined to have overcome a 5% vote hurdle and a regional vote hurdle to gain seats. The Ata Jurt Party, linked to former Bakiyev officials and to ultranationalists, received the largest percentage of 1.7 million votes, 8.5%, and 28 seats; the Social-Democratic Party (SDP; Otunbayeva's party) won 7.8% of the vote and 26 seats; the opposition Ar Namys won 7.6% of the vote and 25 seats; the centrist opposition Respublika won 6.9% of the vote and 23 seats; and the pro-government Ata Mekan won 5.5% of the vote and 18 seats. Over 60% of 1.7 million votes went to parties that did not pass the vote hurdles to gain seats. Since no one party obtained over one-half of the legislative seats, they negotiated on forming a ruling coalition.

President Obama hailed the election as demonstrating "important and positive attributes of a genuine democracy." Secretary Clinton praised the reported "free, fair, and legitimate" election, and argued that "countries with a much longer history of elections have not achieved the high quality of election that was held here in Kyrgyzstan." Assistant Secretary of State Robert Blake claimed that U.S. assistance and election monitoring had facilitated the holding of the "democratic" election.⁵

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Star on Rise Again in Kyrgyzstan," *RFE/RL*, April 9, 2011.

² CRS Report R41178, *The April 2010 Coup in Kyrgyzstan and its Aftermath: Context and Implications for U.S. Interests*, by Jim Nichol.

³ OSCE. Office for Democratic Institutions and Human Rights. *The Kyrgyz Republic Constitutional Referendum, 27 June 2010: OSCE/ODIHR Limited Referendum Observation Mission Report*, June 27, 2010.

⁴ OSCE, *Kyrgyz Republic: Parliamentary Elections, 10 October 2010, Statement of Preliminary Findings and Conclusions*, October 11, 2010; *Final Report*, December 20, 2010.

⁵ The White House, Office of the Press Secretary, *Statement by President Obama on the Parliamentary Elections in Kyrgyzstan*, October 11, 2010; U.S. Department of State, *Remarks With President Otunbayeva After Their Meeting*, (continued...)

Respublika and Ata Meken clash on their attitudes toward Russia, with Ata Meken considered anti-Russian while all other winning parties hold expectations that Russia will help Kyrgyzstan economically. Russian media strongly criticized Ata Meken during the election campaign, reportedly reducing the party's appeal to voters. Some observers raised concerns that Ata Jurt Party co-head Kamchibek Tashiyev called during the campaign for recreating a strong presidential form of rule in contravention of the new constitution and for closing the Manas Transit Center. However, more recently he has averred that the future of the Manas Transit Center will depend on consultations with U.S. and Russian officials. Ar-Namys head Feliks Kulov also has called for such consultations. This stance appears to provide a veto to Russia on the issue of the continued presence of the Manas Transit Center, according to some observers.⁶

After one failed attempt to form a government, President Otunbayeva asked Respublika to form a coalition, and on December 17, 2010, it announced a coalition with the SDP and the Ata Jurt Party, controlling 77 seats out of 120. The coalition nominated SDP official Almazbek Atambayev as prime minister and he was approved by 92 votes by the legislature. Ata Jurt official Akhmatbek Keldibekov was approved as speaker. In a speech to the legislators and other public comments, Atambayev pledged to solidify a "strategic partnership" with Russia, since the two countries have a "common history," and to seek to join the Russia-Kazakh-Belarus customs union (see below). He also called for close relations with the United States, and pledged not to challenge the U.S.-Kyrgyz accord on the Manas Transit Center. In early May 2011, the Ar-Namys faction began talks on joining the ruling coalition. A presidential election is scheduled for October 2011.

The June 2010 Ethnic Violence

Deep-seated tensions between ethnic Kyrgyz and ethnic Uzbeks in southern Kyrgyzstan erupted on June 10-13, 2010. Grievances included perceptions among some ethnic Kyrgyz in the south that ethnic Uzbeks controlled commerce, views of some ethnic Uzbeks that they were excluded from the political process, and views among many Bakiyev supporters in the south that ethnic Uzbeks were supporting their opponents. Allegedly, fighting began between rival ethnic-based gangs at a casino in the city of Osh on the night of June 10-11 and quickly escalated, fuelled by rumors of rapes and other atrocities committed by each side.⁷ The fighting over the next few days resulted in at least 470 deaths and nearly 2,000 injuries. About three-quarters of those killed reportedly were ethnic Uzbeks, while injuries were more evenly distributed between the two ethnic groups. The violence also resulted in a wave of over 400,000 refugees and IDPs, mostly ethnic Uzbeks, and the destruction of nearly 3,000 homes and businesses in Osh and Jalal-Abad, mostly those belonging to ethnic Uzbeks. Otunbayeva appealed to Russia for troops to help end the fighting, but the CSTO, meeting in emergency session, agreed to only provide humanitarian

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Hillary Rodham Clinton, Secretary of State, December 2, 2010; U.S. House of Representatives, Committee on Foreign Relations, Subcommittee on Asia, the Pacific, and the Global Environment, Hearing on the Emerging Importance of the U.S.-Central Asia Partnership, Testimony of Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs, November 17 2010.

