



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 2010, the Manas Transit Center hosted about 850 U.S., Spanish, and French 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 (FREEDOM Support Act and agency funds). 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 provided \$4.1 million in urgent humanitarian assistance. At a July 2010 international donors' conference, the United States in addition pledged \$48.6 million to address further food and other humanitarian needs and economic recovery. Besides this assistance, the Administration has requested \$46.9 million in foreign aid for Kyrgyzstan for FY2011 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 popular 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. Roza Otunbayeva, a former foreign minister and ambassador to the United States, was declared the acting prime minister. 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.¹

Kyrgyzstan Basic Facts

Area and Population: Land area is 77,415 sq. mi.; about the size of South Dakota. Population is 5.51 million (The World Factbook, mid-2010 est.).

Ethnicity: 65.7% Kyrgyz; 11.7% Russians; 13.9% Uzbeks, 1% Uighurs; 0.4% Germans, and others (Kyrgyz Statistics Committee, 2001 est.). Ethnic Uzbeks are a majority in southern Kyrgyzstan. About 420,000 ethnic Kyrgyz reside elsewhere in the former Soviet Union and 170,000 in China.

Gross Domestic Product: \$11.66 billion; per capita GDP is about \$2,100 (The World Factbook, 2009 est., purchasing power parity). However, GDP may decline 3.5% in 2010 (The World Bank).

Political Leaders: President and Prime Minister: Roza Otunbayeva; First Deputy Prime Minister: Amangeldi Muraliev; Foreign Minister: Ruslan Kazakbaev; Defense Minister: Maj. Gen. Abibilla Kudayberdiev.

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 CRS Report R41178, *The April 2010 Coup in Kyrgyzstan and its Aftermath: Context and Implications for U.S.* (continued...)

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.² 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. She will continue to exercise the extensive powers enjoyed by former President Bakiyev until a new parliament is elected on October 10, 2010, after which she will share power with the parliament as outlined in the new constitution.

The June 2010 Ethnic Violence

Deep-seated tensions between ethnic Kyrgyz and ethnic Uzbeks in southern Kyrgyzstan erupted on June 10-11, 2010. Grievances included perceptions among some ethnic Kyrgyz in the south that ethnic Uzbeks controlled commerce, discontent among 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 and quickly escalated, fuelled by rumors of rapes and other atrocities committed by each side.³ The fighting over the next few days resulted in an official death toll of nearly 400 (the actual death toll reportedly was much higher) and thousands of injuries. The violence also resulted in an initial wave of 400,000 refugees and IDPs and the destruction of thousands of homes and businesses in Osh and Jalal-abad. Otunbayeva appealed to Russia for troops to help end the fighting, but the CSTO, meeting in emergency session on June 14, 2010, agreed to only provide humanitarian assistance. The Kyrgyz interim government variously blamed Bakiyev's supporters, Uzbek secessionists, Islamic extremists, and drug traffickers for fuelling the violence.⁴ There are credible reports that elements of the police and armed forces in the south were involved in the violence and subsequent attacks on ethnic Uzbeks.⁵ The Kyrgyz government has formed a commission to analyze the conflict and also requested that the U.N. and OSCE support forming an international commission. The OSCE Parliamentary Assembly's Special Representative for Central Asia, Kimmo Kiljunen, has worked to set up such a commission.⁶

(...continued)

Interests, by Jim Nichol.

² 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.

³ *The Pogroms in Kyrgyzstan*, International Crisis Group, August 23, 2010.

⁴ Bruce Pannier, "Kyrgyzstan: Anatomy of a Conflict," *RFE/RL*, July 02, 2010.

⁵ "'Where is the Justice?' Interethnic Violence in Southern Kyrgyzstan and its Aftermath," Human Rights Watch, August 2010; *The Pogroms in Kyrgyzstan*, International Crisis Group, August 23, 2010.

⁶ "Kyrgyz Commission Begins Investigating Ethnic Clashes," *RFE/RL*, August 2, 2010; "OSCE Parliamentary Assembly Supports Kyrgyz Inquiry; UN Response Awaited," *Eurasianet*, July 28, 2010.

