



Kyrgyzstan: Recent Developments and U.S. Interests

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Summary

This report examines Kyrgyzstan's uneven political and economic reform efforts. It discusses U.S. policy and assistance for democratization and other programs and provides basic facts and biographical information. Related products include CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*, by Jim Nichol.

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U.S. Relations

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 that respects the rights of all its citizens. Kyrgyzstan is also a significant contributor to security in Afghanistan by hosting the Manas Transit Center through which nearly all U.S. troops enter and leave the theater.... [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.”¹

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.² Assistant Secretary of State Blake has added that a fifth priority is assistance for democratization.

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: Roza Otunbayeva; 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 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.

² U.S. Embassy, Bishkek, Kyrgyzstan. *Press Conference by Daniel Rosenblum, Coordinator, U.S. Assistance for* (continued...)

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 \$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).

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).³

Following the April 2010 coup and the June 2010 ethnic violence (see below), 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-Stage 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 U.S. pledge includes:

(...continued)

Europe and Eurasia, July 28, 2010.

³ U.S. Department of State. *Congressional Budget Justification for Foreign Operations FY2010: Annex, Regional Perspectives*, March 2010.

- \$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 in the Kyrgyz Republic.
- \$10 million to address food shortages through cash vouchers and local and regional procurement to meet urgent needs.
- \$5.1 million for projects to strengthen democratic processes and institutions, protect human rights, support civil society, and ensure governmental accountability.
- \$6.1 million in USAID grants to NGO partners to support protection activities, water and sanitation projects, improved humanitarian communications, and other IDP assistance.
- \$1 million from USAID to supplement supplies of fertilizers, fuel and other inputs this summer to help safeguard the fall harvest in the Kyrgyz Republic.
- \$2.2 million to the International Committee for the Red Cross/Red Crescent (ICRC) for shelter and resettlement assistance.
- \$1 million in response to the initial U.N. High Commissioner for Refugees (UNHCR) humanitarian appeal.
- \$1 million to the U.N. Children's Fund (UNICEF) for protection, shelter and resettlement assistance.
- \$500,000 to the U.N. Office for the Coordination of Humanitarian Affairs (OCHA) to support common objectives and priorities among humanitarian actors.
- \$732,716 in USAID grants to NGOs to support economic recovery and market systems.

Figure I. Map of Kyrgyzstan



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.

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 a fact sheet prepared in early 2009 by the 376th Air Expeditionary

Wing of the U.S. Air Force, the Manas airbase serves as the “premier air mobility hub” for 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 March 2010, about 50,000 troops passed through Manas, en route to or out of Afghanistan, according to the Air Force, a substantial increase over the average number of troops transiting per month in 2009.⁴

In early 2006, Kyrgyz President Bakiyev reportedly requested that lease payments for use of the Manas airbase be increased to more than \$200 million per year but at the same time re-affirmed Russia’s free use of its nearby base.⁵ By mid-July 2006, however, the United States and Kyrgyzstan announced that they had reached a settlement for the continued U.S. use of the airbase. Although not specifically mentioning U.S. basing payments, it was announced that the United States would provide \$150 million in “total assistance and compensation over the next year,” subject to congressional approval.

In September 2007, a U.S. military officer stated that the Manas airbase was moving toward “a sustainment posture,” with the replacement of most tents and the building of aircraft maintenance, medical, and other facilities.⁶

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 “to continu[e] to work, with them, to supply our troops in Afghanistan, so that we can help with the overall security situation in the region.”⁷ The agreement was approved by the legislature and signed into law by President Bakiyev, to take effect on July 14, 2009. 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.⁸ All except the increased rent had already been appropriated

⁴ Staff Sgt. Carolyn Viss, “LRS breaks 2 of their own records,” *376th Air Expeditionary Wing Public Affairs*, April 5, 2010.

⁵ For background, see CRS Report RS22295, *Uzbekistan’s Closure of the Airbase at Karshi-Khanabad: Context and Implications*, by Jim Nichol. Perhaps indicating Kyrgyz pressure on Russia to compensate for use of the base, Russia in October 2006 pledged grant military assistance to Kyrgyzstan.

⁶ Lt. Col. Michael Borgert, “Liberandos: Thank You for a Job Well Done,” *376th Expeditionary Services Squadron Public Affairs*, September 9, 2007.

⁷ U.S. Department of Defense. *DoD News Briefing*, June 24, 2009. See also U.S. Department of State. *Daily Press Briefing*, June 25, 2009.