⁶ David Trilling, "Kyrgyzstan: Q&A with Ata-Jurt Leader Kamchybek Tashiev," *Eurasianet*, October 13, 2010; *CEDR*, November 17, 2010, Doc. No. CEP-950185.

⁷ *The Pogroms in Kyrgyzstan*, International Crisis Group, August 23, 2010. See also OSCE, *Report of the Independent International Commission of Inquiry into the Events in Southern Kyrgyzstan in June 2010*, May 2, 2011. Previous Kyrgyz-Uzbek ethnic violence had occurred in Osh city and region in June 1990, reportedly resulting in over 300 deaths and nearly 500 injuries. Soviet troops were deployed to quell the violence, and remained in the region for six months. The violence helped repudiate the communist leadership, leading to Askar Akayev's rise to power.

assistance. Although critical of the Kyrgyz government, Uzbekistan did not intervene militarily or permit its citizens to enter Kyrgyzstan to join in the fighting. After some hesitation, the Uzbek government permitted about 111,000 ethnic Uzbeks to settle in temporary camps in Uzbekistan. Virtually all had returned to Kyrgyzstan by the end of June.⁸

An OSCE informal foreign ministers' meeting in July 2010 endorsed sending a 52-member police advisory group for an initial period of four months to help facilitate peace in southern Kyrgyzstan.⁹ Resistance from some groups in Kyrgyzstan to the proposed unarmed police advisors prevented the deployment of the group, and in November 2010 the OSCE Permanent Council changed the mandate to a "Community Security Initiative" (CSI) of mixed local and international police advisors to serve until the end of 2011. The first CSI advisors were deployed in late December 2010. Three police officers from the United States participate in the CSI.

International donors meeting in Bishkek in late July 2010 pledged \$1.1 billion in grants and loans to help Kyrgyzstan recover from the June violence. The United States pledged \$48.6 million in addition to FY2010 appropriated foreign assistance and FY2011 requested aid (see below). Analyst Martha Olcott has warned that the pledged aid will not be enough to meet the yawning economic challenges of rebuilding and development faced by the government in the coming year, so that the Kyrgyz people will need to adjust to a hopefully temporary period of greater austerity.¹⁰

The Otunbayeva government suffered a serious political blow in August 2010 when it allegedly failed in an attempt to oust the rebellious mayor of Osh, Melis Myrzakmatov. He had been appointed by former President Bakiyev and retained the support of Bakiyev's local supporters after the president's ouster. An ultranationalist, he was implicated in the violence against ethnic Uzbeks in June and subsequent harassment. He reportedly is lobbying to replace the governor of Osh region, who was appointed by Otunbayeva. In May 2011, he denounced the findings of the OSCE Commission of Inquiry (see below), blaming "separatists" among the "Uzbek diaspora," members of the Otunbayeva government, and foreign interests for the June 2010 ethnic unrest.

Reports of the Commissions of Inquiry

On January 10, 2011, a Kyrgyz commission issued its findings on the causes of the June 2010 violence in southern Kyrgyzstan between ethnic Kyrgyz and ethnic Uzbeks. The report largely blamed ethnic Uzbek "extremists" and some supporters of former Kyrgyz President Kurmanbek Bakiyev for fomenting the violence. The report also blamed interim government officials of ineptness in dealing with the escalating ethnic tensions. The commission called for the government to give an award to Uzbekistan's President Islam Karimov for his efforts to temporarily shelter ethnic Uzbeks fleeing the fighting.

On May 2, 2011, an international commission formed under the leadership of Kimmo Kiljunen, the Special Representative for Central Asia of the OSCE Parliamentary Assembly, released its

⁸ UNHCR. *Final Report on UNHCR Emergency Operations in the Republic of Uzbekistan*, July 23, 2010.

⁹ OSCE. Press Release. *OSCE and Kyrgyzstan Agree on Principles for OSCE Police Advisory Group*, July 16, 2010; *OSCE Chairperson Says Presence of Police Advisory Group in Kyrgyzstan will Facilitate Strengthening Trust, Stability and Order in Country*, July 22, 2010.

¹⁰ Commission on Security and Cooperation in Europe. Hearing on Instability in Kyrgyzstan: The International Response. *Testimony of Martha Brill Olcott*, July 27, 2010.

report of findings regarding the June 2010 violence. The commission concluded that the Kyrgyz provisional government failed to adequately provide security and leadership to stifle rising tensions and incidents in May or to minimize the effects of the June ethnic violence. The commission criticized Gen. Ismail Isakov, who assumed command over security in Osh region, for not using the 2,000-man military force under his command to prevent or stop the bulk of the violence in Osh city, and raised concerns that security forces were directly or indirectly complicit in the violence (according to the commission, most police, military, and other security personnel are ethnic Kyrgyz). The commission also criticized the Commandant of Jalal-Abad, Kubatbek Baybolov (who is currently Kyrgyzstan's prosecutor general), of laxity in quelling violence and failing to ensure that crimes associated with the violence are properly investigated and prosecuted. The commission called for the Kyrgyz government to condemn ultra-nationalism and proclaim that the state is multi-national, promote gender equality, provide special rights for Uzbek language use in the south, train security forces to uphold human rights and not subvert state interests through parochial loyalties, impartially investigate and prosecute those responsible for the violence, establish a truth and reconciliation commission, and provide reparations.¹¹ The Kyrgyz government has rejected the finding that security forces were complicit in the violence, continued to blame the former Bakiyev regime and Islamic extremists for fomenting the clashes, and stated that ethnic Uzbeks share substantial blame for committing human rights abuses.