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 90,000 ethnic Uzbeks to settle in temporary camps in Uzbekistan. Virtually all had returned to Kyrgyzstan by the end of June.⁷ According to Assistant Secretary of State Eric Schwartz, “the Government of Uzbekistan acted quickly and constructively in response to the humanitarian crisis, [and] cooperated closely with U.N. agencies, the International Committee of the Red Cross and non-governmental organizations. These efforts helped many people in a time of dire need.”⁸ While also stating that “Uzbekistan ... behaved admirably” by hosting the refugees, Assistant Secretary Blake has testified that “although there were no reports of force to promote returns, reports of psychological pressure, monetary incentives, threats of loss of citizenship, coercion and/or encouragement to participate in the June 27 referendum and concerns about family members who remained in Kyrgyzstan all may have factored into the rapid repatriation of those who were displaced.” Presumably, Kyrgyz officials were involved in these actions.⁹

The Office of the U.N. High Commissioner for Refugees (UNHCR) has estimated that there are 75,000 people in southern Kyrgyzstan still displaced who need shelter.¹⁰ Human Rights Watch warned in July 2010 that many ethnic Uzbeks wanted to (re)enter Uzbekistan because of harassment and attacks—allegedly including by some members of Kyrgyz security forces—but that both Kyrgyzstan and Uzbekistan have closed their borders.¹¹ 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. It was proposed that the mission could later be extended and another 50 advisors deployed (see below).¹²

International donors meeting in Bishkek on July 27, 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 planned aid of \$54 million and FY2011 requested aid of \$47 million. In addition, the United States provided \$4.1 million in humanitarian assistance to Kyrgyzstan immediately after the April and June events. Assistant Secretary Blake has reported that part of the new aid will be used to bolster democratization, including support for the planned October 2010 parliamentary election.¹³ 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

⁷ UNHCR. *Final Report on UNHCR Emergency Operations in the Republic of Uzbekistan*, July 23, 2010.

⁸ U.S. Department of State. *Opening Statement of Assistant Secretary Schwartz*, June 29, 2010.

⁹ Commission on Security and Cooperation in Europe. Hearing on Instability in Kyrgyzstan: The International Response. *Testimony by Robert O. Blake, Assistant Secretary Of State For South And Central Asia*, July 27, 2010.

¹⁰ UNHCR. *Kyrgyzstan: UNHCR Needs US\$23 Million to Shelter, Protect Displaced*, July 27, 2010.

¹¹ *Kyrgyzstan/Uzbekistan: Governments Should Open Border; With New Abuse Reported, Kyrgyz Government Should Protect Uzbek Minority*, Human Rights Watch, July 20, 2010.

¹² 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.

¹³ U.S. Department of State. Office of the Spokesman. *United States Announces Additional Support for Kyrgyz Republic*, July 27, 2010; U.S. Embassy, Bishkek. *Opening Statement by Daniel Rosenblum, Coordinator of U.S. Assistance to Europe and Eurasia and Tatiana Gfoeller, U.S. Ambassador to the Kyrgyz Republic: High-Level Donors Meeting, “Emergency Response to the Kyrgyz Republic, Reconciliation and Recovery,” July 27, 2010*; Commission on Security and Cooperation in Europe. Hearing on Instability in Kyrgyzstan: The International Response. *Testimony of Robert O. Blake*, July 27, 2010.

temporary period of greater austerity. She also has claimed that the discrimination by ethnic Kyrgyz against ethnic Uzbeks has contributed in some cases to young ethnic Uzbeks being attracted to Islamic extremism.¹⁴

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 has been implicated in the violence against ethnic Uzbeks in June and subsequent harassment. He has declared that the Otunbayeva government has no authority in Osh, has restricted the activities of international humanitarian organizations in the city, and has opposed the OSCE plan to send police advisors to southern Kyrgyzstan.

Human Rights

According to the U.S. State Department's *Country Reports on Human Rights Practices for 2009*, the former Bakiyev government committed many human rights abuses. Kyrgyz police at times beat detainees to extract confessions and at times used false charges to arrest persons and solicit bribes in exchange for their release. The executive branch at times interfered with the judiciary. The government did not implement a law to permit trial by jury. The judicial system continued to operate on the premise that persons arrested were presumed guilty. The government at times restricted freedom of speech and of the press by cancelling broadcasting licenses and intimidating journalists. Most newspapers and magazines were privately owned. State-owned television broadcast throughout the country, although there were also smaller private television stations. In October 2008 the state broadcaster halted transmissions from Radio Free Europe/Radio Liberty's (RFE/RL's) Kyrgyz service, although some private FM channels continued the transmissions. Unlike in previous years, there were no reports of officials using libel lawsuits against opposition newspapers to suppress criticism.

