

CRS Report for Congress

Central Asia: Regional Developments and Implications for U.S. Interests

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Summary

After the collapse of the Soviet Union in 1991, the United States recognized the independence of all the former Central Asian republics, supported their admission into Western organizations, and elicited Turkish support to counter Iranian influence in the region. Congress was at the forefront in urging the formation of coherent U.S. policies for aiding these and other Eurasian states of the former Soviet Union.

Soon after the terrorist attacks on America on September 11, 2001, all the Central Asian states offered overflight and other support to coalition anti-terrorist efforts in Afghanistan. Kyrgyzstan, Tajikistan, and Uzbekistan hosted coalition troops and provided access to airbases. In 2003, Kazakhstan and Uzbekistan also endorsed coalition military action in Iraq, and Kazakhstan provided about two dozen troops for rebuilding. U.S. policy has emphasized bolstering the security of the Central Asian “front-line” states to help them combat terrorism, proliferation, and arms trafficking. Other strategic U.S. objectives have included promoting free markets, democratization, human rights, and energy development. Such policies aim to help the states become what the Administration considers to be responsible members of the international community rather than to degenerate into xenophobic, extremist, and anti-Western regimes that threaten international peace and stability.

The Administration’s diverse goals in Central Asia have reflected the differing characteristics of these states. U.S. interests in Kazakhstan have included securing and eliminating Soviet-era nuclear and biological weapons materials and facilities. In Tajikistan, U.S. aid has focused on economic reconstruction. U.S. energy firms have invested in oil and natural gas development in Kazakhstan and Turkmenistan. Economic and democratic reforms and border security have been among U.S. concerns in Kyrgyzstan. U.S. relations with Uzbekistan suffered following the Uzbek government’s violent crackdown on armed and unarmed protesters in the city of Andijon in May 2005.

The 110th Congress is likely to continue to be at the forefront in advocating increased U.S. ties with Central Asia, and in providing backing for use of the region as a staging area for supporting U.S.-led stabilization efforts in Afghanistan. The 110th Congress is likely to pursue these goals through hearings and legislation on humanitarian assistance, economic development, security issues, human rights, and democratization. The July 2006 U.S.-Kyrgyzstan agreement on the continued U.S. use of airbase facilities in Kyrgyzstan included a U.S. pledge of boosted foreign assistance and other compensation, which is subject to congressional approval. Assistance for border and customs controls and other safeguards to prevent the proliferation of weapons of mass destruction (WMD) will likely be ongoing congressional concerns. Congress will continue to contend with balancing its concerns about human rights abuses and lagging democratization against other U.S. interests in continued engagement with the region to advance energy security and prosecute the Global War on Terror.

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Central Asia: Regional Developments and Implications for U.S. Interests

Most Recent Developments

Visiting Assistant Secretary of State Richard Boucher met with Kazakhstani officials on June 5, 2007, and reportedly stated that “we have made good progress in our relations and perfectly understood these relations’ strategic aims.” He also reportedly hailed “many interesting reforms, including constitutional amendments that will increase parliament’s role” (see below).

Kazakhstan’s President Nursultan Nazarbayev suddenly proposed changes to the constitution on May 17, 2007, that he claimed would increase legislative power and boost democratization. The changes include increasing the number of deputies in the legislature, electing the deputies by party list voting (except for those appointed by the president or a civil association headed by the president), and decreasing the president’s term in office from seven to five years (reversing an earlier change from five to seven years). Many critics term the changes superficial and perhaps aimed at convincing the Organization for Security and Cooperation in Europe (OSCE) that Kazakhstan is democratizing and should be permitted to chair the OSCE in 2009. The legislature approved the changes the next day. Perhaps indicating another reason for the changes, a legislative “initiative” excluded Nazarbayev from term limits.

Kazakhstan issued an international arrest warrant on May 28, 2007, for Rakhat Aliyev, the son-in-law of President Nazarbayev, who had been serving as ambassador to Austria. At the same time, the Kazakh government seized his extensive media holdings in Kazakhstan, closed his television station, and carried out arrests. According to the warrant, Aliyev is wanted in connection with the kidnaping of Kazakh bankers and other crimes. Aliyev has rejected the charges as linked to his criticism of Nazarbayev’s constitutional changes and his wish to run for president.

In a speech in the Czech Republic on June 5, 2007, President Bush reemphasized the program he set forth in his second inaugural address to carry out “the design of our Maker” to foster democratization worldwide. He criticized setbacks to democratization in Uzbekistan such as its silencing of independent voices by jailing human rights activists, but stressed that such setbacks were outweighed by progress in many other countries.

Historical Background

Central Asia consists of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan; it borders Russia, China, the Middle East, and South Asia. The major peoples of all but Tajikistan speak Turkic languages (the Tajiks speak an Iranian language); and most are Sunni Muslims (some Tajiks are Shiia Muslims). Most are closely related historically and culturally. By the late 19th century, Russian tsars had conquered the last independent khanates and nomadic lands of Central Asia. By the early 1920s, Soviet power had been imposed; by 1936, five “Soviet Socialist Republics” had been created. Upon the collapse of the Soviet Union in December 1991, they gained independence.¹

Central Asia: Basic Facts
Total Area: 1.6 million sq. mi., larger than India; Kazakhstan: 1.1 m. sq. mi.; Kyrgyzstan: 77,000 sq. mi.; Tajikistan: 55,800 sq. mi.; Turkmenistan: 190,000 sq. mi.; Uzbekistan: 174,500 sq. mi.
Total Population: 60.6 million, slightly less than France; Kazakhstan: 15.3 m.; Kyrgyzstan: 5.3 m.; Tajikistan: 7.1 m.; Turkmenistan: 5.1 m.; Uzbekistan: 27.8 m. (2006 est., <i>CIA World Factbook</i>).
Total Gross Domestic Product: \$258.5 billion in 2006; per capita GDP is about \$4,300, but there are large income disparities. Kazakhstan: \$138.7 b.; Kyrgyzstan: \$10.5 b.; Tajikistan: \$9.4 b.; Turkmenistan: \$45.1 b.; Uzbekistan: \$54.8 b. (<i>CIA Factbook</i> , purchasing power parity).

Overview of U.S. Policy Concerns

After the collapse of the Soviet Union at the end of 1991, then-President George H.W. Bush sent the “FREEDOM Support Act” (FSA) to Congress, which was amended and signed into law in October 1992 (P.L. 102-511). In 1999, congressional concerns led to passage of the “Silk Road Strategy Act” authorizing language (P.L. 106-113) calling for enhanced policy and aid to support conflict amelioration, humanitarian needs, economic development, transport and communications, border controls, democracy, and the creation of civil societies in the South Caucasus and Central Asia.

U.S. policymakers and others hold various views on the types and levels of U.S. involvement in the region. Some argue that ties with “energy behemoth” Kazakhstan are crucial to U.S. interests.² At least until recently, others argued that Uzbekistan is the “linchpin” of the region (it is the most populous regional state and is centrally located, shaping the range and scope of regional cooperation) and should receive the

¹ See CRS Report 97-1058, *Kazakhstan*; CRS Report 97-690, *Kyrgyzstan*; CRS Report 98-594, *Tajikistan*; CRS Report 97-1055, *Turkmenistan*; and CRS Report RS21238, *Uzbekistan*, all by Jim Nichol.

² U.S. Department of State. Office of the Spokesman. *Remarks: Secretary of State Condoleezza Rice At Eurasian National University*, October 13, 2005. Perhaps indicative of the boosted emphasis on U.S. interests in Kazakhstan, Secretary Rice argued that the country has the potential to be the “engine for growth” in Central Asia. See also National Committee on American Foreign Policy, *Stability in Central Asia: Engaging Kazakhstan*, May 2005.

most U.S. attention. In general, however, U.S. aid and investment are viewed as strengthening the independence of the Central Asian states and forestalling Russian, Chinese, Iranian, or other efforts to subvert them. Such advocates argue that political turmoil and the growth of terrorist enclaves in Central Asia could produce spillover effects both in nearby states, including U.S. allies and friends such as Turkey, and worldwide. They also argue that the United States has a major interest in preventing terrorist regimes or groups from illicitly acquiring Soviet-era technology for making weapons of mass destruction (WMD). They maintain that U.S. interests do not perfectly coincide with those of its allies and friends, that Turkey and other actors possess limited aid resources, and that the United States is in the strongest position as the sole superpower to influence democratization and respect for human rights. They stress that such U.S. influence will help alleviate social tensions exploited by Islamic extremist groups to gain adherents. They also argue that for all these reasons, the United States should maintain military access to the region even when Afghanistan becomes more stable.

Some views of policymakers and academics who previously objected to a more forward U.S. policy toward Central Asia appeared less salient after September 11, 2001, but aspects of these views could gain more credence if Afghanistan becomes more stable. These observers argued that the United States historically had few interests in this region and that developments there remained largely marginal to U.S. interests. They discounted fears that anti-Western Islamic extremism would make enough headway to threaten secular regimes or otherwise harm U.S. interests. At least until the coup in Kyrgyzstan in March 2005 (see below, *Democratization*), these observers argued that the United States should not try to foster democratization among cultures they claimed are historically attuned to authoritarianism. Some observers reject arguments that U.S. interests in anti-terrorism, non-proliferation, regional cooperation, and trade outweigh concerns over democratization and human rights, and urge reducing or cutting off most aid to repressive states. A few observers point to instability in the region as a reason to eschew deeper U.S. involvement such as military access that might needlessly place more U.S. personnel and citizens in danger.

Appearing to indicate a more negative assessment of developmental prospects in Central Asia, then-Director of National Intelligence John Negroponte testified to Congress in January 2007 that the “repression, leadership stasis, and corruption that tend to characterize [Central Asian] regimes provide fertile soil for the development of radical Islamic sentiment and movements, and raise questions about the Central Asian states’ reliability as energy and counter-terrorism partners.... In the worst, but not implausible case, central authority in one or more of these states could evaporate ... opening the door to a dramatic expansion of terrorist and criminal activity along the lines of a failed state.”³

Post-September 11 and Afghanistan. Since the terrorist attacks on the United States on September 11, 2001, the Administration has stated that U.S. policy toward Central Asia focuses on the promotion of security, domestic reforms, and

³ U.S. Senate. Select Committee on Intelligence. *Testimony by Director of National Intelligence John Negroponte*, January 11, 2007.

energy development. According to then-Deputy Assistant Secretary of State B. Lynn Pascoe in testimony in June 2002, the September 11 attacks led the Administration to realize that “it was critical to the national interests of the United States that we greatly enhance our relations with the five Central Asian countries” to prevent them from becoming harbors for terrorism.⁴ After September 11, 2001, all the Central Asian states soon offered overflight and other assistance to U.S.-led anti-terrorism efforts in Afghanistan. The states were predisposed to welcome such operations. Tajikistan and Uzbekistan had long supported the Afghan Northern Alliance’s combat against the Taliban, and all the Central Asian states feared Afghanistan as a base for terrorism, crime, and drug trafficking (even Turkmenistan, which tried to reach some accommodation with the Taliban). In 2005, however, Uzbekistan rescinded its basing agreement with the United States (see also below, *Security*).