Some observers have raised concerns that what they view as inadequate efforts by the Kyrgyz government to foster ethnic reconciliation could result in new ethnic unrest. Among such concerns, the Islamic Movement of Uzbekistan (IMU), a terrorist group currently based in Afghanistan and Pakistan, reportedly has vowed actions against the Kyrgyz government for its alleged abuses against ethnic Uzbeks in southern Kyrgyzstan. President Otunbayeva and other observers have warned that some ethnic Uzbek youth in the south are being recruited by the IMU.¹²

Human Rights

According to the U.S. State Department's *Country Reports on Human Rights Practices for 2010*, some human rights conditions appeared to improve after the ouster of former President Bakiyev in April 2010. However, some human rights problems continued after the change in government, and the June 2010 unrest resulted in deaths, injuries, and other human rights abuses. Cases of arbitrary killings, torture, and abuse by law enforcement and security officials continued during the year. At times police beat detainees to extract confessions, filed false charges to arrest persons, and solicited bribes in exchange for their release. The executive branch at times interfered with judicial independence and the public widely viewed the judiciary as corrupt. The government has not implemented a 2007 law allowing jury trials in the cities of Bishkek and Osh. Many ethnic Uzbeks accused of violence against ethnic Kyrgyz in June received trials that fell significantly short of legal standards, according to the State Department. Reported failures of the legal system included torture and other coercion against ethnic Uzbeks to induce confessions,

¹¹ OSCE, *Report of the Independent International Commission of Inquiry into the Events in Southern Kyrgyzstan in June 2010*, May 2, 2011.

¹² Neil Melvin, *Promoting a Stable and Multiethnic Kyrgyzstan: Overcoming the Causes and Legacies of Violence*, Open Society Foundations, March 7, 2011; Bruce Pannier, "The Growing Threat of Militants in a Corner of Central Asia," *RFE/RL*, April 23, 2011; "Islamic Movement of Uzbekistan Says It Has New Leader and Can Attack Targets in Central Asia," *Report News: Central Asia*, Issue 631, Institute of War and Peace Reporting, October 13, 2010.

lack of access to defense attorneys, threats by friends and family members of victims against defense attorneys and judges, and convictions lacking substantial evidence of guilt or in spite of exculpatory evidence. Freedom of the media and expression were generally respected by the new government, but there were some reports of harassment of opposition media and journalists or those reporting on developments in the south. All independent Uzbek-language media in the south stopped operating after the June 2010 violence. The new government freely registered domestic NGOs and lifted the ban imposed by the former Bakiyev government on the activities of the Norwegian Helsinki Committee. Corruption remained endemic at all levels of society, and child labor remained a widespread problem.¹³

Economic Conditions

According to Kyrgyzstan's National Statistics Commission, the country's gross domestic product (GDP) contracted 1.2% in 2010, after a slowdown in GDP growth the previous year associated with the global economic downturn. The Economist Intelligence Unit (EIU), a private firm, has reported that the drop in GDP in 2010 was mainly attributable to a decline in agriculture and construction, and to restrictions on cross-border trade and transport that Uzbekistan and Kazakhstan imposed on Kyrgyzstan after the April-June 2010 events. Increased revenues from gold mining and from remittances from migrant workers somewhat cushioned the contraction of GDP. Since the beginning of 2011, the economy has benefitted from Russia's repeal of its surcharges on fuel exports, imposed on Kyrgyzstan in early 2010. Despite this repeal, increasing food prices have contributed to a rise in inflation.

Gold production has been the most significant industrial source of GDP and export earnings. Agriculture also accounts for a major portion of GDP and employs one-half of the workforce. Cotton, tobacco, wool, and meat are major agricultural products. Up to one-third of the labor force works in Russia or other countries and their remittances are major contributions to GDP. Over 40% of the population lives below the poverty line. Organized crime and corruption stifle economic growth and private foreign investment. Kyrgyzstan leads Central Asia in the privatization of farms, industries, housing, and retail outlets. Kyrgyzstan has surplus hydroelectric energy, rare earth mineral reserves, and tourism potential that could boost its development. U.S. support contributed to Kyrgyzstan's admission into the World Trade Organization (WTO) in late 1998. In April 2011, Kyrgyz Prime Minister Atambayev proclaimed that Kyrgyzstan would join the Russia-Kazakhstan-Belarus customs union, even though such membership could complicate Bishkek's trade ties with other WTO members because of incompatible trade regulations and tariffs between the customs union and the WTO. Atambayev's call for joining the customs union has been opposed by some other members of the government.