The former Bakiyev government generally respected freedom of association, although at times police intimidated NGOs and opposition parties. The government generally respected freedom of religion, although there were restrictions on the activities of conservative Islamic groups that the government considered threatening. A new Law on Freedom of Religion increased the membership threshold for registration of a religious organization from 10 to 200 individuals, which excluded many smaller faith groups, and prohibited activities by unregistered religious groups. The country remained a source, country of transit, and to some extent a destination for trafficked persons. Some victims alleged that government officials facilitated trafficking or were complicit in it. However, the government continued to make significant efforts to address trafficking, including by improving assistance to victims.¹⁵

¹⁴ Commission on Security and Cooperation in Europe. Hearing on Instability in Kyrgyzstan: The International Response. *Testimony of Martha Brill Olcott*, July 27, 2010.

¹⁵ U.S. Department of State. *Country Reports on Human Rights Practices for 2009*, March 11, 2010.

Economic Conditions

In preparation for the international donors' conference in July 2010, an economic assessment mission of the Asian Development Bank (ADB), International Monetary Fund (IMF), and the World Bank visited Kyrgyzstan. They warned that the April and June events "dealt a shock to prospects for economic growth. There occurred a weakening of private sector confidence, a contraction of liquidity in the banking system, massive stress on public finances, damage to physical infrastructure," and the continued displacement of around 75,000 people. They projected that the economy would shrink by 3.5% in 2010. Among the shocks faced by the Kyrgyz economy have been Kazakhstan's and Uzbekistan's border closures after the April 2010 coup, which have stymied Kyrgyzstan's imports and exports.

The ADB, IMF, and World Bank assessment urged donor support in three major areas: support for emergency budget expenditures and services; support for housing, livelihoods, social protection and other social programs for the displaced and other vulnerable populations to assist with economic and social recovery; and aid and financing for rebuilding private commercial and public buildings and addressing critical needs in energy and transport to facilitate reconciliation and building peace. They stated that donor investment financing would serve as a bridge to the period when private sector investing could resume. They assessed assistance needs to amount to \$1 billion over the next 30 months (2010-2012), and suggested that \$335 million be disbursed immediately to meet the Kyrgyz government's budget needs, that \$334 million be disbursed for social sector needs (\$214 million in 2010, \$95 million in 2011, and \$25 million in 2012), and that \$350 million be disbursed for infrastructure support (\$164 million in 2010, \$120 million in 2011, and \$66 million in 2012).¹⁶

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. Before the global economic downturn, at least one-fifth of the labor force (500,000 people) had worked in Russia and elsewhere and their remittances reportedly had amounted to almost one-third of Kyrgyzstan's GDP. Remittances were reduced in 2009, but reportedly had picked up somewhat in 2010 as the Russian economy improved. 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 August 2010, the IMF reached a staff-level agreement with the Kyrgyz government on macroeconomic policies that could be supported by a disbursement of \$34 million under the IMF's Rapid Credit Facility (RCF). The disbursement will be subject to approval at a planned September 2010 meeting of the IMF Executive Board.¹⁷

Over 40% of the population lives below the poverty line. 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 in late 1998. Foreign

¹⁶ Asian Development Bank, International Monetary Fund, and The World Bank. *The Kyrgyz Republic: Joint Economic Assessment: Reconciliation, Recovery and Reconstruction*, July 21, 2010.

¹⁷ IMF. *Kyrgyz Republic: 2009 Article IV Consultation and First Review*, July 2009; Press Release No. 10/310, IMF and Kyrgyz Republic Reach Staff-Level Agreement on Support Under the Rapid Credit Facility, August 6, 2010.

loans have been a significant factor in Kyrgyzstan's budget, contributing by August 2010 to external debt of about \$1.23 billion (33% of GDP; excludes the prospective Russian energy loan), placing the country at a moderate risk of external debt distress, according to the IMF.¹⁸

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 is encouraging the building of 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. 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. Russia further ramped up its security presence in September 2003 with the signing of a 15-year basing accord with Kyrgyzstan for use of the Soviet-era Kant airfield near the capital of Bishkek and other facilities. The Russian troops ostensibly also form part of a CST rapid reaction force. Although the purpose of the base 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.