Support for Operation Iraqi Freedom. Uzbekistan was the only Central Asian state that joined the “coalition of the willing” in February-March 2003 that endorsed prospective U.S.-led coalition military operations in Iraq (Kazakhstan joined later). Uzbekistan subsequently decided not to send troops to Iraq, but Kazakhstan has deployed some two dozen troops to Iraq who are engaged in demining and water purification. Recently, Central Asian populations reportedly have raised increased concerns about the deaths of Muslim civilians in Iraq.

Fostering Pro-Western Orientations

The United States has encouraged the Central Asian states to become responsible members of the international community, supporting integrative goals through bilateral aid and through coordination with other aid donors. The stated policy goal is to discourage radical anti-democratic regimes and terrorist groups from gaining influence. All the Central Asian leaders publicly embrace Islam but display hostility toward Islamic fundamentalism. At the same time, they have established some trade and aid ties with Iran. Although they have had greater success in attracting development aid from the West than from the East, some observers argue that, in the long run, their foreign policies may not be anti-Western but may more closely reflect some concerns of other Islamic states.⁵

The State Department in 2006 included Central Asia in a revamped Bureau of South and Central Asian Affairs. According to Principal Deputy Assistant Secretary of State Steven Mann, “institutions such as NATO and the Organization for Security and Co-operation in Europe (OSCE) will continue to draw the nations of Central Asia closer to Europe and the United States,” but the United States also will encourage the states to develop “new ties and synergies with nations to the south,”

⁴ U.S. Senate. Committee on Foreign Relations. Subcommittee on Central Asia and the South Caucasus. The U.S. Role in Central Asia. *Testimony of B. Lynn Pascoe, Deputy Assistant Secretary for European and Eurasian Affairs*, June 27, 2002.

⁵ See also CRS Report RL30294, *Central Asia’s Security: Issues and Implications for U.S. Interests*, by Jim Nichol.

such as Afghanistan, India, and Pakistan.⁶ Secretary Rice emphasized these ties when she heralded Kazakhstan's role as part of "a new Silk Road, a great corridor of reform linking the provinces of northern Russia to the ports of South Asia, the republics of Western Europe to the democracies of East Asia."⁷ In May 2007, Defense Secretary Robert Gates urged Asian countries to provide Central Asia with road and rail, telecommunications, and electricity generation and distribution aid to link the region with Asia; to help it combat terrorism and narcotics trafficking; to send technical advisors to ministries to promote political and economic reforms; to offer more military trainers, peacekeepers, and advisors for defense reforms; and to more actively integrate the regional states into "the Asian security structure."⁸

The European Union (EU) has become more interested in Central Asia in recent years as the region has become more of a security threat as an originator and transit zone for drugs, weapons of mass destruction, refugees, and persons smuggled for prostitution or labor. Russia's cutoff of gas supplies to Ukraine in early 2006 also bolstered the existing EU interest in Central Asia as an alternative supplier of oil and gas. Such interests contributed to the launch of a Strategy Paper for assistance for 2002-2006 and a planned follow-on for 2007-2013, and the EU's appointment of a Special Representative to the region. The EU has implemented Partnership and Cooperation Agreements (PCAs, which set forth political, economic, and trade relations) with Kazakhstan, Kyrgyzstan, and Uzbekistan. The PCA with Tajikistan awaits ratification by all member-states and the one with Turkmenistan has not been finalized. An existing Interstate Oil and Gas Transport to Europe (INOGATE) program was supplemented in 2004 and 2006 by a Baku Energy Initiative to diversify energy supplies. One project involves the proposed Nabucco pipeline, which could transport Caspian region gas to Austria. In March 2007, EU and regional foreign ministers met in Kazakhstan to discuss plans for enhanced aid and relations. Some in the EU reportedly urge easing EU sanctions on Uzbekistan imposed after events in Andijon (see below). At the same time, some Western organizational ties with the region have suffered in recent years, in particular those of the OSCE, which has been criticized by Central Asian governments for advocating democratization and respect for human rights.⁹

⁶ U.S. House of Representatives. Committee on International Relations. Subcommittee on the Middle East and Central Asia. Assessing Energy and Security Issues in Central Asia. *Testimony of Steven Mann, Principal Deputy Assistant Secretary for South and Central Asian Affairs*, July 25, 2006.

⁷ *Remarks at Eurasian National University*, October 13, 2005. Some observers in Russia maintain that the State Department is encouraging ties between South and Central Asia in an effort to reduce Russia's influence in Central Asia. Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), January 23, 2007, Doc. No. CEP-436006.

⁸ U.S. Department of Defense. Department of Defense Documents. *International Institute for Strategic Studies - Remarks as Delivered by Secretary of Defense Robert M. Gates, Singapore*, June 1, 2007.

⁹ For details, see CRS Report RL33636, *The European Union's Energy Security Challenges*, by Paul Belkin. See also European Union. "Ferrero-Waldner to Attend EU-Central Asia Ministerial Troika 27/28 March," *Press Release*, March 27, 2007; "The EU and the Countries of the Black Sea and Caspian Sea Regions Agree on a Common Energy Strategy,"

(continued...)

Russia's Role

During most of the 1990s, U.S. administrations generally viewed a democratizing Russia as serving as a role model in Central Asia. Despite growing authoritarian tendencies in Russia since Vladimir Putin became its president in 2000, the Bush Administration has emphasized that Russia's counter-terrorism efforts in the region broadly support U.S. interests. At the same time, the United States long has stressed to Russia that it should not seek to dominate the region or exclude Western and other involvement. Virtually all U.S. analysts agree that Russia's actions should be monitored to ensure that the independence of the Central Asian states is not threatened.

Soon after the terrorist attacks on the United States on September 11, 2001, Russia acquiesced to increased U.S. and coalition presence in the region for operations against Al Qaeda and its supporters in Afghanistan. Besides Russia's own concerns about Islamic extremism in Afghanistan and Central Asia, it was interested in boosting its economic and other ties to the West and regaining some influence in Afghanistan. More recently, however, Russia has appeared to step up efforts to counter U.S. influence in Central Asia by advocating that the states increase economic and strategic ties with Russia and limit such ties with the United States. Such a stance appears paradoxical to some observers, since Russia (and China) benefit from anti-terrorism operations carried out by U.S. (and now NATO) forces in Afghanistan.

During the 1990s, Russia's economic decline and demands by Central Asia caused it to reduce its security presence, a trend that President Putin has appeared to retard or reverse. In 1999, Russian border guards were largely phased out in Kyrgyzstan, the last Russian military advisors left Turkmenistan, and Uzbekistan withdrew from the Collective Security Treaty (CST; see below) of the Commonwealth of Independent States (CIS), in part because the treaty members failed to help Uzbekistan meet the growing Taliban threat in Afghanistan, according to Karimov. However, Russia has appeared determined to maintain a military presence in Tajikistan. It long retained about 14,500 Federal Border Guards in Tajikistan, most of whom were Tajik conscripts, and 7,800 Russian troops of the 201st motorized rifle division.¹⁰

Russia's efforts to formalize a basing agreement with Tajikistan dragged on for years, as Tajikistan endeavored to maximize rents and assert its sovereignty. In October 2004, the basing agreement was signed, formalizing Russia's largest military presence abroad, besides its Black Sea Fleet. At the same time, Tajikistan demanded full control over border policing. Russia announced in June 2005 that it had handed over the last guard-house along the Afghan-Tajik border to Tajik troops. Reportedly, 350 Russian "advisory" border troops remain. Tajik President Emomali

⁹ (...continued)

Press Release, November 30, 2006; Anna Matveeva, *EU Stakes in Central Asia*, Institute of Security Studies, Chaillot Paper, No. 91, July 2006.

¹⁰ *The Military Balance 2005-2006*. London: International Institute of Strategic Studies, 2005.

Rahmonov (or Rahmon) and others emphasize that growing drug production and trafficking from Afghanistan pose increasing challenges.¹¹

In a seeming shift toward a more activist role in Central Asia, in April 2000, Russia called for the members of the CST to approve the creation of rapid reaction forces to combat terrorism and hinted that such forces might launch pre-emptive strikes on Afghan terrorist bases. These hints elicited U.S. calls for Russia to exercise restraint and consult the U.N. Presidents Clinton and Putin agreed in 2000 to set up a working group to examine Afghan-related terrorism (this working group now examines global terrorism issues). CST members agreed in 2001 to set up the Central Asian rapid reaction force headquartered in Kyrgyzstan, with Russia's troops in Tajikistan comprising most of the force. CIS members in 2001 also approved setting up an Anti-Terrorism Center (ATC) in Moscow, with a branch in Kyrgyzstan, giving Russia influence over regional intelligence gathering.

Perhaps to counteract the U.S.-led military coalition presence in Kyrgyzstan established after the September 11, 2001, attacks (see below), Russia in September 2003 signed a 15-year military basing accord with Kyrgyzstan providing access to the Kant airfield, near Kyrgyzstan's capital of Bishkek.¹² The nearly two dozen Russian aircraft and several hundred troops at the base also serve as part of the Central Asian rapid reaction force. The base is a few miles from the U.S.-led coalition's airbase. Taking advantage of Uzbekistan's souring relations with many Western countries (see below), Russia signed a Treaty on Allied Relations with Uzbekistan in November 2005 that calls for mutual defense consultations in the event of a threat to either party (similar to language in the CST). Uzbekistan renewed or reaffirmed its status as a signatory of the CST in June 2006, consolidating its strategic security ties with Russia. The member-states of the CST agreed in June 2006 that basing agreements by any member with a third party had to be approved by all members, in effect providing supreme veto power to Russia over future basing arrangements.

Besides its military presence in Kyrgyzstan and Tajikistan, the Putin government has also asserted its maritime dominance in the Caspian Sea. Russia's Caspian Sea Flotilla has been bolstered by troops and equipment.¹³ In August 2006, a military exercise under the aegis of the CST (but involving mainly Russian forces) was held to repulse a "threat from the Sea" to Kazakhstan. The exercise included a company

¹¹ U.N. Office on Drugs and Crime (UNODC). *Afghanistan Opium Survey 2006*, October 2006. UNODC estimates that about 21% of Afghan-produced morphine and heroin transited Central Asia in 2006. For another assessment, see U.S. House of Representatives, Committee on International Relations, Subcommittee on the Middle East and Central Asia, U.S. Policy in Central Asia: Balancing Priorities. *Testimony of Richard A. Boucher, Assistant Secretary of State for South and Central Asian Affairs*, April 26, 2006. Of the tiny percentage of Afghan drugs that reach U.S. consumers, most do not appear to be smuggled through Central Asia.

¹² In contrast to the U.S. airbase at Manas, the Russians at Kant reportedly have no lease payments and utilities are provided gratis.

¹³ In September 2006, a new 500-ton gunboat was transferred to the Caspian Flotilla that includes a 100-millimeter cannon, a side cannon, submachine guns, a six-barrel gun and a Grad missile launch system. *ITAR-TASS*, September 1, 2006.

of the Caspian Flotilla's 77th Marine Brigade and five ships, which were joined by a marine battalion and ships from a coastal defense brigade from Kazakhstan.¹⁴

Pointing to the deterioration of U.S.-Uzbek ties, many observers suggest that the appreciative attitude of Central Asian states toward the United States — for their added security accomplished through U.S.-led actions in Afghanistan — has declined over time. Reasons may include perceptions that the United States has not provided adequate security or economic assistance and growing concerns among the authoritarian leaders that the United States advocates democratic “revolutions” to replace them. Also, Russia is pledging security support to the states to get them to forget their pre-September 11, 2001, dissatisfaction with its support. Russia also encourages the leaders to believe that the United States backs democratic “revolutions” to replace them.