In December 2008, the IMF approved an 18-month Exogenous Shocks Facility loan of SDR 66.6 million to help Kyrgyzstan manage the impact of the global economic downturn. In September 2010, the IMF approved a disbursement of \$33 million under the IMF's Rapid Credit Facility

¹³ U.S. Department of State. *Country Reports on Human Rights Practices for 2010*, April 8, 2011, 2011. According to the report by the OSCE Commission of Inquiry (see above), about 80% of over 5,000 criminal cases related to the June 2010 violence have been against ethnic Uzbeks. See *Report of the Independent International Commission of Inquiry into the Events in Southern Kyrgyzstan in June 2010*, May 2, 2011. In January 2011, the U.S. Embassy in Bishkek raised concerns about judicial irregularities involving one case against ethnic Uzbeks and about torture allegations. See "U.S. Embassy Concerned About Fairness of Askarov Supreme Court Hearing," *Press Release*, January 31, 2011; and "U.S. Embassy Concerned About Allegations of Torture of Detainees in Kyrgyzstan," *Press Release*, January 13, 2011.

(RCF) for macroeconomic reforms. In statements in February and April 2011, the IMF praised stepped-up GDP growth in Kyrgyzstan, but called for increased efforts in Kyrgyzstan to combat corruption, strengthen property rights, and attract foreign investment.¹⁴ As of December 2010, Kyrgyzstan's foreign debt was \$2.6 billion, according to the EIU. The EIU has warned that Kyrgyzstan's debt servicing burden is growing, while at the same time the country's widening budget deficit—linked to the global economic downturn in 2008-2009 and domestic turmoil in 2010—will necessitate additional foreign loans as well as more foreign assistance.

Foreign Policy and Defense

The Kyrgyz Republic is a member of the OSCE, the Commonwealth of Independent States, and the United Nations. Kyrgyzstan joined NATO's Partnership for Peace (PFP) in 1994 and has participated in several PFP exercises in the United States, Central Asia, and elsewhere. Kyrgyzstan also is active in the Shanghai Cooperation Organization, a trade and collective security grouping formed in 2001 and consisting of China, Russia, and all the Central Asian states except Turkmenistan.

Kyrgyzstan has generally good relations with neighboring China, Kazakhstan, and Tajikistan, but relations with Uzbekistan have been marked by trade, border, and other disputes. China is Kyrgyzstan's second largest trade partner (behind Russia; many of the Chinese exports are re-exported by Kyrgyzstan to other Central Asian countries) and is an investor in some Kyrgyz industry and transport projects. China is working on a road from its Xinjiang Province to Osh, Kyrgyzstan and talks are underway on building a railway from Xinjiang through Kyrgyzstan to Uzbekistan. At times, Kyrgyz ultranationalists have attacked ethnic Chinese traders and others in Kyrgyzstan. Tension between Kyrgyzstan and Uzbekistan escalated in mid-2005 when Kyrgyzstan permitted U.N. emissaries to evacuate about 450 Uzbek refugees who had crossed the border to flee fighting in the Uzbek city of Andijon. Uzbek officials maintained that Kyrgyzstan had served as a base of operations for "terrorists" (including citizens of Kyrgyzstan) who invaded and attacked Andijon and as a safe haven after the "terrorists" fled. In late May 2009, Uzbekistan blamed Kyrgyzstan for lax border controls that allegedly enabled terrorists to slip into Uzbekistan to carry out attacks. Kyrgyzstan praised Uzbekistan's treatment of refugees after the June 2010 ethnic violence. Uzbekistan has strongly opposed Kyrgyzstan's plans to build hydro-electric power plants on the Naryn River, claiming that they will restrict water flows into Uzbekistan. Kyrgyzstan's Kambarata-2 plant became operational at the end of August 2010, but the larger Kambarata-1 plant remains unfinished.

Kyrgyzstan signed the Commonwealth of Independent States' (CIS) Collective Security Treaty (CST) in 1992 and 1999, which calls for mutual consultations on military support in case of outside aggression. Several hundred Russian border troops (most reportedly were Kyrgyz citizens) guarded the Chinese border until 1999, when Russia handed over control to Kyrgyzstan. However, some Russian military facilities remain under a 15-year accord signed in 1997. Talks on renewing the basing accord reportedly are underway. Reportedly, Russian compensation for basing privileges is not in cash but in training and equipment for Kyrgyz troops. Russia further ramped up its security presence in September 2003 with the signing of an agreement with Kyrgyzstan for use of the Soviet-era Kant airfield near the capital of Bishkek and other facilities.

¹⁴ IMF, "Statement at the Conclusion of an IMF Staff Mission to the Kyrgyz Republic," *Press Release*, No. 11/38, February 11, 2011; *Program Note: Kyrgyz Republic*, April 11, 2011.

Although the purpose of the Kant airbase purportedly is to combat regional terrorism and defend CIS borders, it also appears aimed at countering U.S. and NATO influence. In August 2009, then-President Bakiyev and President Medvedev signed a memorandum of intent to set up a new battalion-strength Russian military base in southern Kyrgyzstan. Uzbekistan denounced this plan as adding to instability in the region and Russia stated in March 2010 that it did not plan to open such a base. Nonetheless, there are reports that some Russian troops were deployed in Osh region in the wake of the June 2010 ethnic violence and that the basing plan is still being considered. U.S.-Kyrgyz talks on assisting Kyrgyzstan in setting up a military training facility in the south of the country appeared delayed by Bakiyev's ouster, but in March 2011, President Otunbayeva urged that the facility be constructed to assist in combating terrorism.