¹⁸ Julia Mazykina, "Kyrgyzstan Will Not Always Borrow External Aid - Chorobek Imashev," *News Agency 24.kg*, August 6, 2010.

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.¹⁹ 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 Human Rights Watch, an NGO, some troops in southern Kyrgyzstan appeared implicated in sniper attacks and other violence against ethnic Uzbeks in June 2010.²⁰

U.S. Relations

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 has four priorities in its cooperation with Kyrgyzstan over the next two years. The most urgent priorities, he stated, are 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, is supporting ethnic reconciliation, including an international investigation of the events of June 2010. The fourth priority is economic recovery, including infrastructure rebuilding and trade facilitation.²¹ Assistant Secretary of State Blake has added that a fifth priority is assistance for democratization.

In testimony in July 2010, Assistant Secretary of State Robert Blake stated that "our primary foreign policy interest [in Kyrgyzstan] is to facilitate its continued development as a stable democratic state.... Kyrgyzstan is also a significant contributor to security in Afghanistan by hosting the Manas Transit Center.... [T]hat Center can only be maintained if Kyrgyzstan itself is a stable and reliable partner.... The Center is an important part of our partnership, but our focus has been and remains developing our overall political, economic and security relationship."²²

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 \$58.9 million in FY2009 and an estimated

¹⁹ *The Military Balance*, International Institute for Strategic Studies, February 3, 2010.

²⁰ "'Where is the Justice?' Interethnic Violence in Southern Kyrgyzstan and its Aftermath," Human Rights Watch, August 2010.

²¹ U.S. Embassy, Bishkek, Kyrgyzstan. *Press Conference by Daniel Rosenblum, Coordinator, U.S. Assistance for Europe and Eurasia*, July 28, 2010.

²² U.S. Congress. Commission on Security and Cooperation in Europe. Hearing on Instability in Kyrgyzstan: The International Response. *Statement by Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs*, July 27, 2010.

\$53.8 million in FY2010, and the Administration requested \$46.9 million for FY2011 (FREEDOM Support Act 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 will be completed in FY2010.

The Obama Administration’s requests for foreign assistance to Kyrgyzstan have focused on food security and economic growth (U.S. Defense Department support for the Manas Transit Center is another major element of spending; see below). In FY2010, the Administration requested boosted foreign aid for agricultural reforms and rural financing (from \$13.4 million in actual spending in FY2009 to \$16.2 million requested in FY2010). In FY2011, the Administration requested less total foreign assistance (the request was formulated before the April 2010 coup; see below), mainly because a rural financing program had proven overly ambitious. Otherwise, programmatic emphases of the previous year were maintained. The main priorities of the FY2011 request are economic growth and democratization assistance. Economic aid maintains a focus on agricultural reforms, including efforts to improve land and technology usage and irrigation, and expand agribusiness competitiveness. The request for democratization aid is maintained at the previous year’s funding level (\$9.9 million). Programs are planned to continue to support local human rights groups through training and grants, to improve the skills of defense lawyers, increase access to information, and encourage judicial reform. The request for health and education assistance (\$6.986 million) is slightly less than estimated spending in FY2010 (\$7.351 million). The emphasis is expected to continue on helping to ensure the provision of high quality and cost-effective primary health care and to boost efforts to control infectious diseases like tuberculosis. Education assistance aims to improve teacher training, boost the quality of vocational education, and support a university loan program. The request for security programs for FY2011 is slightly reduced from the previous year (from \$7.228 million to \$6.535 million), mainly reflecting a reduction in foreign military financing (from an estimated \$3.5 million in FY2010 to a requested \$2.4 million).²³

Following the April 2010 coup and the June 2010 ethnic violence, the Administration expended and pledged added assistance for Kyrgyzstan. Urgent humanitarian assistance of \$4.1 million was provided. This included \$217,000 in medical and relief supplies from the U.S. Government’s Pre-Staged Disaster Package in Bishkek that was delivered to hospitals in Osh and Jalal-Abad and an additional \$386,146 in medical supplies and relief items to hospitals and victims of the violence through the humanitarian assistance program. A humanitarian airlift that cost the U.S. government \$195,875 delivered critically needed medicines and medical supplies valued at \$2.75 million to hospitals in southern Kyrgyzstan. In addition, the U.S. provided \$213,500 to support the shipment of UNICEF emergency relief supplies valued at \$301,729 to Andijan, Uzbekistan, to serve refugees in Uzbekistan and to southern Kyrgyzstan.