Russia's economic interests in Central Asia are being reasserted as its economy improves and may constitute its most effective lever of influence. Russia seeks to counter Western business and gain substantial influence over energy resources through participation in joint ventures and by insisting that pipelines cross Russian territory. After an Energy Cooperation Statement was signed at the May 2002 U.S.-Russia summit, it appeared that Russia would accept a Western role in the Caspian region, including construction of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline. Subsequently, however, Russian officials have urged the Central Asian states to rely on Russian-controlled export routes. Russia's Gazprom gas firm has used this control to pay the countries less than one-half of the price it charges European customers for the gas (see below, *Energy Resources*).

Obstacles to Peace and Independence: Regional Tensions and Conflicts

The legacies of co-mingled ethnic groups, convoluted borders, and emerging national identities pose challenges to stability in all the Central Asian states. Emerging national identities compete with those of the clan, family, region, and Islam. Central Asia's convoluted borders fail to accurately reflect ethnic distributions and are hard to police, hence contributing to regional tensions. Ethnic Uzbeks make up sizeable minorities in the other Central Asian countries and Afghanistan. In Tajikistan, they make up almost a quarter of the population. More ethnic Turkmen reside in Iran and Afghanistan — over three million — than in Turkmenistan. Sizeable numbers of ethnic Tajiks reside in Uzbekistan, and seven million in Afghanistan. Many Kyrgyz and Tajiks live in China's Xinjiang province. The fertile Ferghana Valley is shared by Tajikistan, Kyrgyzstan, and Uzbekistan. The central governments have struggled to gain control over administrative subunits. Most observers agree that the term “Central Asia” currently denotes a geographic area more than a region of shared identities and aspirations, although it is clear that the land-locked, poverty-stricken, and sparsely-populated region will need more integration in order to develop.

¹⁴ CEDR, September 6, 2006, Doc. No. CEP-436004.

Regional cooperation remains stymied by tensions among the states. Such tensions continue to exist despite the membership of the states in various cooperation groups such as the CST Organization, the Shanghai Cooperation Organization (SCO), and NATO's Partnership for Peace (PFP). The CST was signed by Russia, Belarus, the South Caucasus countries, and the Central Asian states (except Turkmenistan) in May 1992 and called for military cooperation and joint consultations in the event of security threats to any member. At the time to renew the treaty in 1999, Uzbekistan, Georgia, and Azerbaijan formally withdrew. The remaining members formed the CST Organization (CSTO) in late 2002, and a secretariat opened in Moscow at the beginning of 2004. Through the CSTO, Russia has attempted to involve the members in joint support for the Central Asian rapid reaction forces and joint efforts to combat international terrorism and drug trafficking.¹⁵

In 1996, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signed the "Shanghai treaty" with China pledging the sanctity and substantial demilitarization of mutual borders, and in 1997 they signed a follow-on treaty demilitarizing the 4,300 mile former Soviet-Chinese border. China has used the treaty to pressure the Central Asian states to deter their ethnic Uighur minorities from supporting separatism in China's Xinjiang province, and to get them to extradite Uighurs fleeing China. In 2001, Uzbekistan joined the group, re-named the SCO, and in 2003 the SCO Regional Anti-Terrorism Structure (RATS) was set up there.

The 1992-1997 Civil War in Tajikistan

Tajikistan was among the Central Asian republics least prepared and inclined toward independence when the Soviet Union broke up. In September 1992, a loose coalition of nationalist, Islamic, and democratic parties and groups tried to take power. Kulyabi and Khojenti regional elites, assisted by Uzbekistan and Russia, launched a successful counteroffensive that by the end of 1992 had resulted in 20,000-40,000 casualties and up to 800,000 refugees or displaced persons, about 80,000 of whom fled to Afghanistan. After the two sides agreed to a cease-fire, the U.N. Security Council established a small U.N. Mission of Observers in Tajikistan (UNMOT) in December 1994. In June 1997, Tajik President Rahmon and the late rebel leader Seyed Abdullo Nuri signed a *comprehensive peace agreement*. Benchmarks of the peace process were largely met, and UNMOT pulled out in May 2000. The United States has pledged to help Tajikistan rebuild. Some observers point to events in the city of Andijon in Uzbekistan (see below) as indicating that conflicts similar to the Tajik civil war could engulf other regional states where large numbers of people are disenfranchised and poverty-stricken.

The Incursions into Kyrgyzstan

Several hundred Islamic extremists and others first invaded Kyrgyzstan in July-August 1999. Jama Namanganiy, the co-leader of the Islamic Movement of Uzbekistan (IMU; see below), headed the largest guerrilla group. They seized

¹⁵ Roger N McDermott, "Collective Security Group Reinvents Itself in a New World," *Eurasia Insight*, August 28, 2002.

hostages and several villages, allegedly seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan.¹⁶ With Uzbek and Kazakh air and other support, Kyrgyz forces forced the guerrillas out in October 1999. Dozens of IMU and other insurgents again invaded Kyrgyzstan and Uzbekistan in August 2000. Uzbekistan provided air and other support, but Kyrgyz forces were largely responsible for defeating the insurgents by late October 2000. The IMU did not invade the region in the summer before September 11, 2001, in part because bin Laden had secured its aid for a Taliban offensive against the Afghan Northern Alliance.

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, HT, and other such groups increasingly were threatening national security.

The 1999 and 2004 Attacks in Uzbekistan

A series of explosions in Tashkent in February 1999 were among early signs that the Uzbek government was vulnerable to terrorism. By various reports, the explosions killed 16 to 28 and wounded 100 to 351 people. The aftermath involved wide-scale arrests of political dissidents and others deemed by some observers as unlikely conspirators. Karimov in April 1999 accused Mohammad Solikh (former Uzbek presidential candidate and head of the banned Erk Party) of masterminding what he termed an assassination plot, along with Tohir Yuldashev (co-leader of the IMU) and the Taliban. The first trial of 22 suspects in June resulted in six receiving death sentences. The suspects said in court that they received terrorist training in Afghanistan, Tajikistan, Pakistan, and Russia and were led by Solikh, Yuldashev and Namanganliy. In 2000, Yuldashev and Namanganliy received death sentences in absentia, and Solikh received a 15.5 year prison sentence. Solikh denied membership in IMU, and he and Yuldashev denied involvement in the bombings.

On March 28 through April 1, 2004, a series of bombings and armed attacks were launched in Uzbekistan, reportedly killing 47. An obscure Islamic Jihad Group of Uzbekistan (IJG; Jama'at al-Jihad al-Islami, a breakaway part of the IMU) claimed responsibility. In subsequent trials, the alleged attackers were accused of being members of IJG or of Hizb ut-Tahrir (HT; an Islamic fundamentalist movement ostensibly pledged to peace but banned in Uzbekistan) and of attempting to overthrow the government. Some defendants testified that they were trained by Arabs and others at camps in Kazakhstan and Pakistan. They testified that IMU member Najmiddin Jalolov (convicted in absentia in 2000) was the leader of IJG, and linked him to Taliban head Mohammad Omar, Uighur extremist Abu Mohammad, and Osama bin Laden. On July 30, 2004, explosions occurred at the U.S. and Israeli embassies and the Uzbek Prosecutor-General's Office in Tashkent. The IMU and IJG claimed responsibility and stated that the bombings were aimed against Uzbek

¹⁶ According to Zeyno Baran, S. Frederick Starr, and Svante Cornell, the incursions of the IMU into Uzbekistan and Kyrgyzstan in 1999 and 2000 were largely driven by efforts to secure drug trafficking routes. *Islamic Radicalism in Central Asia and the Caucasus: Implications for the EU*, Silk Road Paper, July 2006.

and other “apostate” governments. A Kazakh security official in late 2004 announced the apprehension of several IJG members. He alleged that the IJG had ties to Al Qaeda; had other cells in Kyrgyzstan, Uzbekistan, and Russia; and was planning assassinations.¹⁷

In September 2000, the State Department designated the IMU as a Foreign Terrorist Organization, stating that the IMU, aided by Afghanistan’s Taliban and by Osama bin Laden, resorts to terrorism, actively threatens U.S. interests, and attacks American citizens. The “main goal of the IMU is to topple the current government in Uzbekistan,” the State Department warned, and it linked the IMU to bombings and attacks on Uzbekistan in 1999-2000. IMU forces assisting the Taliban and Al Qaeda suffered major losses during coalition actions in Afghanistan, and Namanganiy was probably killed.¹⁸ Former CIA Director Porter Goss testified in March 2005 that IJG “has become a more virulent threat to U.S. interests and local governments.”¹⁹ In May 2005, the State Department designated IJG as a global terrorist group, and in June, the U.N. Security Council added IJG to its terrorism list.²⁰ Some authorities in Central Asia have suggested that IMU/IJG activities are increasing. Pakistani media reported in March-April 2007, however, that dozens of IMU/IJG members had been killed in northern Pakistan when local tribes turned against them, perhaps seriously affecting IMU strength.

The 2005 Violence in Andijon, Uzbekistan

Dozens or perhaps hundreds of civilians were killed or wounded on May 13, 2005, after Uzbek troops fired on demonstrators in the eastern town of Andijon. The protestors had gathered to demand the end of a trial of local businessmen charged with belonging to an Islamic terrorist group. The night before, a group stormed a prison where those on trial were held and released hundreds of inmates.²¹ Many freed inmates then joined others in storming government buildings. President Karimov flew to the city to direct operations, and reportedly had restored order by late on May 13. On July 29, 439 people who had fled from Uzbekistan to Kyrgyzstan

¹⁷ See also CRS Report RS21818, *The 2004 Attacks in Uzbekistan: Context and Implications for U.S. Interests*, by Jim Nichol.

¹⁸ U.S. Department of State. *Patterns of Global Terrorism 2003*, April 2004.

¹⁹ U.S. Senate. Committee on Armed Services. *Testimony of the Director of Central Intelligence, The Honorable Porter J. Goss*, March 17, 2005.

²⁰ U.S. Department of State. *Press Statement: U.S. Department of State Designates the Islamic Jihad Group Under Executive Order 13224*, May 26, 2005; U.N. Security Council. The Al-Qaida and Taliban Sanctions Committee. *Press Release: Security Council Committee Adds One Entity to Al-Qaida Section of Consolidated List*, SC/8405, June 3, 2005.

²¹ There is a great deal of controversy about whether this group contained foreign-trained terrorists or was composed mainly of the friends and families of the accused. See U.S. Congress. Commission on Security and Cooperation In Europe. Briefing: The Uzbekistan Crisis. *Testimony of Galima Bukharbayeva, Correspondent. Institute for War and Peace Reporting*, June 29, 2005. For another viewpoint, see Shirin Akiner, *Violence in Andijon, 13 May 2005: An Independent Assessment*, Central Asia-Caucasus Institute, July 2005.

were airlifted to Romania for resettlement processing, after the United States and others raised concerns that they might be tortured if returned to Uzbekistan.²²

In November 2005, the EU Council approved a visa ban on twelve Uzbek officials it stated were “directly responsible for the indiscriminate and disproportionate use of force in Andijon and for the obstruction of an independent inquiry.” The Council also embargoed exports of “arms, military equipment, and other equipment that might be used for internal repression.”²³ Revisiting the sanctions one year later, the EU Council in mid-November 2006 stated that there had been a “lack of progress” by the Uzbek government in improving human rights, and the Council extended the ban on arms sales for another year and the ban on visas for six months. At the same time, the Council permitted some bilateral consultations to help Uzbekistan comply “with the principles of respect for human rights, the rule of law, and fundamental freedoms.”²⁴

The United States and others in the international community repeatedly have called for an international inquiry into events in Andijon, which the Uzbek government has rejected as violating its sovereignty. Uzbek authorities have argued that organized terrorists carried out the attack in Andijon and that they were backed by Western and other outside countries and interests that intended to overthrow the Uzbek government and take over the country and its resources.