Kyrgyzstan's armed forces number about 10,900 active ground and air force troops. Paramilitary forces include 5,000 border guards, 3,500 police troops and 1,000 National Guard troops. Less than a dozen Kyrgyz troops serve in OSCE or U.N. observer forces.¹⁵ Most troops are ethnic Kyrgyz conscripts, though some officers are Russians. About one-third of the armed forces are female. Most Kyrgyz officers receive training in Russia and the Russian language remains the language of command. A four-year military reform plan unveiled in late 2008 called for disbanding some military units, forming rapid reaction forces ("mobile troops"), stationing some of these forces in southern Kyrgyzstan, reducing the number of defense officials and officers, and raising the number and wages of contract soldiers. These plans were mostly unrealized at the time of Bakiyev's ouster. According to the OSCE Commission of Inquiry (see above) and others, some troops in southern Kyrgyzstan appeared implicated in sniper attacks and other violence against ethnic Uzbeks in June 2010.

U.S. Relations

President Otunbayeva met with President Obama during her March 2011 visit. Reportedly, President Obama praised Kyrgyzstan's support for the Manas Transit Center, reported that the United States was improving the transparency of its financial arrangements regarding the Transit Center, and pledged that the Transit Center would work to maximize its benefits to the Kyrgyz people. He also praised Kyrgyzstan's democratization efforts and reaffirmed U.S. support for those efforts. While in Washington, D.C., President Otunbayeva received the International Women of Courage Award from Secretary of State Hillary Clinton in recognition of her leadership and democratization efforts.¹⁶

After attending the international donors' conference in Kyrgyzstan in July 2010, Daniel Rosenblum, the State Department Coordinator for U.S. Assistance for Europe and Eurasia, stated that the United States had four priorities in its cooperation with Kyrgyzstan over the next two years. The most urgent priorities, he stated, were meeting the needs of the Kyrgyz people for food and shelter, particularly this winter, and ensuring their security. Principles that should regulate the provision of aid include that people not be involuntarily resettled, and that people in need be treated equally, regardless of ethnicity. In terms of security, he called for police and troops to carry out their duties in a professional and accountable way and for all communities, regardless of ethnicity, to be protected equally by law enforcement agencies. The third priority, he stated, was

¹⁵ *The Military Balance*, International Institute for Strategic Studies, March 7, 2011.

¹⁶ U.S. Department of State, *Interview: Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs*, March 11, 2011.

supporting ethnic reconciliation, including an international investigation of the events of June 2010. The fourth priority was economic recovery, including infrastructure rebuilding and trade facilitation.¹⁷

Assistant Secretary of State Robert Blake has added that a fifth priority is assistance for democratization. In testimony to Congress in March 2011, he stated that “helping Kyrgyzstan consolidate its successful transition last year to a parliamentary democracy remains a top priority for the United States.... We continue to monitor the potential for renewed ethnic violence, as tensions remain following violence in the south last June. In our interactions with the new government, we continue to encourage accountability, equal access to justice, respect for human rights and ethnic reconciliation.” He also emphasized that the “Manas Transit Center represents an important contribution by the Kyrgyz Republic to our efforts in Afghanistan.”¹⁸

Cumulative U.S. budgeted foreign aid to Kyrgyzstan for FY1992-FY2008 was \$953.5 million (FREEDOM Support Act and agency funds), with Kyrgyzstan ranking third in such aid per capita among the Soviet successor states. Foreign aid was \$53.8 million in FY2009, \$53.6 million in FY2010, and a similar amount in FY2011 (country totals for foreign assistance under the continuing resolution, H.R. 1473; P.L. 112-10, signed into law on April 15, 2011, are being finalized). The Administration has requested \$46.6 million for FY2012 (these amounts include foreign assistance provided in the Aid for Europe, Eurasia, and Central Asia Account and other “Function 150” aid, not including Defense and Energy Department or Millennium Challenge funds). In addition to this aid, the Millennium Challenge Corporation (MCC)---created in 2004 to provide U.S. aid to countries with promising development records---announced in late 2005 that Kyrgyzstan was eligible to apply for assistance as a country on the “threshold” of meeting the criteria for full-scale development aid. In March 2008, the MCC signed an agreement with Kyrgyzstan to provide \$16 million over the next two years to help it combat corruption and bolster judicial reform. The program was completed in FY2010.

