



# 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, bolster economic reform and development, strengthen human rights, prevent weapons proliferation, and more effectively combat transnational terrorism and trafficking in persons and narcotics. Special attention long has been placed on bolstering civil society and democratization in what has appeared to be the most receptive—but still challenging—political and social environment in Central Asia.

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. President Almazbek Atambayev has declared that he will not renew the basing agreement when it expires in 2014. As of late 2012, the Manas Transit Center reports that it hosts about 1,500 U.S. troops and U.S. contractors and a fleet of KC-135 refueling tankers and C-17 transport aircraft.

Cumulative U.S. budgeted assistance to Kyrgyzstan for FY1992-FY2010 was \$1.22 billion (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. Foreign assistance was \$41.36 million in FY2011, and an estimated \$47.75 million in FY2012. Under the Continuing Appropriations Resolution for FY2013, signed into law on September 28, 2012 (P.L. 112-175), regular foreign aid accounts are funded until late March 2012 at the same level as in FY2012 plus .612%, and most country allocations may be adjusted at agency discretion.

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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.<sup>1</sup> 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

### Kyrgyzstan Basic Facts

**Area and Population:** Land area is 77,415 sq. mi.; about the size of South Dakota. Population is 5.5 million (CIA, *The World Factbook*, mid-2012 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:** \$13.3 billion; per capita GDP is about \$2,400 (*The World Factbook*, 2011 est., purchasing power parity).

**Political Leaders:** President: Almazbek Atambayev; Prime Minister: Jantoro Satybaldiev; Foreign Minister: Erlan Abdylbaev; Defense Minister: Major General Taalaybek Omuraliev.

**Biography:** Atambayev was born in 1956 in the village of Arashan, near Bishkek. He graduated from the Ordzhonikidze Institute in Moscow in 1980, specializing in engineering and economics. In the 1980s he worked in engineering, in the Presidium of the Kyrgyz Supreme Soviet (legislature) and as an official in the Bishkek city government. In the 1990s, he was a private businessman. In 1993, he helped form the Social Democratic Party, and was named its head in 1999. He was first elected to the Kyrgyz legislature in 1995. He unsuccessfully ran against then-President Askar Akayev in 2000, and against then-President Kurmanbek Bakiyev in 2009. He and his party played an active role in the overthrow of Akayev (the so-called "Tulip Revolution") in March 2005. From December 2005 to April 2006, he served as Minister of Industry, and from March 2007 until November 2007, as prime minister in the Bakiyev government. He and his party played an active role in Bakiyev's overthrow in April 2010, and he served as prime minister in the interim government of then-President Roza Otunbayeva. He stepped down as prime minister in September to run in the October 2011 presidential election.

<sup>1</sup> 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 Star on Rise Again in Kyrgyzstan," *RFE/RL*, April 9, 2011. Eric McGlinchey argues that elite competition to control foreign assistance, in particular that associated with the U.S. Manas airbase, was instrumental in the overthrow of (continued...)

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.<sup>2</sup>

## **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.<sup>3</sup> 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 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.<sup>4</sup>

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.<sup>5</sup> 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. The first CSI advisors were deployed in late December 2010. The United States has contributed eight police officers and \$2 million to the CSI program, which is planned to run to the end of 2013.

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Akayev and Bakiyev. *Chaos, Violence, Dynasty: Politics and Islam in Central Asia* (Pittsburgh: University of Pittsburgh Press, 2011).

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

<sup>3</sup> *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.

<sup>4</sup> UNHCR. *Final Report on UNHCR Emergency Operations in the Republic of Uzbekistan*, July 23, 2010.

<sup>5</sup> 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.

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).

## **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 for 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 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 General Ismail Isakov (currently a deputy in the legislature), who assumed command over security in Osh region, for not using his 2,000-man military force 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 ran in the October 2011 presidential election but received less than 1% of the vote; see below) 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.<sup>6</sup> The Kyrgyz government 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 shared substantial blame for committing human rights abuses. The legislature declared that the report was biased and a threat to national security, and declared Kiljunen *persona non grata*.

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. A few observers have alleged that some ethnic Uzbek youth in the south are being recruited by the IMU.<sup>7</sup>

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<sup>6</sup> OSCE, *Report of the Independent International Commission of Inquiry into the Events in Southern Kyrgyzstan in June 2010*, May 2, 2011.

<sup>7</sup> 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 (continued...)”

## The New Constitution and Legislative and Presidential Elections

Despite the June 2010 ethnic 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.<sup>8</sup> Although at least some ethnic Uzbeks felt that the draft constitution failed to protect or enhance their interests, voting in ethnic Uzbek areas 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 could run when presidential elections were held at the end of 2011. She was sworn in as president on July 3, 2010.