⁸ Tolkun Namatbayeva, “Kyrgyzstan Allows U.S. to Keep Using Base,” *Agence France Presse*, June 23, 2009.

or requested. The agreement also reportedly includes 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 (see below).⁹

Under Secretary William Burns visited Kyrgyzstan in early July 2009 and reportedly stated that “we welcome a new decision of President Bakiyev regarding the set up of a transport and logistics hub in Manas Airport.... [The agreement] is an important contribution into our common goals in Afghanistan.” He also stated that “the new administration believes that we should expand and deepen the level and scope of our bilateral relations” with Kyrgyzstan, and he announced that a U.S.-Kyrgyzstan bilateral commission on trade and investment would be set up.¹⁰

Kyrgyzstan had also requested that French and Spanish troops who were deployed at Manas had to leave, and they had pulled out by October 2009. The French detachment (reportedly 35 troops and a tanker aircraft) moved temporarily to Dushanbe. The Spanish unit (reportedly 60 troops and two transport aircraft) moved temporarily to Herat, west Afghanistan, and Dushanbe was used temporarily as a stopover for troop relief flights. France and Spain have since reached accords with Kyrgyzstan and have returned to Manas.

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 warned on April 8 that questions of corruption involving commercial supplies for the transit center would be one matter of investigation. On April 12, she stated that she realized that 2010 was a seminal year for U.S. operations in Afghanistan and that President Obama planned on drawing down troops thereafter, and implied that ultimately she hoped there were no bases in the country.¹¹ On April 13, Otunbayeva announced that the lease on the transit center would be “automatically” renewed for one year.

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, legislative election. For instance, the chairman of the Kyrgyz Communist Party, Ishak Masaliev, and the head of the Zharyk Kyrgyzstan Party, Rasul Umbetaliyev, likely would campaign on an anti-base platform if they run for president. In congressional testimony in April 2010, analyst Eugene Huskey warned that a party bloc might emerge before the presidential election that would campaign on anti-corruption and opposition to the continued operation of the transit center. At the same hearing, diplomat Baktybek Abdrisaev argued that Kyrgyz policymakers would not demand the closure of the transit center as long as terrorism continues to threaten Afghanistan, since the operations of the transit center benefit Kyrgyzstan’s national security.¹²

⁹ See also CRS Report R40564, *Kyrgyzstan and the Status of the U.S. Manas Airbase: Context and Implications*, by Jim Nichol.

¹⁰ “U.S. Welcomes Decision of Kyrgyzstan to Set Up Transport and Logistics Hub,” *AKIpress News Agency*, July 13, 2009.

¹¹ *CEDR*, April 12, 2010, Doc. No. CEP-600.

¹² 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.

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 “programmatically humanitarian assistance”;
- \$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.¹³

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.¹⁴

Foreign Policy and Defense

Kyrgyzstan’s relations with Uzbekistan have been marked by trade, border, and other disputes. Tension 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. Perhaps somewhat easing tensions, then-President Bakiyev and Karimov issued a statement in October 2006 reaffirming mutual adherence to the 1996 Kyrgyz-Uzbek Treaty on Eternal Friendship. In February 2009, Uzbekistan excoriated Russia for pledging to invest \$1.7 billion to build a hydro-electric power complex on Kyrgyzstan’s Naryn River, which Uzbekistan claimed would reduce the amount of water it receives. In late May 2009, Uzbekistan blamed Kyrgyzstan for lax border controls that allegedly enabled terrorists to slip into Uzbekistan to carry out attacks. In August 2009, Uzbekistan denounced Kyrgyzstan’s intention to host a new Russian military base as adding to instability in the region.

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

¹³ 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.

¹⁴ “Manas Fuel Supply Figures Negotiate with Congressional Investigators,” *Eurasianet*, July 15, 2010.

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. On August 1, 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. 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's armed forces number about 10,900 active ground and air force troops. Paramilitary forces include 5,000 border guards, 3,500 police troops and 1,000 National Guard troops. Less than a dozen Kyrgyz troops serve in OSCE or U.N. observer forces.¹⁵ Most troops are ethnic Kyrgyz conscripts, though some officers are Russians. About one-third of the armed forces are female. Most Kyrgyz officers receive training in Russia and the Russian language remains the language of command. A four-year military reform plan launched in late 2008 calls for disbanding some military units, forming rapid reaction forces ("mobile troops"), stationing some of these forces in southern Kyrgyzstan, reducing Defense Department staff by 1,200, cutting the number of officers by 600, and raising the number and wages of contract soldiers. Also, some conscripts are being permitted to pay for one month of military training, after which they will be included in the reserves. Russia reportedly provided \$2.4 million of weapons in 2008—in exchange for basing rights at Kant—to help Kyrgyzstan replace its aged military equipment. Over the period from FY1992 through FY2008, the United States has provided over \$140 million in foreign assistance to Kyrgyzstan for peace and security programs (excluding military aid associated with the Manas airbase) to counter terrorist threats, to counter narcotics trafficking, and to counter the proliferation of weapons of mass destruction.