For FY2012, the Administration has requested \$46.625 million for foreign assistance to Kyrgyzstan (U.S. Defense Department support for the Manas Transit Center is another major element of spending; see below). The largest share of requested funds is planned for bolstering economic growth, mainly in the agricultural sector by improving irrigation and land use and supporting agribusiness. Other economic programs planned include support for microfinance and for improving electricity production and distribution, including exports. Democratization and security are other major priorities in the Administration request. In the democracy area, support is planned for the legislature to boost its outreach to civil society and its role in national decision-making. Other aid is planned to boost inter-ethnic reconciliation, support human rights advocacy, train defense lawyers and prosecutors, combat corruption, and engage youth on democratic and free market issues. In the security area, efforts are planned to improve the hiring and promotion practices of police departments, combat human trafficking, train personnel in counter-terrorism, retrain former weapons scientists, and boost border security by providing training, modular shelters, and communications equipment.¹⁹

¹⁷ U.S. Embassy, Bishkek, Kyrgyzstan, *Press Conference by Daniel Rosenblum, Coordinator, U.S. Assistance for Europe and Eurasia*, July 28, 2010.

¹⁸ U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on Europe and Eurasia, Hearing: Overview of U.S. Relations with Europe and Eurasia, *Testimony of Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs*, March 10, 2011.

¹⁹ U.S. Department of State. *Congressional Budget Justification for Foreign Operations FY2012: Annex, Regional* (continued...)

The U.S. Response to the April and June 2010 Events

Faced with rising instability in Kyrgyzstan, in January 2010 the U.S. Departments of State, Defense, and others launched an interagency assessment of aid needs. Following the April 2010 coup, the State Department deployed added personnel from the Office for Reconstruction and Stabilization to Kyrgyzstan, and some of these personnel were dispatched to assess the situation following the violence in the south in June 2010.²⁰ U.S. Ambassador to Kyrgyzstan Tatiana Gfoeller declared that both these events were disasters due to the humanitarian consequences of the civil and ethnic unrest. The Administration reprogrammed existing annually appropriated assistance for Kyrgyzstan to meet urgent needs following these events, and in addition boosted assistance by about \$90 million in FY2010.

To look at some of the programs, USAID's Office of U.S. Foreign Disaster Assistance provided \$9.7 million to NGOs and U.N. organizations for shelter, water, sanitation, and hygiene, relief coordination, protection (providing child-friendly places of refuge and psychological counseling for victims of gender-based violence), and healthcare. USAID's Office of Food for Peace provided \$10 million in emergency food assistance, and the Department of Agriculture's Foreign Agricultural Service provided \$3.2 million through the Food for Education and Child Nutrition program. The State Department's Bureau of Population, Refugees, and Migration provided \$1.1 million to the U.N. Office of the High Commissioner for Human Rights to monitor human rights, and \$6.5 million to the U.N. Office of the High Commission for Refugees for shelter, logistics, relief commodities, and protection. The Defense Department provided logistics and relief commodities for the Osh region. The State Department's Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), Bureau of Democracy, Human Rights, and Labor (DRL), Bureau of International Narcotics and Law Enforcement Affairs (INL), and the embassy provided over \$5 million to support the holding of the October 2010 legislative election and to facilitate other democratization and human rights efforts.²¹

Cooperation on Counter-Terrorism

In 1999 and again in 2000, Islamic terrorists associated with the Islamic Movement of Uzbekistan invaded Kyrgyzstan's southern borders and were repelled only after fierce fighting. These experiences may have prompted Kyrgyzstan's approval almost immediately after the September 11, 2001, attacks on the United States of a U.S. request to use Kyrgyz airspace for counter-terrorist operations in Afghanistan. The U.S. military repaired and upgraded the air field at the Manas international airport near Bishkek, and it became operational in December 2001. According to the U.S. Air Force, the Manas airbase serves as the "premier air mobility hub supporting military operations in Afghanistan." Missions include support for personnel and cargo transiting in and out of the theater, aerial refueling, airlift and airdrop, and medical evacuation. In May 2010, about 55,000 troops passed through Manas, en route to or out of Afghanistan, a

(...continued)

Perspectives, March 2011.

²⁰ U.S. Department of State, Claire Sneed, "U.S. Stabilization Capabilities: Lessons Learned from Kyrgyzstan," *Dipnote*, October 04, 2010.

²¹ USAID, Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of U.S. Foreign Disaster Assistance, *Kyrgyzstan: Complex Emergency*, Fact Sheet No. 2, May 3, 2011; U.S. Department of State, Office of the Coordinator of Assistance to Europe and Eurasia, private communication, May 10, 2011.

substantial increase over the average number of troops transiting per month in 2009. There are reportedly about 850 U.S. troops and 750 contractors serving at the transit center.²²

On February 3, 2009, President Bakiyev announced during a visit to Moscow that he intended to close the Manas airbase. Many observers speculated that the decision was spurred by Russia, which offered Bakiyev a \$300 million loan for economic development and a \$150 million grant for budget stabilization in the wake of the world economic downturn. Russia also stated that it would write off most of a \$180 million debt. The United States was notified on February 19, 2009, that under the terms of the status of forces agreement it had 180 days to vacate the airbase.