The constitution creates a hybrid system where the president, the prime minister, and the legislature share power. It restricts the president to a single, six-year term in office and makes it easier for the legislature to impeach the president. The president still possesses extensive powers, including the right to appoint military and security heads and higher military officers. He also heads the Security Council and is commander-in-chief of the armed forces. However, the prime minister and his government are tasked with formally directing and executing domestic and foreign policy, and the power to negotiate and sign international treaties is shared by the president and prime minister. The president also no longer can directly submit draft laws to the legislature but retains the right to veto bills passed by the legislature (which can override his veto by the two-thirds majority). The size of the legislature (Jogorku Kenesh) is increased from 90 to 120 members to be elected for five years using party list voting. The constitution mandates that a majority party cannot hold more than 65 seats and that deputies have limited immunity from prosecution only in connection with their official duties. The minority parties in the legislature are guaranteed the chairmanships of the budget and legal affairs committees. The new constitution establishes a complex system for the majority party or coalition in the legislature to approve a prime minister. The Venice Commission, an advisory body of the OSCE, praised the constitution for introducing "for the first time, a form of parliamentary regime in Central Asia," with a greater balance between the president, the legislature, and the executive branch, but stressed that the president retained substantial powers.<sup>9</sup>

On October 10, 2010, 29 political parties competed in the election of 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.<sup>10</sup> Five parties were determined to have overcome a 5%

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Central Asia," *Report News: Central Asia*, Issue 631, Institute of War and Peace Reporting, October 13, 2010.

<sup>8</sup> 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.

<sup>9</sup> European Commission for Democracy through Law (Venice Commission), *Opinion on the Draft Constitution of the Kyrgyz Republic (version published on 21 May 2010) Adopted by the Venice Commission at its 83<sup>rd</sup> Plenary Session (Venice, 4 June 2010)*, June 8, 2010, at [http://www.venice.coe.int/docs/2010/CDL-AD\(2010\)015-e.pdf](http://www.venice.coe.int/docs/2010/CDL-AD(2010)015-e.pdf). See also Venice Commission, *Draft Constitution of the Kyrgyz Republic (published on 21 May 2010)*, at [http://www.venice.coe.int/docs/2010/CDL\(2010\)058-e.asp](http://www.venice.coe.int/docs/2010/CDL(2010)058-e.asp).

<sup>10</sup> OSCE, *Kyrgyz Republic: Parliamentary Elections, 10 October 2010, Statement of Preliminary Findings and (continued...)*

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; Atambayev's and 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.<sup>11</sup>

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.

Kyrgyzstan's presidential election was held on October 30, 2011, the first involving the peaceful contested transfer of presidential power in Central Asia. The Central Electoral Commission (CEC) approved 23 candidates (4 after they won court cases), out of nearly 90 who had initially indicated that they would run. Some prospective candidates did not gather enough signatures to register, some did not post an election bond, and a few failed a requisite Kyrgyz language test. After being registered, however, several candidates withdrew from the race, leaving 16 on the ballot. Over one-half of these candidates ran as independents without a specific party endorsement. Prime Minister Almazbek Atambayev temporarily stepped down so that he could run. President Otunbayeva was constitutionally banned from running. Although a member of the coalition government, Ata-Jurt fielded Kamchybek Tashiyev as its candidate. Atambayev was nominated by the party he heads, the SDP, a member of the coalition. The third member of the coalition, the Republic Party, also backed Atambayev.

The day after the election, monitors from the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), the OSCE Parliamentary Assembly (OSCE PA), the Parliamentary Assembly of the Council of Europe, and the European Parliament judged that the election had “shortcomings” that needed to be addressed “to consolidate democratic practice in line with international commitments.” They stated that although there was a wide choice of candidates and the electoral campaign “was open and respected fundamental freedoms,” there

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*Conclusions*, October 11, 2010; *Final Report*, December 20, 2010.

<sup>11</sup> 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*, 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.



were “significant irregularities ... during the counting and [the] tabulation of votes.” Among problems highlighted by the monitors, broadcast media provided scant evaluation of the candidates out of concern over possible legal consequences due to ambiguous electoral laws, a “considerable” number of prospective voters were not on the voter lists and were turned away, and the involvement of national minorities in election campaign activities was rather limited. Voting was positively assessed by observers in 94% of polling stations visited. A number of cases of ballot box stuffing, multiple and family voting, vote buying, and bussing of voters were reported. The process worsened during the counting and tabulation, which was negatively assessed in nearly one-third of the polling stations and territorial electoral commissions observed, and included interference by outsiders in the vote count, pre-signed voting tallies, failure to post voting tallies, and alteration of completed tallies.