At the first major trial of fifteen alleged perpetrators of the Andijon unrest in late 2005, the accused all confessed and asked for death penalties, and testified that the U.S. and Kyrgyz governments helped finance and support violence aimed at overthrowing the government, and that international media colluded with local human rights groups and non-governmental organizations (NGOs) in this effort. The U.S. and Kyrgyz governments denied such involvement, and many observers criticized the trial as appearing stage-managed. Reportedly, 100 or more individuals have been arrested and sentenced, including some Uzbek opposition party members and media and NGO representatives. Partly in response, Congress has amplified calls for conditioning aid to Uzbekistan on its democracy and human rights record (see below, *Legislation*).²⁵

Since the unrest in Andijon, Uzbekistan has closed down over 200 NGOs, many of them U.S.-based or U.S.-supported, on the grounds that they are involved in illegal

²² See also CRS Report RS22161, *Unrest in Uzbekistan: Context and Implications*, by Jim Nichol.

²³ Council of the European Union. *Uzbekistan: Council Adopts Restrictive Measures*, Press Release 14392/05, November 14, 2005. U.S. officials argued that the United States already had been limiting military assistance — at congressional request — because of human rights abuses.

²⁴ Council of the European Union. 2760th General Affairs Council Meeting. *Council Conclusions on Uzbekistan*, November 13, 2006.

²⁵ OSCE. Office for Democratic Institutions and Human Rights (ODIHR). *Report from the OSCE/ODIHR Trial Monitoring in Uzbekistan*, April 21, 2006; Ministry of Foreign Affairs. Republic of Uzbekistan. *Comments on the Report Prepared by the OSCE ODIHR*, April 19, 2006.

activities. Among the few recent U.S.-Uzbek contacts, Assistant Secretary of State Richard Boucher visited Uzbekistan in August 2006. He reported that the U.S. goal was to explore “actions that are needed to try and rebuild trust” despite “strong differences” between the United States and Uzbekistan on human rights issues. In October 2006, Deputy Assistant Secretary of State Evan Feigenbaum evinced “serious disappointment” that U.S.-Uzbek relations had “deteriorated so sharply.” He reportedly stated during another visit in March 2007 that he hoped that a “difficult” period in bilateral relations was ending.²⁶

Democratization and Human Rights

A major goal of U.S. policy in Central Asia has been to foster the long-term development of democratic institutions and policies upholding human rights. Particularly since September 11, 2001, the United States has attempted to harmonize its concerns about democratization and human rights in the region with its interests in regional support for the Global War on Terrorism. According to some allegations, the Administration may have sent suspected terrorists in its custody to Uzbekistan for questioning, a process termed “extraordinary rendition.”²⁷ Although not verifying such transfers specifically to Uzbekistan, the Administration has stated that, under the rendition policy, it receives diplomatic assurances that transferees will not be tortured.

Several of the Central Asian leaders have declared that they are committed to democratization. Despite such pledges, the states have made little progress, according to the State Department.²⁸ During Nazarbayev’s 1994 U.S. visit, he and then-President Clinton signed a Charter on Democratic Partnership that recognized Kazakhstan’s commitments to the rule of law, respect for human rights, and economic reform. During his December 2001 and September 2006 visits, Nazarbayev repeated these pledges in joint statements with President Bush. In March 2002, a U.S.-Uzbek Strategic Partnership Declaration was signed pledging Uzbekistan to “intensify the democratic transformation” and improve freedom of the press. During his December 2002 U.S. visit, President Rahmon pledged to “expand fundamental freedoms and human rights.”

²⁶ U.S. Department of State. *Congressional Presentation for Foreign Operations for FY2008*; U.S. Embassy, Tashkent, Uzbekistan. *Transcript of Deputy Assistant Secretary of State Evan A. Feigenbaum’s Address to the 10th Annual Conference of the American-Uzbekistan Chamber of Commerce*, October 3, 2006. CEDR, March 8, 2007, Doc. No. CEP-950059.

²⁷ *The New Yorker*, February 14, 2005; *New York Times*, May 1, 2005; *New York Times*, December 31, 2005; Representative Edward Markey, *Congressional Record*, December 13, 2005, p. H11337; European Parliament. Temporary Committee on the Alleged Use of European Countries by the CIA for the Transport And Illegal Detention of Prisoners, *Draft Interim Report*, 2006/2027(INI), April 24, 2006; and *On the Testimony by Craig Murray, Former British Ambassador*, Working Document No. 5, June 1, 2006.

²⁸ U.S. Department of State. *Country Reports on Human Rights Practices for 2006*.

Until recently, almost all the leaders in Central Asia had been in place since before the breakup of the Soviet Union (the exception was the leader of Tajikistan, who had been ousted in the early 1990s during a civil war). These leaders long held onto power by orchestrating extensions of their terms, holding suspect elections, eliminating possible contenders, and providing emoluments to supporters and relatives. After this long period of leadership stability, President Akayev of Kyrgyzstan was toppled in a coup in 2005 (see below), and President Niyazov of Turkmenistan died in late 2006, marking the passing of three out of five Soviet-era leaders from the scene. Kazakhstan's president was re-elected in 2005 (see below). A presidential election is scheduled for December 2007 in Uzbekistan.

Possible scenarios of political futures in Central Asia have ranged from rule in most of the states by traditional elites to violent transitions to Islamic fundamentalist rule. Relatively peaceful and quick transitions to more or less democratic and Western-oriented political systems have been considered less likely by many observers. In the case of the three succession transitions so far, Tajikistan's resulted in the replacement of regional/clan elites with some limited inclusion of the Islamic Renaissance Party. Perhaps worrisome, Tajik President Rahmon has written a "spiritual guide" reminiscent of the one penned by Turkmenistan's late authoritarian president, and has given orders on how citizens should live and dress.

It is perhaps too early to discern the outcome of transitions in Kyrgyzstan and Turkmenistan, but Kyrgyzstan's appears to involve power-sharing by traditional regional/clan elites and possibly, fitful democratization.²⁹ In Turkmenistan, it appears that traditional elites have retained power. On March 30, 2007, Turkmenistan's Halk Maslahaty, the supreme legislative-executive body, unanimously elected President Gurbanguly Berdimuhammedow as its head, giving him the last of three top posts held by his predecessor.

The Coup in Kyrgyzstan. Demonstrations in Kyrgyzstan against a tainted legislative election and economic distress resulted in President Akayev's relatively peaceful overthrow in March 2005. Some observers hailed this coup as the third so-called "democratic revolution" in Eurasia, after those in Georgia and Ukraine, and the first in Central Asia. They suggested that the country, because of its slightly wider scope of civil liberties compared to the rest of Central Asia, might lead the region in democratic reforms. Other observers have cautioned that governmental corruption, institutional weakness, and pro-Russian overtures could jeopardize Kyrgyzstan's independence.³⁰ In late October 2006, U.S. media reported that the

²⁹ Mark Katz, "Revolutionary Change in Central Asia," *World Affairs*, Spring 2006, pp. 157-72.

³⁰ Analyst Matthew Fuhrmann, who was in Kyrgyzstan during the coup, states that it fundamentally was an action led by citizens who mobilized to replace what they viewed as a corrupt and undemocratic regime, and was not merely a clan-based or criminal-led effort. "A Tale of Two Social Capitals: Revolutionary Collective Action in Kyrgyzstan," *Problems of Post-Communism*, November/December 2006, pp. 16-29. Other observers suggest that the coup was more a clan-based shift of power than a spontaneous popular uprising. Kathleen Collins, "The Logic of Clan Politics: Evidence from the Central Asian (continued...)

U.S. FBI allegedly had determined that former President Akayev and his family had skimmed off Kyrgyz state assets, including U.S. payments for use of the Manas airbase.

In November and December 2006, conflict between the executive and legislative branches over the balance of powers resulted in the passage of successive constitutions, with President Bakiyev appearing to win back some presidential powers (for background, see CRS Report RL32864, *Coup in Kyrgyzstan: Developments and Implications*; and CRS Report RS22546, *Kyrgyzstan's Constitutional Crisis*, both by Jim Nichol).

Ongoing political instability in Kyrgyzstan was marked by the resignation of Prime Minister Azim Isabekov on March 29, 2006, after a tenure of only a few weeks. President Bakiyev nominated opposition legislator Almaz Atambayev for the post, who Bakiyev hoped could form a coalition party government to ease political tensions. Atambayev was confirmed quickly by the legislature, but opposition politicians refused to join his government. Former Prime Minister and oppositionist Feliks Kulov called for massive street demonstrations beginning on April 9 to push for the president to resign, on the grounds that the administration was highly corrupt and that nepotism had compromised governmental efficiency. Bakiyev appeared to receive at least some public support when he used force to disperse these protesters after two weeks of unrest. Opposition leaders have appeared somewhat chastened by the use of force to disperse the protesters.

Turkmanbashi's Death and Succession. President Niyazov died on December 21, 2006, at age 66, ostensibly from a heart attack. The morning of his death, the government announced that deputy prime minister and health minister Gurbanguly Malikgulyyewic Berdimuhammedow would serve as acting president. The Halk Maslahaty (HM or People's Council, a supreme legislative-executive-regional conclave) convened on December 26 and changed the constitution to make legitimate Berdimuhammedow's position as acting president. It quickly approved an electoral law and announced that the next presidential election would be held on February 11, 2007.

The HM designated six candidates for the presidential election, one from each region, all of whom were government officials and members of the ruling Democratic Party. The ruling Democratic Party endorsed Berdimuhammedow as its candidate, thereby seemingly anointing him as Niyazov's heir-apparent. Reportedly, nearly 99% of 2.6 million voters turned out and 89.23% endorsed acting president Berdimuhammedow. A needs assessment mission from the Organization for Security and Cooperation in Europe (OSCE) visited Turkmenistan during the campaign. It praised some provisions of a new presidential election law, such as those permitting multiple candidacies and access by electoral observers, but criticized others, including those permitting only citizens approved by the legislature and who had served as state officials to run. A small delegation from the OSCE allegedly was not

³⁰ (...continued)

Trajectories," *World Politics*, January 2004, pp. 224-261; S. Frederick Starr, *Clans, Authoritarian Rulers, and Parliaments in Central Asia*, Silk Road Paper, June 2006.

allowed to view the election vote-counting and one member reportedly termed the vote a “play” rather than “real” election. According to the U.S. State Department, the election “represent[ed] a modest step toward political electoral change that could help create the conditions in the future for a free, fair, open and truly competitive elections.”³¹ Berdimuhammedow has not announced any fundamental policy changes.