At the July 2010 donors’ conference, the United States pledged \$48.6 million in addition to the humanitarian aid (mentioned above) and the regular foreign assistance request for FY2011. The

²³ U.S. Department of State. *Congressional Budget Justification for Foreign Operations FY2010: Annex, Regional Perspectives*, March 2010.

U.S. pledge includes: \$21 million for immediate expenditure by USAID for construction of small scale infrastructure, assistance to improve government operations, employment opportunities, and skills training for disenfranchised populations; \$10 million to address urgent food shortages; \$5.1 million for strengthening democracy and protecting human rights; \$6.1 million in USAID grants to NGO partners for humanitarian assistance; \$1 million from USAID to support agriculture; \$2.2 million to the International Committee for the Red Cross/Red Crescent (ICRC); \$1 million to the U.N. High Commissioner for Refugees (UNHCR); \$1 million to the U.N. Children's Fund (UNICEF); \$500,000 to the U.N. Office for the Coordination of Humanitarian Affairs (OCHA); and \$732,716 in USAID grants to NGOs to support economic recovery and market systems.

Cooperation on Counter-Terrorism

The Kyrgyz government declared its support for the United States almost immediately after the September 11, 2001, attacks on the United States and approved 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 substantial increase over the average number of troops transiting per month in 2009. There are reportedly about 850 U.S. and allied troops and 750 contractors serving at the transit center.²⁴

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.²⁵ According to 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 would be increased from \$17.4 million to \$60 million per year, and the United States had 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.²⁶ All except the increased rent had already been

²⁴ 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>.

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

²⁶ Tolkun Namatbayeva, "Kyrgyzstan Allows U.S. to Keep Using Base," *Agence France Presse*, June 23, 2009.

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.²⁷

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 \$107.12 million in direct, indirect, and charitable expenses in connection with the Manas Transit Center. Of this amount:

- \$26.62 million was a lease payment (this payment will reach the fully-agreed amount, \$60 million, in 2010);
- \$23 million was landing and other fees for use of the Manas International Airport;
- \$30.6 million was for airport improvements;
- \$480,500 was to improve airport aero-navigation;
- \$24.7 million was for local contracts and leases;
- \$700,000 was for “programmatic humanitarian assistance”; and
- \$1 million was for other local spending.

In addition to this spending, \$230 million was paid in FY2009 for fuel. In FY2010, the embassy reports that about \$79 million has been paid to date in transit center-related expenses. It also reports that transit center-related humanitarian spending has been increased in the wake of the April and June events in Kyrgyzstan.²⁸

The House Subcommittee for National Security and Foreign Affairs has launched an investigation of U.S. Defense Department fuel contracts for the Manas Transit Center, focusing on contracts to Red Star Enterprises and Minas Corporation, shadowy firms registered in Gibraltar.²⁹

Some observers warn that the status of the transit center is likely to become a campaign issue in the run-up to the planned October 10, 2010, Kyrgyz legislative election and the planned presidential election at the end of 2011. Some Kyrgyz ultranationalists have criticized what they view as unwarranted U.S. sympathy for the plight of ethnic Uzbeks after the June 2010 violence,

²⁷ See also CRS Report R40564, *Kyrgyzstan and the Status of the U.S. Manas Airbase: Context and Implications*, by Jim Nichol.

²⁸ 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.

²⁹ “Manas Fuel Supply Figures Negotiate with Congressional Investigators,” *Eurasianet*, July 15, 2010.

and this view could contribute to calls to close the transit center. It also may become more difficult for the United States to assist the Kyrgyz military by constructing troop training facilities in southern Kyrgyzstan.³⁰

Figure 1. Map of Kyrgyzstan



³⁰ U.S. House of Representatives. Committee on Oversight and Government Reform. Subcommittee on National Security and Foreign Affairs. *Hearing on the Crisis in Kyrgyzstan: Fuel, Contracts, and Revolution along the Afghan Supply Chain*, April 22, 2010.

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