On November 12, 2011, the CEC announced final election results. It stated that Atambayev had won with 62.52% of 1.86 million votes cast, followed by the nationalist leader of the opposition party Butun Kyrgyzstan (One Kyrgyzstan), Adahan Madumarov, with 14.78% of the vote, and Tashiyev, with 14.32%.<sup>12</sup> Reportedly, Atambayev was supported by many ethnic Uzbek voters because of his campaign slogan that “Kyrgyzstan is for all,” compared to more chauvinistic campaign statements by Madumarov and Tashiyev. Atambayev was sworn in at president on December 1, 2011.

The next day, the SDP acted to form a new coalition, and on December 15, a coalition was formed comprising the SDP, Respublika, Ata-Meken, and Ar-Namys. The coalition held 92 seats, leaving the Ata-Jurt Party, with 28 seats, as the opposition in the legislature. On December 21, the legislature elected SDP member Asilbek Jeenbekov as its speaker and two days later approved Respublika Party member Omurbek Babanov as the prime minister along with a slate of ministers. The distribution of power in the new government appeared to revivify northern dominance over southern interests, intensifying regional tensions.

In a speech to the legislature on December 28, 2011, Atamabayev called for combating corruption, and cited figures that corruption had caused over \$500 million in damage to the economy (amounting to over 10% of GDP) in 2010. Referring to energy shortages gripping the country, he called for repairing and upgrading the electrical system, obtaining a loan from China or elsewhere to urgently begin construction of the north-south Datka-Kemin power line, and stepping up domestic oil production. He also backed building the China-Kyrgyzstan-Uzbekistan railway and a new north-south roadway, and boosting support for agriculture, including by building new irrigation canals. To encourage business and investment, he called for reducing the number of government inspections. While urging the stepped-up use of the Kyrgyz language in education and daily life, he also called for protecting the languages and cultures of ethnic minorities.

In mid-December 2011, President Atambayev decreed setting up an anti-corruption unit as part of the National Security Committee, stating that this organization would be composed of “honest people” who would combat high-level corruption that currently exists in “all spheres” of the government.

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<sup>12</sup> Central Commission for Elections and Referenda of the Kyrgyz Republic, *Resolution of the CEC*, November 12, 2011, at <http://www.shailoo.gov.kg>.

The ongoing fragile political situation in the country was illustrated in March 2012 with the re-election of Kyrgyz nationalist and oppositionist Melisbek Myrzakmatov as mayor of Osh and with a prison escape by the brother of former President Bakiyev, Akhmat Bakiyev, who had been convicted for leading civil unrest in southern Kyrgyzstan in May-June 2010. Bakiyev's supporters and corrupt officials reportedly organized his escape and facilitated his exit from the country.

In the face of a growing dispute between Prime Minister Babanov and ruling coalition members Ata-Meken and Ar-Namys—which accused the government of malfeasance and corruption—the two parties withdrew from the coalition on August 22, 2012, triggering the fall of the Babanov government. On August 27, President Atambayev called for the SDP to form a new coalition. The SDP, Ar-Namys and Ata-Meken, along with a few deputies from other parties, formed a new ruling coalition on September 3, and two days later the legislature approved a cabinet government led by former chief of the presidential staff Jantoro Satybaldiyev. The new coalition holds 69 seats, just over one-half of the seats, so it may need to seek compromises with the opposition parties to pass legislation.

On October 3, 2012, the leader of the Ata-Jurt Party and former presidential candidate Kamchybek Tashiyev, along with fellow party members and legislators Sadyr Japarov and Talant Mamytov, addressed a group of about 800 protesters outside the legislative building in Bishkek. According to some accounts, they allegedly urged the demonstrators to storm the legislature to demand that it nationalize the Kumtor gold mine run by Canada's Centerra Gold firm. If the legislature did not act, they reportedly warned, its members would be forcibly dispersed.<sup>13</sup> After initially breaking into the legislative building, the protesters were repulsed by police, who later foiled another attempt. The government detained the three legislators on the grounds that they were publically advocating and using force to attempt to overthrow the constitutional system.<sup>14</sup> The detentions triggered additional protests in southern Kyrgyzstan, the power base of the Ata-Jurt Party. On October 18, 2012, the Ata-Jurt Party faction in the legislature selected Myktybek Abdyldayev as its new leader pending resolution of the court case against Tashiyev.

## Human Rights

Freedom House, an NGO, continued to classify Kyrgyzstan as “partly free” in 2011 in terms of political rights and civil liberties, similar to such countries as Burundi, the Central African Republic, Guinea, and Venezuela. Freedom House reported that despite somewhat more democratic legislative and presidential elections in 2010-2011, serious flaws remained in the treatment of ethnic minorities, due process, prevention of and accountability for torture, and judicial independence.<sup>15</sup>

According to the U.S. State Department's *Country Reports on Human Rights Practices for 2011*, human rights NGOs reported continued instances of arbitrary arrest, mistreatment, torture, and extortion, mainly against ethnic Uzbeks in southern Kyrgyzstan. At least five individuals reportedly died as a result of torture after being detained. Police frequently used false charges to arrest persons and then solicited bribes in exchange for their release. The rule of law appeared

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<sup>13</sup> The legislature had considered and rejected nationalizing the Kumtor gold mine in late June 2012.