Recent Developments in Kazakhstan. Incumbent Kazakh President Nazarbayev won another term with 91% of the vote in a five-man race on December 4, 2005. Many observers credited economic growth in the country and promises of increased wages and pensions as bolstering his popularity. He campaigned widely and pledged democratic reforms and poverty relief. Observers from the OSCE, the Council of Europe (COE), and the European Parliament assessed the election as progressive but still falling short of a free and fair race. Problems included restrictions on campaigning and harassment of opposition candidates.³² Then-Assistant Secretary of State for European and Eurasian affairs Daniel Fried averred that “in the case of ... countries whose elections were not free and fair but not a travesty — perhaps Kazakhstan is in that category — we need to be very clear about what it is we want, which is democracy” and that the United States should continue engagement with such governments “as long as they are moving in roughly the right direction.”³³

Political in-fighting became public in late February 2006, when Kazakhstan’s interior (police) ministry announced that it had detained Yerzhan Otembayev, the top aide to Nurtay Abykayev, the speaker of the Senate (the upper legislative chamber). It accused Otembayev of involvement in the February abduction and murder of Altynbek Sarsenbayev, leader of the opposition Nagyz Ak Zhol (True Bright Path) Party. Arrests included personnel in the national security committee, and its head resigned. The police reported that Otembayev had confessed to having Sarsenbayev killed for personal reasons. Opposition politicians and others asserted that Otembayev’s alleged involvement indicated that the assassination was ordered by other top officials. The U.S. FBI reportedly assisted in investigating Sarsenbayev’s murder. At the end of August 2006, the court convicted Otembayev and nine others of involvement in the murders.

A meeting of the Ministerial Council of the OSCE on December 5, 2006, postponed a decision on Kazakhstan’s bid to preside over the organization in 2009. U.S. officials reportedly urged Kazakhstan to make more progress in human rights reforms before a final decision is made.

Recent Developments in Tajikistan. Five candidates ran in the presidential election in Tajikistan held on November 6, 2006, including incumbent

³¹ CEDR, February 12, 2007, Doc. No. CEP-950160. U.S. Department of State. *Daily Press Briefing*, February 15, 2007.

³² OSCE. ODIHR. Election Observation Mission. *Republic of Kazakhstan Presidential Election 4 December 2005: Final Report*, February 21, 2006.

³³ “Assistant Secretary for European and Eurasian Affairs Addresses American Enterprise Institute,” *US Fed News*, December 14, 2005.

President Rahmon. All the four “challengers” praised Rahmon and campaigned little. The opposition Democratic and Social-Democratic Parties boycotted the race, claiming it was undemocratic, and the Islamic Renaissance Party chose not to field a candidate. Rahmon officially received 79.3% of 2.88 million votes with a nearly 91% turnout. According to OSCE and COE observers, the race was slightly improved over the 1999 presidential election but “did not fully test democratic electoral practices ... due to a lack of genuine choice and meaningful pluralism.” The observers criticized the lack of meaningful debate by the candidates, improbable turnout figures in some precincts, use of administrative resources, and non-transparent vote-counting.³⁴

Human Rights. The NGO Freedom House has included Turkmenistan and Uzbekistan among countries such as North Korea and Myanmar that have the lowest possible ratings on political rights and civil liberties.³⁵ Adherents to non-favored faiths, missionaries, and pious Muslims face religious rights abuses in all the states. Unfair elections increase political alienation and violence aimed against the regimes.

According to the State Department, religious freedom deteriorated in Uzbekistan in 2005-2006, with increased repression against Christians and observant Muslims.³⁶ As recommended by the U.S. Commission on International Religious Freedom (USCIRF), Secretary Rice in November 2006 designated Uzbekistan a “country of particular concern” (CPC), where severe human rights violations could lead to U.S. sanctions. In June 2006, the State Department downgraded Uzbekistan to “Tier 3,” for having problems as a source country for human trafficking that does not fully comply with the minimum standards for the elimination of trafficking and is not making significant efforts to do so.³⁷

In the case of religious freedom in Turkmenistan, the State Department maintained that conditions there had improved somewhat in 2005-2006, because the Turkmen Council for Religious Affairs (CRA) was more willing to assist minority religious groups in dealing with the government, and authorities hosted a late 2005 roundtable discussion to inform religious leaders on registration procedures. The USCIRF has termed this State Department claim that religious freedom has improved “disturbing” and “startling” and has recommended since 2000 that Turkmenistan be designated a CPC, because the country “is among the most repressive states in the world today and engages in systematic and egregious violations of freedom of religion.”³⁸

³⁴ OSCE. ODIHR. *Presidential Election, Republic of Tajikistan — 6 November 2006: Statement of Preliminary Findings and Conclusions*, November 7, 2006.

³⁵ Freedom House. *The Worst of the Worst: The World's Most Repressive Societies*, September 6, 2006 and May 9, 2007.

³⁶ U.S. Department of State. *International Religious Freedom Report 2006*, September 15, 2006.

³⁷ U.S. Department of State. *Trafficking in Persons Report*, June 2006.

³⁸ U.S. Commission on International Religious Freedom. *Annual Report*, May 2, 2005, and *Annual Report*, May 3, 2006. USCIRF first urged that Uzbekistan be designated a CPC in (continued...)

Among U.N. actions, the General Assembly in December 2003 and November 2004 approved resolutions expressing “grave concern” about human rights abuses in Turkmenistan and urging reforms. The U.N. Rapporteur on Torture in early 2003 completed a report that concluded that police and prison officials in Uzbekistan “systematically” employed torture.³⁹ In November 2005, the U.N. General Assembly’s Third Committee approved resolutions critical of human rights violations in Turkmenistan and Uzbekistan. The resolution on Turkmenistan expressed “grave concern” about political repression, media censorship, religious minority group harassment, and detainee torture. The resolution on Uzbekistan expressed “grave concern” about violence against civilians in Andijon and called on the government to permit an international investigation. The Uzbek representative asserted that the resolution contained no credible facts and ignored Uzbekistan’s right to defend its constitutional order against terrorists.⁴⁰

Security and Arms Control

The U.S.-led coalition’s overthrow of the Taliban and routing of Al Qaeda and IMU terrorists in Afghanistan (termed Operation Enduring Freedom or OEF) increased the security of Central Asia. According to then-Assistant Secretary of Defense J. D. Crouch in testimony in June 2002, “our military relationships with each [Central Asian] nation have matured on a scale not imaginable prior to September 11th.” Crouch averred that “for the foreseeable future, U.S. defense and security cooperation in Central Asia must continue to support actions to deter or defeat terrorist threats” and to build effective armed forces under civilian control. Kyrgyzstan, Crouch related, became a “critical regional partner” in OEF, providing basing for U.S. and coalition forces at Manas (in late 2006, these troops reportedly numbered about 1,000). Uzbekistan provided a base for U.S. operations at Karshi-Khanabad (K2; just before the pullout, U.S. troops reportedly numbered less than 900), a base for German units at Termez (in mid-2006, German troops reportedly

³⁸ (...continued)

its 2005 *Annual Report*. *Ambassador-at-Large for International Religious Freedom John V. Hanford III on the Release of the State Department’s 2006 Designations of Countries of Particular Concern for Severe Violations of Religious Freedom*, November 13, 2006.

³⁹ U.N. General Assembly. *Resolution: Situation of Human Rights in Turkmenistan*, 58/194, December 22, 2003; *Resolution: Situation of Human Rights in Turkmenistan*, 59/206, December 20, 2004. U.N. Economic and Social Council. Commission on Human Rights. Special Rapporteur on the Question of Torture, Theo van Boven. *Report of the Special Rapporteur Submitted in Accordance with Commission Resolution 2002/38. Addendum: Mission to Uzbekistan*, E/CN.4/2003/68/Add.2, annex, February 3, 2003. U.N. Special Rapporteur on the Question of Torture, Manfred Nowak. *Report by the Special Rapporteur. Addendum: Follow-up to the Recommendations Made by the Special Rapporteur*, E/CN.4/2006/6/Add.2, March 21, 2006.

⁴⁰ U.N. General Assembly. Third Committee. *Draft Resolution: Situation of Human Rights in Turkmenistan*, A/C.3/60/L.46, November 2, 2005; *Draft Resolution: Situation of Human Rights in Uzbekistan*, A/C.3/60/L.51, November 2, 2005; *Press Release: Third Committee ... Approves Text Expressing Deep Concern over Human Rights Situation in Uzbekistan*, GA/SHC/3843, November 22, 2005.

numbered about 300), and a land corridor to Afghanistan for humanitarian aid via the Friendship Bridge at Termez. Tajikistan permitted use of its international airport in Dushanbe for refueling (“gas-and-go”) and hosted a French force (there were reportedly 370 troops there in early 2007). Kazakhstan and Turkmenistan provided overflight and other support.⁴¹

To obtain Uzbekistan’s approval for basing, the 2002 U.S.-Uzbek Strategic Partnership Declaration included a nonspecific security guarantee. The United States affirmed that “it would regard with grave concern any external threat” to Uzbekistan’s security and would consult with Uzbekistan “on an urgent basis” regarding a response. The two states pledged to intensify military cooperation, including “re-equipping the Armed Forces” of Uzbekistan, a pledge that appeared to be repudiated by Uzbekistan following events in Andijon.

Although U.S. security assistance was boosted in the aftermath of 9/11, such aid has lessened somewhat since then as a percentage of all such aid to Eurasia, particularly in FY2004-FY2005 after some aid to Uzbekistan was cut (see below). Security and law enforcement aid was \$187.55 million in FY2002 (31% of all such aid to Eurasia), \$101.5 million (33%) in FY2003, \$132.5 million (11.2%) in FY2004, and \$148.5 million in FY2005 (11.3%). Of all budgeted assistance to Central Asia over the period from FY1992-FY2005, security and law enforcement aid accounted for a little over one-fifth. Security and law enforcement aid included FMF, IMET, and EDA programs and border security aid to combat trafficking in drugs, humans, and WMD. To help counter burgeoning drug trafficking from Afghanistan, the emergency supplemental for FY2005 (P.L. 109-13) provided \$242 million for Central Asia and Afghanistan, and the emergency supplemental for FY2006 (P.L. 109-234) provided \$150 million for Central Asia and Afghanistan (of which about \$30 million was recommended for Central Asia).

In addition to the aid reported by the Coordinator’s Office, the Defense Department provides coalition support payments to Kyrgyzstan, including base lease payments and landing and overflight fees (overall authority and funding have been provided in FY2002-FY2005 emergency supplemental appropriations for military operations and maintenance). According to one 2005 report, the United States had paid a total of \$28 million in landing fees, parking fees, and airport fees; \$114 million for fuel, and \$17 million to Kyrgyz contractors. Uzbekistan received a payment of \$15.7 million for use of K2 and associated services, and the Defense Department in September 2005 announced an intention to pay another \$23 million. On October 5, an amendment to Defense Appropriations for FY2006 (H.R. 2863) was approved in the Senate to place a one-year hold on the payment. Despite congressional concern, the Defense Department transferred the payment in November

⁴¹ Senate Foreign Relations Committee. Subcommittee on Central Asia and the South Caucasus. *Statement of J.D. Crouch II, Assistant Secretary of Defense for International Security Policy*, June 27, 2002. Russia and India signed an agreement in January 2006 to revamp a Soviet-era base at Farkhor, Tajikistan. India reportedly has deployed some helicopters at the base. *Xinhua General News Service*, February 27, 2007; *Eurasia Daily Monitor*, May 24, 2007.