The Defense Department announced on June 24, 2009, that an agreement of “mutual benefit” had been concluded with the Kyrgyz government.²³ According to then-Kyrgyz Foreign Minister Kadyrbek Sarbayev, the government decided to conclude the annually renewable “intergovernmental agreement with the United States on cooperation and the formation of a transit center at Manas airport,” because of growing alarm about “the worrying situation in Afghanistan and Pakistan.” A yearly rent payment for use of land and facilities at the Manas airport was increased from \$17.4 million to \$60 million per year, and the United States reportedly pledged more than \$36 million for infrastructure improvements and \$30 million for air traffic control system upgrades for the airport. Sarbayev also stated that the United States had pledged \$20 million dollars for a U.S.-Kyrgyz Joint Development Fund for economic projects, \$21 million for counter-narcotics efforts, and \$10 million for counter-terrorism efforts.²⁴ All except the increased rent had already been appropriated or requested. The agreement also reportedly included stricter host-country conditions on U.S. military personnel. One Kyrgyz legislator claimed that the agreement was not a *volte-face* for Kyrgyzstan because Russia and other Central Asian states had signed agreements with NATO to permit the transit of supplies to Afghanistan.²⁵

The Status of the Manas Transit Center After the April 2010 Coup

Initially after the April 2010 ouster of then-President Bakiyev, some officials in the interim government stated or implied that the conditions of the lease would be examined. Interim acting Prime Minister Roza Otunbayeva announced on April 13, 2010, however, that the lease on the transit center would be “automatically” renewed for one year.

As part of efforts to be more open about the operations of the transit center to allay some Kyrgyz popular misconceptions, the U.S. Embassy in Bishkek has reported that in FY2009, the United States provided \$107.6 million in direct, indirect, and charitable expenses in connection with the Manas Transit Center, and \$131.5 million in FY2010.

Of the FY2010 funds:

²² Staff Sgt. Carolyn Viss, “LRS breaks 2 of their own records,” *376th Air Expeditionary Wing Public Affairs*, April 5, 2010; *Biography: Colonel Dwight C. Sones, Commander, 376th Air Expeditionary Wing*, Transit Center at Manas, June 2010, at <http://www.manas.afcent.af.mil/library/biographies/bio.asp?id=13615>.

²³ U.S. Department of Defense. *DoD News Briefing*, June 24, 2009. See also U.S. Department of State. *Daily Press Briefing*, June 25, 2009.

²⁴ Tolkun Namatbayeva, “Kyrgyzstan Allows U.S. to Keep Using Base,” *Agence France Presse*, June 23, 2009.

²⁵ See also CRS Report R40564, *Kyrgyzstan and the Status of the U.S. Manas Airbase: Context and Implications*, by Jim Nichol.

- \$60 million was a lease payment
- \$25 million was landing, parking, utility, and other fees for use of the Manas International Airport
- \$33.5 million was for local contracts (including furniture and sports equipment purchases, construction, road repair, and custodial services)
- \$2.3 million was for “programmatically humanitarian assistance”
- \$1.2 million was for other local spending.

For FY2011, as of April 2011, the U.S. Embassy in Bishkek reported that \$77.1 million had been provided to Kyrgyzstan for the Manas Transit Center. In addition to this spending, \$230 million was paid in FY2009 and about \$370 million in FY2010 for jet fuel.²⁶

In January 2011, Kyrgyz security forces killed or apprehended nearly two dozen alleged members of Jaishul Mahdi (Army of the Righteous Ruler), a primarily ethnic Kyrgyz terrorist group. Besides reportedly bombing a synagogue in September 2010 and a sports hall in November 2010, the group allegedly had planned to bomb the Manas Transit Center, according to the chairman of Kyrgyzstan’s National Security Committee, Keneshbek Duishebaev.

The December 2010 Congressional Report on Fuel Contracts

In December 2010, the majority staff of the Subcommittee for National Security and Foreign Affairs of the House Oversight Committee released a report on contracts awarded by the Defense Department’s Defense Logistics Agency (DLA) to the privately owned Red Star and its sister Mina firms for the supply of jet fuel for the Manas Transit Center.²⁷ The report stressed that many citizens of Kyrgyzstan, and even current Kyrgyz President Roza Otunbayeva, supposed that former Kyrgyz Presidents Askar Akayev and Bakiyev and their families had benefitted from the contracts in a corrupt fashion. Perceptions of corruption regarding the fuel contracts, according to the report, were significant factors in the overthrow of the presidents and in growing tensions between the United States and Kyrgyzstan. The Subcommittee reported evidence from the FBI that the Akayev family was corruptly involved in fuel supplies to the Manas Transit Center, but the subcommittee found no direct evidence of illicit involvement by the Bakiyev family. President Otunbayeva had called for transparency in the fuel contracts in a speech at the U.N. General Assembly in September 2010 and during an associated meeting with President Barack Obama.

According to the report’s findings, DLA did not know who owned Red Star or Mina until late 2010, did not claim to care whether contract funds were being misappropriated by Akayev’s family, did not know that Russia’s state-owned Gazprom gas firm had an ownership interest in a subsidiary of the firms, and did not claim to know that the firms were using false certifications to obtain fuel from Russia. On the latter issue, Red Star and Mina had repeatedly informed DLA of the false certifications scheme, according to emails and other documents. In a 2006 Red Star

²⁶ U.S. Embassy, Bishkek, Kyrgyzstan. *Transit Center at Manas: Recent U.S. Contributions to the Kyrgyz Government and Economy*, at http://bishkek.usembassy.gov/tc_recent_contributions.html; *Transit Center Jet Fuel Contracts 2009-2011*, at http://bishkek.usembassy.gov/fuel_contracts.html.