<sup>14</sup> In mid-September 2012, the prosecutor general's office had launched a criminal investigation against Sadyr Japarov on suspicions that he had “illegally privatized” property formerly belonging to ousted President Bakiyev.

<sup>15</sup> *Freedom in the World 2012*, Freedom House, 2012.

violated in the cases of several ethnic Uzbeks charged with crimes after the 2010 violence. In October 2011, ethnic Uzbek activist Kadyrzhan Batyrov was convicted in absentia and sentenced to life in prison on charges of inciting ethnic hatred and violence in 2010. In December 2011, the Kyrgyz Supreme Court upheld the murder conviction of Uzbek human rights activist Azimjon Askarov. Many observers considered both these court cases to be marred by procedural violations and to be politically motivated.<sup>16</sup> Several investigations launched against judges for allegedly taking bribes reinforced the views of many citizens that the judiciary was corrupt and open to outside influence.

Citizens generally could criticize the government publicly or privately without reprisal, according to the State Department, although there were some instances of attacks on or threats against journalists in connection to reporting on such topics as the status of interethnic relations, the June 2010 violence, Kyrgyz nationalism, or official corruption. There were several dozen regularly printed newspapers and magazines, most of which were independent. The nongovernmental Media Support Center was the leading newspaper publisher in the country. Two state-owned television stations broadcast nationwide, and more than 50 other private television and radio stations operated in the country. Foreign media generally operated freely, with Russia-based media outlets receiving some government privileges. Freedom of assembly generally was respected, with over 1,500 demonstrations taking place. Although the Ministry of Justice did not refuse to register any domestic NGOs during the year, police harassed and threatened human rights NGOs that reported on law enforcement abuses. Corruption remained endemic at all levels of society, and child labor remained a widespread problem.<sup>17</sup> According to the State Department's *International Religious Freedom Report for 2011*, Kyrgyzstan continued to enforce restrictions on religious freedom that had been codified in 2008, including onerous registration requirements and a ban on some Muslim groups. Jehovah's Witnesses, Mormons, Hare Krishna, and other groups faced problems in registering and other harassment by authorities.<sup>18</sup>

The State Department's *Trafficking in Persons Report 2012* stated that Kyrgyzstan is a source and transit country for trafficking in persons for sex and forced labor. The State Department continued to classify Kyrgyzstan as a "Tier 2" country where the government does not fully comply with minimum standards to prevent and combat trafficking but is making significant efforts to comply with those standards. The government continued to convict trafficking offenders, to assist victims by supporting shelters, and to educate the public about the threat from traffickers. Kyrgyzstan also strengthened its law on trafficking in late 2011. Although some officials allegedly were complicit in trafficking, no prosecutions occurred during the year.<sup>19</sup>

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<sup>16</sup> The U.S. Embassy issued a statement on December 21, 2011, that "the United States is deeply disappointed by the decision of the Supreme Court," in upholding Askarov's conviction. The embassy stressed that the United States and others repeatedly had raised concerns about "numerous inconsistencies and a general lack of evidence to support" Askarov's prosecution, and about allegations of torture. The embassy concluded that "this verdict represents a setback for the rule of law and protection of citizens' rights that are the cornerstone of any free and democratic society. It also sets a disturbing precedent for the hundreds of others awaiting trials or appeals whose circumstances are similar to these defendants." U.S. Embassy, Bishkek, Kyrgyzstan, *U.S. Embassy Statement on the Supreme Court Ruling Upholding the Verdict of Azimjon Askarov and Seven Co-defendants*, December 21, 2011.

<sup>17</sup> U.S. Department of State, *Country Reports on Human Rights Practices for 2011*, May 24, 2012.

<sup>18</sup> U.S. Department of State, *International Religious Freedom Report for 2011*, July 30, 2012.

<sup>19</sup> U.S. Department of State, *Trafficking in Persons Report 2012*, June 19, 2012.

## **Economic Conditions**

According to the Economist Intelligence Unit, a private firm, Kyrgyzstan's economy struggled in 2012, with an estimated 0.5% increase in gross domestic product (GDP). Economic performance was harmed by a reduction in gold production, a poor harvest, and problems associated with the global economy. A fall-off in government revenue, combined with increased social spending, has contributed to a large rise in the budget deficit to 10% or more of GDP. Inflation declined to 1% for the first six months of 2012, but rising food prices in the wake of the poor harvest may contribute to an estimated 3% rate for the whole year. Foreign investment declined during the year, possibly linked to worker strife and civil unrest at some foreign-backed industrial projects, including the Kumtor gold mine.