2005. The conferees on H.R. 2863 later dropped the amendment (H.Rept. 109-360; P.L. 109-359).

U.S. Central Command (USCENTCOM) in 1999 became responsible for U.S. military engagement in Central Asia. It cooperates with the European Command (USEUCOM), on the Caspian [Sea] Guard program, launched in 2003, to enhance and coordinate security assistance provided by U.S. agencies to establish an “integrated airspace, maritime and border control regime” for Azerbaijan and Kazakhstan. A related hydrocarbons initiative provides maritime security, crisis response, and consequence management aid to help the Caspian regional states protect energy transport to the West.⁴² Russia has appeared to counter U.S. maritime security aid by boosting the capabilities of its Caspian Sea Flotilla and by urging the littoral states to coordinate their naval activities with Russia’s.

All the Central Asian states except Tajikistan joined NATO’s PFP by mid-1994 (Tajikistan joined in 2002). Central Asian troops have participated in periodic PFP (or “PFP-style”) exercises in the United States since 1995, and U.S. troops have participated in exercises in Central Asia since 1997. A June 2004 NATO summit communique pledged enhanced Alliance attention to the countries of the South Caucasus and Central Asia. Uzbekistan sharply reduced its participation in PFP after NATO raised concerns that Uzbek security forces had used excessive and disproportionate force in Andijon. In contrast to Uzbekistan’s participation, Kazakhstan’s progress in military reform enabled NATO in January 2006 to elevate it to participation in an Individual Partnership Action Plan.

According to some reports, the Defense Department has been considering possibly setting up long-term military facilities in Central Asia termed Cooperative Security Locations (CSLs; they might contain pre-positioned equipment and be managed by private contractors, and few if any U.S. military personnel may be present). The Overseas Basing Commission in 2005 acknowledged that U.S. national security might be enhanced by future CSLs in Central Asia but urged Congress to seek inter-agency answers to “what constitutes vital U.S. interests in the area that would require long-term U.S. presence.”⁴³

Closure of Karshi-Khanabad

On July 5, 2005, the presidents of Uzbekistan, Kyrgyzstan, and Tajikistan signed a declaration issued during a meeting of the Shanghai Cooperation Organization (SCO; see below, *Regional Tensions*) that stated that “as large-scale military operations against terrorism have come to an end in Afghanistan, the SCO member states maintain that the relevant parties to the anti-terrorist coalition should set a

⁴² Senate Armed Services Committee. *Statement of General James L. Jones, USMC, Commander, United States European Command*, March 1, 2005. According to one Azerbaijani newspaper, Turkmenistan is acquiring more weaponry from Russia, which Turkmenistan may threaten to use against Azerbaijan to gain control of disputed Caspian seabed oil and gas fields. *CEDR*, June 22, 2006, Doc. No. CEP-950016.

⁴³ Commission on Review of the Overseas Military Facility Structure of the United States. *Interim Report*, May 9, 2005.

deadline for the temporary use of ... infrastructure facilities of the SCO member states and for their military presence in these countries.”⁴⁴ Despite this declaration, none of the Central Asian leaders immediately called for closing the coalition bases. However, after the United States and others interceded so that refugees who fled from Andijon to Kyrgyzstan could fly to Romania, Uzbekistan on July 29 demanded that the United States vacate K2 within six months. On November 21, 2005, the United States officially ceased operations to support Afghanistan at K2. Perhaps indicative of the reversal of U.S. military-to-military and other ties, former pro-U.S. defense minister Qodir Gulomov was convicted of treason and received seven years in prison, later suspended. Many K2 activities shifted to the Manas airbase in Kyrgyzstan.⁴⁵ 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 and at the same time re-affirmed Russia’s free use of its nearby base.⁴⁶

Russia’s President Vladimir Putin in June 2006 unfavorably compared U.S. foreign policy to Russia’s policy toward the other Soviet successor states (particularly toward Uzbekistan). He stated that Russia had “careful” relations with them since they were still “weak and vulnerable” instead of trying to “impose standards” on them. He argued that “I understand the dissatisfaction of the United States with the fact that Uzbekistan has closed [the U.S.-led coalition airbase at Karshi-Khanabad]. But if they didn’t behave there like a bull in a china shop, maybe the base would not have been closed.” Outgoing U.S. Ambassador to Tajikistan Richard Hoagland strongly responded on June 19 that “to assume that these nations are subject to orders from ... Europe or North America ... is embarrassingly simplistic, offensively paternalistic, and ... does not correspond to reality. To call these republics fragile is equally paternalistic.... Some clear-eyed leaders in [Central Asia] desire strongly to build their nation’s independence and sovereignty. Some others are willing to sell their state and even their own soul to the highest bidder for their own and their family’s short-term personal and political gain.... It would most definitely not be to [the advantage of Central Asian states] to become the Junior Partners in a new Warsaw Pact or Tashkent Pact.... We have no intention to create a new bloc to exercise control.... [All countries] need to work to integrate Central Asia into the world community.”⁴⁷

Some observers viewed the closure of K2 and souring U.S.-Uzbek relations as setbacks to U.S. influence in the region and as gains for Russian and Chinese influence. Others suggested that U.S. ties with other regional states provided

⁴⁴ CEDR, July 5, 2005, Doc. No. CPP-249.

⁴⁵ According to a mid-2006 report, nine million pounds of fuel were being off-loaded and 4,000 tons of cargo and 13,500 people were being transported each month through Manas to Afghanistan. “USAFE/CC Revisits Manas, Impressed with Improvements,” *US Fed News*, July 10, 2006.

⁴⁶ For background, see CRS Report RS22295, *Uzbekistan’s Closure of the Airbase at Karshi-Khanabad: Context and Implications*, by Jim Nichol.

⁴⁷ “Putin Supports Uzbek President to Avoid Afghan Scenario,” *Interfax*, June 16, 2006; U.S. Embassy, Dushanbe, Tajikistan. Amb. Richard Hoagland. *Sovereign States Make Their Own Decisions*, June 19, 2006.

continuing influence and that U.S. criticism of human rights abuses might pay future dividends among regional populations.⁴⁸

On July 14, 2006, the United States and Kyrgyzstan issued a joint statement that the two sides had resolved the issue of the continued U.S. use of airbase facilities at Manas. 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 (some reports indicated that the “rent” portion of this amount would be \$20 million). Kyrgyz Security Council Secretary Miroslav Niyazov and U.S. Deputy Assistant Defense Secretary James MacDougall also signed a Protocol of Intentions affirming that the United States would compensate the Kyrgyz government and businesses for goods, services, and support of coalition operations. Some observers suggested that increased terrorist activities in Afghanistan and a May 2006 terrorist incursion from Tajikistan into Kyrgyzstan may have contributed to a Kyrgyz evaluation that the U.S. coalition presence was still necessary. Visiting Central Asia in late July 2006, USCENTCOM head Gen. John Abizaid stated that the United States probably would eventually reduce its military presence in the region while increasing its military-to-military cooperation.⁴⁹

Following the shooting death of a civilian by a U.S. serviceman at the U.S.-leased Ganci airbase in Kyrgyzstan on December 6, 2006, the Kyrgyz legislature called for him to be handed over for prosecution by Kyrgyz courts, and the Kyrgyz government requested that the soldier not leave Kyrgyzstan until the completion of its investigation. However, the U.S. military in late March 2007 sent the soldier home, just after the Kyrgyz prosecutor general had determined that the serviceman should be handed over for trial. Attempting to defuse domestic criticism of the U.S. action, the Kyrgyz foreign minister reminded his countrymen that the U.S.-Kyrgyz status-of-forces agreement signed in 2001 permitted U.S. authorities to adjudicate the case. Nonetheless, Kyrgyz legislative committees in late May urged altering or repudiating the agreement and the government reported that a commission was deliberating on the future of the agreement. Kyrgyz Prime Minister Almazbek Atambayev allegedly complained on May 24 that the agreement had been “cunningly” drafted to make it hard to break. Visiting Kyrgyzstan on June 5, 2007, U.S. Defense Secretary Robert Gates stated that the agreement is in line with other accords signed by Kyrgyzstan and that “our use of Manas is in support of a larger war on terror in which Kyrgyzstan is an ally of virtually every other nation on earth.”⁵⁰

⁴⁸ On growing Chinese regional influence, see Michael Mihalka, “Counter-insurgency, Counter-terrorism, State-Building and Security Cooperation in Central Asia,” *The China and Eurasia Forum Quarterly*, May 2006.

⁴⁹ *Associated Press*, July 24, 2006.

⁵⁰ *Eurasia Daily Monitor*, May 30, 2007; *CEDR*, May 23, 2007, Doc. No. CEP-950228; June 5, 2007, Doc. No. CEP-950297; *Armed Forces Press Service*, June 5, 2007. Kyrgyz media reported that a small demonstration against the Ganci airbase on June 2 contained many pro-Moscow communist party members.

Weapons of Mass Destruction

Major U.S. security interests have included elimination of nuclear weapons remaining in Kazakhstan after the breakup of the Soviet Union and other efforts to control nuclear proliferation in Central Asia. The United States has tendered aid aimed at bolstering their export and physical controls over nuclear technology and materials, in part because of concerns that Iran is targeting these countries.

After the Soviet breakup, Kazakhstan was on paper a major nuclear weapons power (in reality Russia controlled these weapons). In December 1993, the United States and Kazakhstan signed a Cooperative Threat Reduction (CTR) umbrella agreement for the “safe and secure” dismantling of 104 SS-18s, the destruction of silos, and related purposes. All bombers and their air-launched cruise missiles were removed by late February 1994 (except seven bombers destroyed with U.S. aid in 1998). On April 21, 1995, the last of about 1,040 nuclear warheads had been removed from SS-18 missiles and transferred to Russia, and Kazakhstan announced that it was nuclear weapons-free. The SS-18s were eliminated by late 1994. The United States reported that 147 silos had been destroyed by September 1999. A U.S.-Kazakh Nuclear Risk Reduction Center in Almaty was set up to facilitate verification and compliance with arms control agreements to prevent the proliferation of WMD. S.Res. 122, approved on May 25, 2005, commends Kazakhstan for eliminating its nuclear weapons.

Besides the Kazakh nuclear weapons, there are active research reactors, uranium mines, milling facilities, and dozens of radioactive tailing and waste dumps in Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Many of these reportedly remain inadequately protected against theft. Kazakhstan is reported to possess one-fourth of the world’s uranium reserves, and Kazakhstan and Uzbekistan have been among the world’s top producers of low enriched uranium. Kazakhstan had a fast breeder reactor at Aktau that was the world’s only nuclear desalinization facility. Shut down in 1999, it had nearly 300 metric tons of uranium and plutonium spent fuel in storage pools (three tons of which were weapons-grade). In 1997 and 1999, U.S.-Kazakh accords were signed on decommissioning the Aktau reactor.

CTR aid was used to facilitate transporting 600 kg of weapons-grade uranium from Kazakhstan to the United States in 1994, 2,900 kg of up to 26% enriched nuclear fuel from Aktau to Kazakhstan’s Ulba facility in 2001 (which Ulba converted into less-enriched fuel), eleven kg of uranium in fuel rods from Uzbekistan to Russia in 2004, and 63 kg of uranium from Uzbekistan to Russia in April 2006.