²⁷ U.S. House of Representatives, Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, *Mystery at Manas: Strategic Blind Spots in the Department of Defense’s Fuel Contracts in Kyrgyzstan*, Report of the Majority Staff, December 2010.

proposal for a fuel contract, for instance, the firm spelled out that it was participating in a scheme to circumvent supposed Russian restrictions on fuel exports for military uses, and warned DLA that opening up the contracting process to other bidders might expose this scheme and lead to a fuel cut-off by Russia. The 2006 contract was subsequently awarded to Red Star without competition. A 2009 contract to Mina also was awarded without competition on “national security” grounds. The Subcommittee argued that the use of such a scheme to obtain fuel and DLA’s apparent lack of reaction to the scheme opened the United States to excessive strategic vulnerability, since a sudden fuel cutoff by Russia could jeopardize U.S. military operations in Afghanistan.

Red Star and Mina reported that the Russian government knew that Gazprom was the source of jet fuel for the Manas Transit Center. The firms claimed, however, that they still had to falsely certify that the aviation fuel was being used for civilian purposes so that Russian authorities could claim that their ban on aviation fuel exports for military uses was not being circumvented. After then-President Putin apparently decided in early 2009 that the U.S. airbase at Manas should be closed and offered assistance to Kyrgyzstan as a seeming *quid pro quo*, Gazprom initiated a slowdown in fuel shipments, according to the report. Although Kyrgyzstan’s then-President Bakiyev had pledged to Putin that he would close the airbase, in mid-2009 Bakiyev instead redesignated it as the “Manas Transit Center” and permitted it to continue operations. Russia then “discovered” that Gazprom’s fuel shipments were being used by the airbase, imposed a high export tariff on all fuel exports to Kyrgyzstan on April 1, 2010, and later cut off all fuel shipments to Kyrgyzstan through Mina and Red Star.

The report also criticized the State Department and the U.S. Embassy in Bishkek for ignoring the ramifications of the fuel contracts on U.S.-Kyrgyz relations. Even after Secretary of State Hillary Clinton became engaged with the issue during her December 2010 visit to Kyrgyzstan (see below), the embassy reportedly asserted that issues involving the fuel contract were beyond its concern, according to the report.

Among the recommendations on improving the transparency and due diligence of fuel contracts for the Manas Transit Center, the Subcommittee called for an interagency analysis of the U.S. military’s “extraordinary reliance on Mina and Red Star for jet fuel” and on the risks associated with increased Russian influence over the fuel supply chain supporting U.S. operations in Afghanistan. The Subcommittee also stated that “ability to perform and financial viability are necessary but not sufficient objects of due diligence. Business history, litigation exposure, insurance posture, affiliated companies, and ownership are also important for U.S. contacting authorities to understand in order to make competent judgments about contractors.” Knowledge of ownership, for instance, is needed to satisfy a Federal Acquisition Regulations requirement that principals be checked against sanctions lists, it stated.

Recent Changes in Jet Fuel Suppliers

In November 2010, DLA awarded Mina a contract to continue supplying up to 240 million gallons of fuel to the Manas Transit Center in 2011. Russia was listed in contract information as the main source of supply, but other countries reportedly also provide some fuel. An amendment to the contract, later highlighted by Secretary Clinton during her December 2010 visit to Kyrgyzstan, provides for the possible addition of a second supplier firm for between 20 and 50%

of the fuel.²⁸ A U.S.-Kyrgyz inter-governmental agreement was signed in February 2011 amending the 2009 lease agreement to permit the non-competitive acquisition of jet fuel by the United States from a Kyrgyz-designated firm. Shortly after the agreement was signed, Russia and Kyrgyzstan agreed to form a joint venture, Gazpromneft-Aero-Kyrgyzstan (GAK), to supply fuel to the Manas air base. Russia has 51% of the shares in GAK and Kyrgyzstan has 49%. Also in February 2011, some Kyrgyz legislators advocated for imposing taxes on jet fuel used by the Manas Transit Center, but U.S. and Kyrgyz authorities reminded the legislators that the June 2009 lease agreement calls for no taxes or fees to be imposed on fuel deliveries.

The Kyrgyz government continues to call for Mina to be excluded as a fuel supplier on the grounds that it was involved with the previous Bakiyev government, an allegation that continues to be denied by the Mina Corporation. In May 2011, the Defense Logistics Agency issued a pre-solicitation notice for competition for the extension of the November 2010 jet fuel contract, which would provide for Mina, GAK, and other firms to compete to supply 208 million gallons of jet fuel to the Manas Transit Center in 2012. Reportedly, GAK has begun to supply some jet fuel for Kyrgyz civil aviation, but has not yet provided jet fuel to the Manas Transit Center.

²⁸ U.S. Department of Defense, *Press Release*, November 4, 2010.

Figure I. Map of Kyrgyzstan



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