Gold production has been the most significant industrial source of GDP and export earnings. Agriculture accounts for about one-quarter of GDP and employs one-half of the workforce. Cotton, tobacco, wool, and meat are major agricultural products. President Putin claimed in September 2012 that nearly 700,000 Kyrgyz, about one-fifth of the labor force, worked in Russia and remitted \$1 billion to Kyrgyzstan in just the first six months of 2012, a major contribution to Kyrgyzstan's GDP. The poverty rate increased to about one-third of the population after the global financial crisis began in 2008 and after the 2010 ethnic violence. 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. President Atambayev has continued to call for Kyrgyzstan to 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.

In December 2008, the International Monetary Fund (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 for macroeconomic reforms, and in June 2011 approved a further \$104 million under the Extended Credit Facility for economic recovery and sustaining growth, to be disbursed over the next three years. A first tranche was released in December 2011 and a second in April 2012. In mid-2012, Kyrgyzstan reported that its foreign debt was \$2.83 billion, which was considered manageable by the IMF.<sup>20</sup>

## **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.

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<sup>20</sup> IMF, *Kyrgyz Republic: Second Review Under the Three-Year Arrangement Under the Extended Credit Facility and Request for Modification of Performance Criteria—Staff Report*, April 12, 2012.

President Atambayev's first foreign visit as president was to Moscow in December 2011 to attend meetings of the Collective Security Treaty Organization (see below) and the Commonwealth of Independent States' (CIS) Eurasian Economic Commission, a customs and trade organization, and to meet with then-President Medvedev. Soon after this visit, Atambayev reiterated his assertion that Russia is Kyrgyzstan's closest "strategic partner," and reported that his visit had marked progress in repairing bilateral ties that had been strained by former President Bakiyev's moves to "cheat" Russia.<sup>21</sup>

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.

During a visit by Uzbek President Islam Karimov to Kazakhstan on September 6-7, 2012, where he met with President Nursultan Nazarbayev, the two leaders agreed that dams planned to be built by Kyrgyzstan and Tajikistan must be approved by the downstream states in accordance with expert consensus and international conventions. Allegedly President Karimov warned of possible water wars, eliciting criticism in the Kyrgyz legislature and a statement by President Atambayev that "we are not a country which will be scared.... We are an independent state."<sup>22</sup> Despite Karimov's warnings about the Kambarata-1 dam project, Russia and Kyrgyzstan agreed in late September that Russian firms would assist Kyrgyzstan in building the dam. In October 2012, Kazakhstan hosted a meeting attended by Russia, Kyrgyzstan, and Uzbekistan to discuss regional water issues.

Kyrgyzstan signed the CIS Collective Security Treaty 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 seven-year accord signed in 1997 that was extended another 15-years in 2002. Russia reportedly postponed talks on renewing the basing accord until after Kyrgyzstan's presidential

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<sup>21</sup> Open Source Center, *Central Eurasia: Daily Report* (hereafter *CEDR*), December 29, 2011, Doc. No. CEP-950013.

<sup>22</sup> *CEDR*, September 26, 2012, Doc. No. CEP-950180.

election. Russia 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. 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.

According to President Atambayev and other Kyrgyz officials, the 2002 basing agreement with Russia called for a rent payment of \$4.5 million per year, supplemented by training and equipment for Kyrgyz troops. In late February 2012, President Atambayev stated that he had complained during a meeting in Moscow with then-President Medvedev that Russia was four years in arrears in its basing payments. He also averred that the Kant airbase, operated as part of the Collective Security Treaty Organization, had not benefitted Kyrgyzstan, including during the ethnic unrest in 2010, and questioned the continued presence of such a “whip” to be used against Kyrgyzstan.<sup>23</sup>

Russian President Vladimir Putin visited Kyrgyzstan and met with President Atambayev on September 20, 2012. The two sides signed a 15-year extension to Russia’s lease on military facilities in the country, including the Kant airbase (and characterized the facilities as the “united Russian military base in Kyrgyzstan”).<sup>24</sup> Russia’s rent payment for using the facilities reportedly did not change, although issues of training and Kyrgyzstan’s supply of free utilities to the facilities reportedly were addressed. President Atambayev also reported that the accord calls for Russian forces based in Kyrgyzstan to assist in protecting the country’s sovereignty and security in cases of attacks by a third state or by terrorists. The two sides also signed accords canceling one \$190 million Kyrgyz debt and restructuring another \$300 million loan (the latter had been given by Putin to Kyrgyzstan in 2009). Another agreement pledged assistance by Russian firms in building several hydropower projects, including a renewed commitment to assist with the Kambarata-1 dam and hydroelectric power station. At a press conference, Atambayev reiterated his pledge to close the U.S. Manas Transit Center in 2014, and Putin offered aid to convert the Transit Center facilities to civilian use. Repudiating his earlier criticism of Russia (see above), President Atambayev hailed the military basing agreement as enabling the “defense capability and security of Kyrgyzstan [to] grow stronger.... It will allow us to live without worry.” He also proclaimed that “Russia is our main strategic partner.... We do not have a future separate from Russia.”<sup>25</sup>