Kazakhstan and Uzbekistan hosted major chemical and biological warfare (CBW) facilities during the Soviet era. CTR and Energy Department (DOE) funds have been used in Kazakhstan to dismantle a former anthrax production facility in Stepnogorsk, to remove some strains to the United States, to secure two other BW sites, and to retrain scientists. CTR funding was used to dismantle Uzbekistan’s Nukus chemical weapons research facility. CTR aid also was used to eliminate active anthrax spores at a former CBW test site on an island in the Aral Sea. These latter two projects were completed in 2002. Other CTR aid helps keep former Uzbek CBW scientists employed in peaceful research. Uzbekistan continued to cooperate

in 2005-2006 with DOD and DOE to receive portal and hand-held radiation monitoring equipment and training.

The FY2003 National Defense Authorization Act (P.L. 107-314, Sec. 1306) provided for the president to waive prohibitions on CTR aid (as contained in Sec.1203 of P.L. 103-160) to a state of the former Soviet Union if he certified that the waiver was necessary for national security and submitted a report outlining why the waiver was necessary and how he planned to promote future compliance with the restrictions on CTR aid. The waiver authority, exercisable each fiscal year, expired at the end of FY2005. (The six restrictions in P.L. 103-160 include a call for CTR recipients to observe internationally recognized human rights.) In FY2004 and FY2005, the President explained that Uzbekistan's human rights problems necessitated waivers.⁵¹ Defense Authorizations for FY2006 (P.L. 109-163) provide a non-sunset waiver authority, exercisable annually. Waivers for Uzbekistan were issued for FY2006 and FY2007. In the 110th Congress, Senator Sam Nunn introduced S. 198 on January 8, 2007, to amend P.L.103-160 to eliminate the restrictions on CTR aid, including respect for human rights. Although waivers can be and are exercised when the conditions are not met, he stated, the lengthy process of making determinations and exercising waivers threatens the primary U.S. national security goal of combating WMD.⁵²

Trade and Investment

The Administration and others stress that U.S. support for free market reforms directly serves U.S. national interests by opening new markets for U.S. goods and services and sources of energy and minerals. U.S. private investment committed to Central Asia has greatly exceeded that provided to Russia or most other Eurasian states except Azerbaijan. U.S. trade agreements have been signed and entered into force with all the Central Asian states, but bilateral investment treaties are in force only with Kazakhstan and Kyrgyzstan. Permanent normal trade relations with Kyrgyzstan were established by law in June 2000, so that "Jackson-Vanik" trade provisions no longer apply that call for presidential reports and waivers concerning freedom of emigration.

Since 2005, the Bush Administration has encouraged Central Asia to bolster its trade and transport ties with Afghanistan and South Asia. As stated by Secretary Rice, these efforts support a "new Silk Road, a great corridor of reform" extending from Europe southward to Afghanistan and the Indian Ocean. According to Evan Feigenbaum, Deputy Assistant Secretary of State for South and Central Asia, "we are ... promoting options and opportunities omni-directionally but increasingly to the

⁵¹ The White House. Presidential Determination: No. 2004-19. *Waiver of Restrictions on Assistance to the Republic of Uzbekistan under the Cooperative Threat Reduction Act of 1993 and Title V of the FREEDOM Support Act*, December 30, 2003; Presidential Determination: No. 2005-13. *Waiver of Restrictions...*, December 14, 2004.

⁵² *Congressional Record*, January 8, 2007, pp. S237-S238.

south — the least developed direction.”⁵³ Major foci of the U.S. Trade and Development Agency’s Central Asian Infrastructure Integration Initiative and USAID’s Regional Energy Market Assistance Program include encouraging energy, transportation, and communications projects, including the development of electrical power infrastructure and power sharing between Central Asia, Afghanistan, and eventually Pakistan and India.⁵⁴

All the states of the region possess large-scale resources that could contribute to the region becoming a “new silk road” of trade and commerce. The Kazakh and Turkmen economies are dependent on energy exports but need added foreign investment for production and transport. Uzbekistan’s state-controlled cotton and gold production rank among the highest in the world and much is exported. It also has moderate energy reserves. Kyrgyzstan has major gold mines and strategic mineral reserves, is a major wool producer, and could benefit from tourism. Tajikistan has one of the world’s largest aluminum processing plants and is a major cotton grower.

Despite the region’s development potential, the challenges of corruption, inadequate transport infrastructure, punitive tariffs, border tensions, and uncertain respect for contracts discourage major foreign investment (except for some investment in the energy sector). Examples of such challenges include Uzbekistan’s restrictions on travel, which have encouraged Tajikistan and Kyrgyzstan to explore building a major road to Kazakhstan that bypasses Uzbekistan. The challenge of corruption was underscored by a report issued in early 2006 by the non-governmental organization Global Witness, which alleged that the late Turkmen President Niyazov personally controlled a vast portion of the wealth generated from natural gas exports. The NGO raised concerns that organized crime groups were involved in these exports and urged the European Union to limit trade ties with Turkmenistan.⁵⁵

Oil and Natural Gas Resources

U.S. policy goals regarding energy resources in the Central Asian and South Caucasian states have included supporting their sovereignty and ties to the West, supporting U.S. private investment, promoting Western energy security through diversified suppliers, assisting ally Turkey, and opposing the building of pipelines

⁵³ *Remarks at Eurasian National University*, October 13, 2005; and U.S. Congress. House International Relations Committee. Subcommittee on the Middle East and Central Asia. *Testimony by Steven R. Mann, Principal Deputy Assistant Secretary*, July 25, 2006. See also U.S. Embassy Kazakhstan. *Kazakhstan and the United States in a Changed World*, August 23, 2006.

⁵⁴ U.S. Trade and Development Agency. *Press Release: USTDA Launches Central Asian Infrastructure Integration Initiative*, October 14, 2005; Richard A. Boucher, *Remarks at Electricity Beyond Borders: A Central Asia Power Sector Forum*, Istanbul, Turkey, June 13, 2006; Joshua Kucera, “Washington Seeks to Steer Central Asian States Toward South Asian Allies,” *Eurasia Insight*, April 28, 2006; Joshua Kucera, “USAID Official Outlines Plan to Build Central-South Asian Electricity Links,” *Eurasia Insight*, May 4, 2006.

⁵⁵ Global Witness. *It’s a Gas: Funny Business in the Turkmen-Ukraine Gas Trade*, April 2006.

that transit “energy competitor” Iran or otherwise give it undue influence over the region. Security for Caspian region pipelines and energy resources also has been a recent interest. President Bush’s 2001 *National Energy Policy* report suggested that greater oil production in the Caspian region could not only benefit regional economies, but also help mitigate possible world supply disruptions. It recommended U.S. support for building the BTC pipeline and an Azerbaijan-Turkey gas pipeline, coaxing Kazakhstan to use the oil pipeline, and otherwise encouraging the regional states to provide a stable and inviting business climate for energy development.⁵⁶

Especially since Russia’s temporary cutoff of gas to Ukraine in January 2006 highlighted European vulnerability, the United States has supported EU efforts to reduce the region’s overall reliance on Russian oil and gas by increasing the number of possible alternative suppliers. Part of this policy has involved encouraging Central Asian countries to transport their energy exports to Europe through pipelines or routes that bypass Russia (and Iran).⁵⁷

Until 2004, the Administration retained a Special Advisor on Caspian Energy Diplomacy, who helped to further U.S. policy and counter the efforts of Russia’s Viktor Kaluzhny, deputy foreign minister and Special Presidential Representative for Energy Matters in the Caspian. This responsibility came to be shifted at least in part to the Deputy Assistant Secretary of State for European and Eurasian Affairs in 2005-2006 along with responsibilities of the former Special Negotiator for Nagorno-Karabakh and Eurasian Conflicts.⁵⁸ Some critics have juxtaposed Putin’s close interest in securing Caspian energy resources to what they term sporadic U.S. efforts.⁵⁹

According to the U.S. Department of Energy (DOE), the Caspian region is emerging as a significant source of oil and gas for world markets. Kazakhstan possesses the Caspian region’s largest proven oil reserves at 9-29 billion barrels, according to DOE, and also possesses 65 trillion cubic feet (tcf) of natural gas. Kazakhstan’s oil exports currently are about 1.3 million barrels per day (bpd). Some U.S. energy firms and other private foreign investors have become discouraged in recent months by harsher Kazakh government terms, taxes, and fines that some allege

⁵⁶ The White House. *National Energy Policy*, May 2001. The BTC pipeline began delivering oil to Turkey’s port of Ceyhan in mid-2006. The South Caucasus Pipeline was completed in early 2007.

⁵⁷ For details, see CRS Report RL33636, *The European Union’s Energy Security Challenges*, by Paul Belkin.

⁵⁸ In 2004, the Department of State’s Inspector General recommended that the post of Special Advisor on Caspian Energy Diplomacy might “now be phased out, with residual responsibilities folded into other units,” because the purpose for which it was created was achieved. Office of the Inspector General. *Semiannual Report to the Congress, October 1, 2003 to March 31, 2004*. The Special Advisor’s duties included “realizing the Baku-Tbilisi-Ceyhan (BTC) pipeline, in the launch of the Caspian Pipeline Consortium (CPC) line, and a range of other Eurasian energy issues.” Office of the Spokesman. *Press Release*, April 16, 2004.

⁵⁹ *Eurasia Daily Monitor*, May 31, 2007.

reflect corruption within the ruling elite.⁶⁰ Turkmenistan possesses about 101 tcf of proven gas reserves, according to DOE, among the largest in the world.⁶¹

The Central Asian states have been pressured by Russia to yield portions of their energy wealth to Russia, in part because Russia controls most existing export pipelines.⁶² Except as described below, Russia appeared to strengthen its position as the major export route for Central Asian energy in May 2007 when visiting President Putin reached agreement in Kazakhstan on supplying more Kazakh oil to Russia, which Nazarbayev hoped could then be sent through the proposed pipeline from Burgas, Bulgaria to Alexandroupolis, Greece. Putin also reached agreement with the presidents of Turkmenistan and Kazakhstan on the construction of a new pipeline to transport Turkmen and Kazakh gas to Russia. The first agreement appeared to set back U.S. and Turkish efforts to foster more oil exports through the BTC. The latter agreement appeared to set back U.S. and EU efforts to foster building a trans-Caspian gas pipeline to link to the SCP and hence to Austria (the so-called Nabucco pipeline).

Until 2006, Kazakhstan's main oil export route was a 930-mile pipeline — owned by the Caspian Pipeline Consortium (CPC), in which Russian shareholders have a controlling interest — that carried 234.56 million barrels per year of oil from Kazakhstan to Russia's Black Sea port of Novorossiysk. Lengthy Russian resistance to increasing the pumping capacity of the pipeline and demands for higher transit and other fees, along with the necessity of offloading the oil into tankers at Novorossiysk to transit the clogged Turkish Straits, spurred a decision in mid-2006 by U.S. and Western investors and Kazakhstan to increase oil barging across the Caspian Sea to Azerbaijan to the BTC pipeline. Initially, 183.25 million barrels per year of Kazakh oil will transit through the BTC pipeline, about one-half the capacity of the pipeline.⁶³ Putin's May 2007 agreement with Nazarbayev on added oil shipments (see above) envisages boosting the capacity of the CPC pipeline.