A reported 800 guerrillas belonging to the terrorist Islamic Movement of Uzbekistan (IMU) and other groups from Tajikistan invaded Kyrgyzstan in July-August 1999. They allegedly aimed to create an Islamic state as a springboard for jihad in Uzbekistan. Another possible aim may have been to secure drug trafficking routes. Kyrgyzstan received air support from Uzbekistan and Kazakhstan and expelled the invaders in October 1999. In August 2000, a reported 500 IMU and other guerrillas again invaded Kyrgyzstan (others invaded Uzbekistan). Uzbekistan provided air and other support, and Kyrgyz forces defeated the guerrillas by late October 2000. In 2002 and 2003, the IMU allegedly set off bombs in Bishkek and Osh. Kyrgyzstan arrested the bombers in May 2003, reportedly before they were able to carry out a plan to bomb the U.S. embassy. About a dozen alleged IMU members invaded from Tajikistan in May 2006 but were soon defeated (some escaped). After this, the Kyrgyz defense minister claimed that the IMU and other terrorist groups were an increasing national security threat. Assistant Secretary of State Blake raised concerns in July 2010 that instability in Kyrgyzstan might make it a target for Islamic extremists from Afghanistan to transit Tajikistan to enter the country. The U.S. State Department designated the IMU as a Foreign Terrorist Organization in September 2000.

¹⁵ *The Military Balance*, International Institute for Strategic Studies, February 3, 2010.

Political Developments

After two days of 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. Pro-Bakiyev demonstrators occupied government offices in Batken, Jalal-abad, and Osh on May 13-14, but after clashes that resulted in at least one death and dozens of injuries, the interim leadership re-established control. Renewed clashes took place in Jalal-abad on May 19 that reportedly resulted in two deaths and dozens of injuries.¹⁶ Deep-seated tensions between ethnic Kyrgyz and ethnic Uzbeks in southern Kyrgyzstan erupted on June 10-11, 2010.

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.¹⁷ 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.

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. The fighting over the next few days resulted in an official death toll of over 350 (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

¹⁶ CRS Report R41178, *The April 2010 Coup in Kyrgyzstan: Context and Implications for U.S. Interests*, by Jim Nichol.

¹⁷ 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.

variously blamed Bakiyev's supporters, Uzbek secessionists, Islamic extremists, and drug traffickers for fuelling the violence.¹⁸ There are some reports that elements of the police and armed forces in the south defied central authority and were involved in the violence and subsequent attacks on ethnic Uzbeks. 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.¹⁹

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.²⁰ 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."²¹ 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.²²

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.²³ 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.²⁴ 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. The mission could later be extended and another 50 advisors deployed.²⁵

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

¹⁸ Bruce Pannier, "Kyrgyzstan: Anatomy of a Conflict," *RFE/RL*, July 02, 2010.

¹⁹ "Kyrgyz Commission Begins Investigating Ethnic Clashes," *RFE/RL*, August 2, 2010; "OSCE Parliamentary Assembly Supports Kyrgyz Inquiry; UN Response Awaited," *Eurasianet*, July 28, 2010.

²⁰ UNHCR. *Final Report on UNHCR Emergency Operations in the Republic of Uzbekistan*, July 23, 2010.

²¹ U.S. Department of State. *Opening Statement of Assistant Secretary Schwartz*, June 29, 2010.

²² 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.

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

²⁴ Human Rights Watch. *Kyrgyzstan/Uzbekistan: Governments Should Open Border; With New Abuse Reported, Kyrgyz Government Should Protect Uzbek Minority*, July 20, 2010.

²⁵ 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.

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.²⁶ Analyst Martha Olcott has warned that the pledged aid will not be enough to meet the yawning economic challenges of rebuilding and development faced by the government in the coming year, so that the Kyrgyz people will need to adjust to a hopefully temporary period of greater austerity. 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.²⁷

Human Rights

According to the U.S. State Department's *Country Reports on Human Rights Practices for 2009*, 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. The government attempted to impede public criticism of its actions by monitoring political meetings. Most newspapers and magazines were privately owned. State-owned television broadcast throughout the country, although there were also smaller private television stations. Media watchdog organizations and human rights groups reported harassment of journalists working for opposition news media. 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 government generally respected freedom of assembly, although with some restrictions, including a law prohibiting protesters from gathering near government buildings. The 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.²⁸

²⁶ 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 Kryrgyzstan: The International Response. *Testimony of Robert O. Blake*, July 27, 2010.

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

²⁸ U.S. Department of State. *Country Reports on Human Rights Practices for 2009*, March 11, 2010.

Economic Issues

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).²⁹

Gold production still is the most significant industrial source of GDP and export earnings. Agriculture 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.³⁰

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

²⁹ Asian Development Bank, International Monetary Fund, and The World Bank. *The Kyrgyz Republic: Joint Economic Assessment: Reconciliation, Recovery and Reconstruction*, July 21, 2010.

³⁰ 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.³¹

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³¹ Julia Mazykina, "Kyrgyzstan Will Not Always Borrow External Aid - Chorobek Imashev," *News Agency 24.kg*, August 6, 2010.