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. Seven Kyrgyz troops serve in OSCE or U.N. observer forces. The small air force (2,400 personnel) consists of 33 aircraft and 10 helicopters (others are estimated to be not airworthy) based at Kant.<sup>26</sup> 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 new national security concept was signed into law in June 2012 that stresses ties with the Collective Security Treaty Organization as a

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<sup>23</sup> *CEDR*, February 27, 2012, Doc. No. CEP-006009.

<sup>24</sup> Reportedly, the existing basing accord expires in 2017, so that the extension would run to 2032. President Atambayev stated that he had rejected a memorandum of understanding reached by former presidents Bakiyev and Medvedev in August 2009 that had called for a 49-year lease with a 25-year automatic extension. *CEDR*, September 29, 2012, Doc. No. CEP-950054.

<sup>25</sup> *CEDR*, September 20, 2012, Doc. No. CEP-950131, CEP-950107, and CEP-950085; September 21, 2012, Doc. No. CEP-950188; *Interfax*, September 20, 2012, and September 27, 2012.

<sup>26</sup> *The Military Balance*, International Institute for Strategic Studies, March 7, 2012.

priority, although it also stresses that Kyrgyzstan should seek to balance the strategic interests of the United States, Russia, and China. Threats to Kyrgyzstan identified by the concept include terrorism, drug trafficking, water and energy tensions, border delineation and security, separatism, ethnic conflict, and problems of governance, with an emphasis on domestic threat sources.<sup>27</sup> A draft military doctrine based on the concept is under discussion. 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. In March 2012, the Finance Ministry announced that the 2012 defense budget—which had been substantially boosted from the previous year—would be reduced by one-fifth to shift funds to social spending. In September 2012, President Atambayev signed a decree to set up an independent State Border Service (previously, border guards were part of the State National Security Committee). Many border guards had resigned in 2012 because of low pay.

U.S.-Kyrgyz talks on assisting Kyrgyzstan in setting up a military training facility in the south of the country appeared put on hold after Bakiyev's ouster.

## U.S. Relations

After the October 2011 presidential election in Kyrgyzstan, President Obama offered congratulations to the people and government of the country for holding a “democratic and peaceful” election and for taking “an important and courageous step on the path of democracy and demonstrat[ing] their commitment to an orderly and open transition of power.” He also pledged that “the people of Kyrgyzstan will have a partner in the United States as they undertake the hard work of building upon the democratic gains [since the April 2010 coup] and realizing a democratic, prosperous and just future for all Kyrgyz citizens.”<sup>28</sup> In a press release in December 2011 celebrating 20 years of bilateral relations between the United States and Kyrgyzstan, U.S. Ambassador to Kyrgyzstan Pamela Spratlen stated that the United States is “fully committed to cooperating with the government and people of the Kyrgyz Republic to meet the most urgent development needs throughout the country. As the business environment improves, we hope to expand trade and investment ties.... We also stand shoulder-to-shoulder on the world stage as genuine partners with shared interests in seeking a stable, secure region.”<sup>29</sup>

In testimony to Congress in July 2012, Assistant Secretary of State Robert Blake stated that support for democratization in Kyrgyzstan was a “cornerstone” of U.S. policy in Central Asia, since the country leads the region in democratization. Aid efforts have included the training of electoral workers, support for ethnic reconciliation, judicial reforms, ending detainee abuses, and holding the perpetrators of such abuses accountable. He also praised Kyrgyzstan's participation as part of the Northern Distribution Network for the transit of U.S. and NATO equipment to and

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<sup>27</sup> Roger McDermott, “Kyrgyzstan's National Security Concept Legally Enshrines Strategic Balance,” *Eurasia Daily Monitor*, August 6, 2012; *CEDR*, June 14, 2012, Doc. No. CEP-950091.

<sup>28</sup> The White House, *Statement by the President Obama on the Presidential Elections in Kyrgyzstan*, October 31, 2011. See also U.S. Senate, Committee on Foreign Relations, *Kerry Congratulates the Kyrgyz Republic on the First Democratic Transition of Power in Central Asia*, November 30, 2011.

<sup>29</sup> U.S. Embassy, Bishkek, Kyrgyzstan, *Ambassador Spratlen's Statement on Celebrating 20 Years of Friendship and Cooperation between the Kyrgyz Republic and the United States*, December 27, 2011.

from Afghanistan, and the country's hosting of the U.S. Manas Transit Center for military air flights in and out of Afghanistan (see below).<sup>30</sup>

Cumulative U.S. budgeted foreign aid to Kyrgyzstan for FY1992-FY2010 was \$1.22 billion (FREEDOM Support Act and agency funds), with Kyrgyzstan ranking third in such aid per capita among the Soviet successor states. 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 for FY2010. Foreign aid was \$41.4 million in FY2011 and an estimated \$47.75 million in FY2012 (these FY2011-FY2012 amounts include foreign assistance provided in the former Aid for Europe, Eurasia, and Central Asia Account and other "Function 150" aid, and do not include Energy and Defense Department funding; for the latter for the Manas Transit Center, see below). Under the Continuing Appropriations Resolution for FY2013, signed into law on September 28, 2012 (P.L. 112-175), regular foreign aid accounts are funded until late March 2012 at the same level as in FY2012 plus .612%, and most country allocations may be adjusted at agency discretion.

The State Department's Congressional Budget Request for FY2013 states that the primary U.S. assistance goals in Kyrgyzstan will be support to consolidate democratic progress in the country and to enhance access to justice and citizen services. Other goals include boosting security agency reforms, empowering private enterprise, and strengthening food security. As far as funding, however, the priority appears to be on agricultural sector assistance to boost food security, including efforts to improve land usage, access to irrigation and micro-finance, and agribusiness. Other economic assistance is aimed at removing barriers to trade and encouraging Kyrgyz exports, including electricity. The second priority in terms of the funding request is support for democratization, followed closely by security assistance.<sup>31</sup>

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. Kyrgyzstan was not re-selected in FY2012 for a re-designed threshold aid program. According to MCC's evaluation, Kyrgyzstan faced problems of corruption and ruling justly that rendered it ineligible.

## **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

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<sup>30</sup> U.S. House of Representatives, House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Engagement in Central Asia, *Testimony of Robert Blake, Assistant Secretary, Bureau of South and Central Asian Affairs*, July 24, 2012.

<sup>31</sup> U.S. Department of State, *Congressional Budget Justification for Foreign Operations for FY2013, Annex: Regional Perspectives*, April 3, 2012.



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. The Manas Transit Center reported in late 2012 that there are about 1,500 U.S. troops and U.S. contractors at the center, as well as KC-135 and C-17 aircraft, and that it transports nearly 300,000 troops and other personnel into and out of Afghanistan per year.<sup>32</sup>

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.<sup>33</sup> 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 for a U.S.-Kyrgyz Joint Development Fund for economic projects, \$21 million for counter-narcotics efforts, and \$10 million for counter-terrorism efforts.<sup>34</sup> 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.<sup>35</sup>

### **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 quickly announced, however, that the lease on the transit center was not in jeopardy.

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,

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<sup>32</sup> Transit Center at Manas, “Inside Manas,” at <http://www.manas.afcent.af.mil/library/index.asp>; Senior Airman Lysnie Nichols, “We Move You,” January 4, 2012, at <http://www.manas.afcent.af.mil/news/story.asp?id=123285008>.

<sup>33</sup> U.S. Department of Defense. *DoD News Briefing*, June 24, 2009. See also U.S. Department of State. *Daily Press Briefing*, June 25, 2009.

<sup>34</sup> Tolkun Namatbayeva, “Kyrgyzstan Allows U.S. to Keep Using Base,” *Agence France Presse*, June 23, 2009.

<sup>35</sup> See also CRS Report R40564, *Kyrgyzstan and the Status of the U.S. Manas Airbase: Context and Implications*, by Jim Nichol.

the group allegedly had planned to bomb the Manas Transit Center, according to the then-chairman of Kyrgyzstan's National Security Committee, Keneshbek Duishebaev. In late February 2012, an obscure "Muslim Resistance Committee" issued a call for violence against the Transit Center to force its closure and against Kyrgyz political and clerical leaders.

During his presidential election campaign, then-candidate Atambayev stated that when the agreement for U.S. operations at the Manas Transit Center ends in 2014, he would press for ending military operations at the transit center and using the facilities for commercial transit and trade, including with Afghanistan. In late December 2011, newly elected President Atambayev responded to Iran's threats to close the Straits of Hormuz by claiming that the U.S. Manas Transit Center—a major U.S. military facility supporting operations in Afghanistan—might be a target of Iranian missiles. Such an attack, he warned, could endanger the city of Bishkek adjacent to the Manas Transit Center, and stated that "Why do I need this kind of a base here? Does anyone need it?"<sup>36</sup> In March 2012, Defense Secretary Leon Panetta visited Bishkek to meet with military and other officials (although reportedly not Atambayev) before proceeding to Afghanistan. Kyrgyz media reported that these officials stressed that the airbase would be closed in 2014. During his meeting with visiting Russian President Putin in late September 2012, Atambayev reiterated that he planned to close the airbase in 2014 and to incorporate the facilities into the operations of the international airport co-located in Manas.

As part of efforts to be more open about the operations of the transit center to allay some Kyrgyz popular and elite misconceptions, the U.S. Embassy in Bishkek has reported that in FY2009, the United States provided \$108 million in direct, indirect, and charitable expenses in connection with the Manas Transit Center, \$131.5 million in FY2010, and \$150.6 million in FY2011.

Of this FY2011 amount:

- \$60 million was a lease payment
- \$27.4 million was landing and other fees and leases
- \$30 million was a contribution to Kyrgyz Aeronavigation
- \$30.9 million was for construction of buildings and road repairs, for furniture and other equipment, and for services
- \$824,000 was for "programmatic humanitarian assistance"
- \$1.4 million was for other local spending

During the period from January through August 2012, the embassy reported that \$116 million had been paid for costs related to the Manas Transit Center. In addition to this spending, \$230 million was paid in FY2009 and about \$370 million in FY2010 for jet fuel (see also below).<sup>37</sup>

In September 2012, Kyrgyzstan Airlines announced that it had joined with other air cargo operators to transport military cargoes through the U.S. Manas Transit Center to and from Afghanistan, providing the airline with the opportunity to gain revenues as a participating carrier

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<sup>36</sup> *CEDR*, December 29, 2011, Doc. No. CEP-950083.

<sup>37</sup> 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](http://bishkek.usembassy.gov/tc_recent_contributions.html); *Transit Center Jet Fuel Contracts 2009-2011*, at [http://bishkek.usembassy.gov/fuel\\_contracts.html](http://bishkek.usembassy.gov/fuel_contracts.html).

along the Northern Distribution Network (NDN) of land, sea, and air routes into and out of Afghanistan. Kyrgyzstan is not a major land route for shipments into and out of Afghanistan, but is an alternative route for land shipments. In May 2012, on the sidelines of the NATO Summit in Chicago, the United States and Kyrgyzstan signed an agreement on the ground transit of cargoes out of Afghanistan.

### **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.<sup>38</sup> 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 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

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<sup>38</sup> 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.

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, 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.

### **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, provided for the possible addition of a second supplier firm for between 20% and 50% of the fuel.<sup>39</sup> 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.

In May 2011, the DLA 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.

The DLA placed its first order for fuel with GAK on September 26, 2011, to initially supply 20% of the Transit Center’s aviation fuel needs (estimated at up to 12 million gallons per month), potentially reaching 50% or more by the end of the year. According to one report, the fuel is directly supplied from Gazprom’s oil refineries and transported by the Russian Transoil company to the transit center.<sup>40</sup>

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<sup>39</sup> U.S. Department of Defense, *Press Release*, November 4, 2010.

<sup>40</sup> Deidre Tynan, “Kyrgyzstan: Manas Fuel Contract Goes to Kyrgyz-Russian Venture,” Eurasianet, September 27, 2011; *CEDR*, September 28, 2011, Doc. No. CEP-950073.

On October 26, 2011, the DLA announced that it had awarded a one-year contract for 2012 for the provision of fuel to the Manas Transit Center to World Fuel Services Europe (WFSE), a subsidiary of a U.S.-based firm. Under the contract, WFSE will cooperate with GAK to fulfill the aviation fuel needs of the Transit Center. WFSE is to provide a minimum of 10% of the fuel requirements of the Transit Center and a maximum of 100%, but GAK may eventually be called upon to provide up to 90% of the monthly aviation fuel supplies based on its capabilities and performance. The U.S. Embassy in Bishkek stated that the new contract aimed “to ensure a stable, secure, and uninterrupted supply of fuel” to the Transit Center.<sup>41</sup> The new contract does not mention any role for Mina Corporation in providing fuel (however, Red Star was given a contract in early 2012 to continue to supply jet fuel to the Bagram Airbase in Afghanistan). The U.S. embassy reports that in January through of August 2012, the United States paid \$163 million for jet fuel to GAK. According to one report, WFSE has supplied about 50% of the fuel requirements in 2012, although the source of fuel is not mentioned.

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<sup>41</sup> U.S. Department of State, Embassy of the United States in Bishkek, Kyrgyzstan, *Manas Fuel Contract Award*, October 27, 2011; Deirdre Tynan, “Kyrgyzstan: The End of an Era at Manas Air Base,” *Eurasianet*, October 27, 2011.

Figure I. Map of Kyrgyzstan



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