⁶⁰ One troubling case involves U.S. citizen Menachem Seidenfeld, who was extradited from Russia on a Kazakh arrest warrant in 2003 on charges of embezzlement from a former telecommunications firm he co-owned in Kazakhstan. He maintains that he is being held for ransom. Ilan Greenberg, "American Snared in Kazakh Legal Dispute," *The New York Times*, April 23, 2007, p. 9.

⁶¹ U.S. Department of Energy. Energy Information Administration. *Kazakhstan Country Analysis Brief*, July 2005; *Caspian Sea Country Analysis Brief*, September 2005. See CRS Report RS21190, *Caspian Oil and Gas: Production and Prospects*, by Bernard A. Gelb.

⁶² Jeronim Perovic, "From Disengagement to Active Economic Competition: Russia's Return to the South Caucasus and Central Asia," *Demokratizatsiya*, Winter 2005, pp. 61-86; Kimberly Marten, "Disrupting the Balance: Russian Efforts to Control Kazakhstan's Oil," *PONARS Policy Memo No. 428*, December 2006.

⁶³ On January 24, 2007, a Memorandum of Understanding was signed by the firms in the TengizChevroil consortium (ChevronTexaco, ExxonMobil, LukoilArco, and the Kazakh state oil and gas firm KazMunayGaz) and those in the KCO consortium (Eni-Agip, Total, ExxonMobil, Royal-Dutch Shell, ConocoPhillips, Inpex, and KazMunayGaz) to put together port facilities and tankers to transport Kazakh oil to Azerbaijan. Vladimir Socor, *Eurasia Daily Monitor*, January 25, 2007.

Besides Kazakhstan's use of the BTC pipeline as an export route not controlled by Russia, Kazakhstan and China have completed an oil pipeline from Atasu in central Kazakhstan to the Xinjiang region of China (a distance of about 600 miles). Kazakhstan began delivering oil through the pipeline in May 2006. Initial capacity is 146.6 million barrels per year. At Atasu, it links to another pipeline from Kumkol, also in central Kazakhstan, and will eventually link to Atyrau on Kazakhstan's Caspian Sea coast.

In Turkmenistan, the late Niyazov signed a 25-year accord with Putin in 2003 on supplying Russia up to 211.9 billion cubic feet (bcf) of gas in 2004 (about 12% of production), rising up to 2.83 trillion cubic feet (tcf) in 2009-2028, perhaps then tying up most if not all of Turkmenistan's future production. Turkmenistan halted gas shipments to Russia at the end of 2004 in an attempt to get a higher gas price but settled for all-cash rather than partial barter payments. In early 2006, Turkmenistan again requested higher gas prices from Russia, because Russia's state-controlled Gazprom gas firm had raised the price it charged for customers receiving the gas that it had purchased from Turkmenistan. In June 2006, Turkmenistan threatened to cut off gas shipments at the end of July unless Gazprom agreed to a price increase from \$65 per 35.314 thousand cubic feet to \$100 for the rest of 2006. On July 25, Gazprom shut off one major pipeline from Turkmenistan for eight days of "repairs." In early September 2006, Gazprom agreed to pay \$100 per 35.314 thousand cubic feet from 2007 to the end of 2009, and Turkmenistan pledged to supply 1.483 trillion cubic feet (tcf) in 2006, 1.765 tcf in 2007-2008, and 2.83 tcf from 2009-2028.

Seeking alternatives to pipeline routes through Russia, in December 1997 Turkmenistan opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile gas pipeline linkage to Iran. Turkmenistan provided 282.5 bcf of gas to Iran in 2006. In early April 2006, Turkmenistan and China signed a framework agreement calling for Chinese investment in developing gas fields in Turkmenistan and in building a gas pipeline through Uzbekistan and Kazakhstan to China. Some observers warn that because Turkmenistan has pledged a large amount of gas to Gazprom, with the hope that future production will vastly increase beyond this amount, there may not be much gas remaining to be exported to other customers.

U.S. Aid Overview

For much of the 1990s and until September 11, 2001, the United States provided much more aid each year to Russia and Ukraine than to any Central Asian state (most such aid was funded from the FSA account in Foreign Operations Appropriations, but some derived from other program and agency budgets). Cumulative foreign aid budgeted to Central Asia for FY1992 through FY2005 amounted to \$3.8 billion, 13.6% of the amount budgeted to all the Eurasian states, reflecting the lesser priority given to these states prior to September 11.⁶⁴ Budgeted spending for FY2002 for Central Asia, during OEF, was greatly boosted in absolute amounts (\$584 million)

⁶⁴ In comparison, the European Union has reported that it has provided 1.132 billion euros in assistance to the region since 1991, and plans another 750 million euros in aid in 2007-2013. "Ferrero-Waldner to attend EU-Central Asia Ministerial Troika," March 27, 2007.

and as a share of total aid to Eurasia (about one-quarter of such aid). The Administration's aid requests since then have gradually declined in absolute amounts, although it has continued to stress important U.S. interests in the region. The Administration has highlighted the phase-out of economic aid to Kazakhstan and restrictions on aid to Uzbekistan (see below) as among the reasons for declining aid requests. In recent years, budgeted aid has declined both in dollar amounts and as a percentage of total FSA and other Function 150 aid to Eurasia. Aid to Central Asia also is proportionately less than that provided to the South Caucasian region. (See **Table 1**).

Looking only at FSA funding, Congress approved \$99 million for the states of Central Asia for FY2006, \$17.5 million below the presidential request (P.L. 109-102), perhaps reflecting growing concern about human rights abuses and a push to reduce spending. In its FY2007 budget request, the Administration called for \$94.6 million in FSA aid for the states of Central Asia (including Central Asian regional aid). The Administration proposed phasing out economic reform aid to Kazakhstan by FY2009, because of "quantifiable reform progress" in the democratic, economic, and social sectors. In its FY2008 budget request, the Administration called for \$79.07 million in FSA aid for the states of Central Asia, and stated that the focus was on Kyrgyzstan, Tajikistan, and Turkmenistan, "where there are opportunities to consolidate stability and promote democratization."⁶⁵

Regarding FY2007 assistance, a continuing resolution was signed into law on September 29, 2006 (H.R. 5631/P.L. 109-289, Division B) that provided funding for foreign operations at the lower of the House-passed, Senate-passed, or FY2006 level through February 15, 2007. P.L. 109-289 was amended by P.L. 109-369 and P.L. 109-383. On February 15, 2007, H.J.Res. 20 was signed into law (P.L. 110-5), to further amend P.L. 109-289 to provide funding for foreign operations for the remainder of FY2007 under the authority, conditions, and level of FY2006 funding, except as adjusted. Final aid figures are not available.

Congressional Conditions on Kazakh and Uzbek Aid. In Congress, Omnibus Appropriations for FY2003 (P.L. 108-7) forbade FREEDOM Support Act (FSA) assistance to the government of Uzbekistan unless the Secretary of State determined and reported that it was making substantial progress in meeting commitments under the Strategic Partnership Declaration to democratize and respect human rights. P.L. 108-7 also forbade assistance to the Kazakh government unless the Secretary of State determined and reported that it significantly had improved its human rights record during the preceding six months. However, the legislation permitted the Secretary to waive the requirement on national security grounds. The Secretary reported in May 2003, that Uzbekistan was making such progress (by late 2003, the Administration had decided that it could no longer make this claim; see below, *Weapons of Mass Destruction*). In July 2003, the Secretary reported that Kazakhstan was making progress. Some in Congress were critical of these findings.

Consolidated Appropriations for FY2004, including foreign operations (P.L. 108-199) and for FY2005 (P.L. 108-447, Section 578), and Foreign Operations Appropriations for FY2006 (P.L. 109-102, Sections 586 and 587) retained these

⁶⁵ *Congressional Budget Presentation for Foreign Operations FY2008.*

conditions, while clarifying that the prohibition on aid to Uzbekistan pertained to the *central* government and that conditions included respecting human rights, establishing a “genuine” multi-party system, and ensuring free and fair elections and freedom of expression and media. The State Department has indicated that these conditions remain in place under the continuing resolution for FY2007 (P.L. 109-289, as amended; see above).

State Department Implementation in FY2004. In July 2004, the State Department announced that, despite some “encouraging progress” in respecting human rights, up to \$18 million in aid to Uzbekistan might be withheld because of “lack of progress on democratic reform and restrictions put on U.S. assistance partners on the ground” (in contrast, progress was reported regarding Kazakhstan).⁶⁶ This determination potentially affected International Military Education and Training (IMET) and the Foreign Military Financing (FMF) programs as well as FREEDOM Support Act funding, since legislative provisions condition IMET and FMF on respect for human rights.⁶⁷ The State Department reprogrammed or used notwithstanding authority (after consultation with Congress) to expend some of the funds, so that about \$8.5 million was ultimately withheld. Notwithstanding authority was used for funding health care reforms, promoting better treatment of detainees, combating HIV/AIDS, combating trafficking in drugs and persons, and supporting World Trade Organization accession. During an August 2004 visit to Uzbekistan, Gen. Myers criticized the threatened cutoff of IMET and FMF programs as “shortsighted” and not “productive,” since it reduced U.S. military influence (see also below, “Weapons of Mass Destruction”).⁶⁸

State Department Implementation in FY2005. For FY2005, Secretary of State Condoleezza Rice reported to Congress in May 2005 that Kazakhstan had failed to significantly improve its human rights record, but that she had waived aid restrictions on national security grounds. The Secretary of State in FY2005 did not determine and report to Congress that Uzbekistan was making significant progress in respecting human rights, so Section 578 aid restrictions remained in place. The State Department reported that it used notwithstanding authority to allocate \$4.16

⁶⁶ U.S. Department of State. Office of the Spokesman. *Secretary of State Decision Not to Certify Uzbekistan*, July 13, 2004.

⁶⁷ Sec.502B of Part II of the Foreign Assistance Act of 1961 (P.L.87-195) states that “no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.” Sec.502B also specifies that IMET cannot be provided “to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights,” unless the President certifies in writing that extraordinary circumstances exist warranting the provision of IMET. Notwithstanding authority is provided for the president to furnish security assistance if there is “significant improvement” in a government’s human rights record. Some IMET and FMF was provided to Uzbekistan in FY2004. See U.S. Departments of Defense and State. *Foreign Military Training: Joint Report to Congress, FY2004-FY2005*, April 2005.

⁶⁸ *Defense and Foreign Affairs Daily*, August 16, 2004.

million in FREEDOM Support Act aid to Uzbekistan to continue the same programs it used the authority for in FY2004.⁶⁹

State Department Implementation in FY2006. For FY2006, Secretary of State Rice reported to Congress in May 2006 that Kazakhstan had failed to significantly improve its human rights record but that she had waived aid restrictions on national security grounds. She did not determine and report to Congress that Uzbekistan was making significant progress in respecting human rights, so Section 586 restrictions remained in place. The State Department repeated its FY2005 statement that it used notwithstanding authority to allocate \$4.16 million in FREEDOM Support Act aid to Uzbekistan in FY2006.

State Department Implementation in FY2007. Operating under the direction of the continuing resolution (P.L. 109-289, as amended; see above), the State Department may report to Congress that Kazakhstan has failed to significantly improve its human rights record but that it has waived aid restrictions on national security grounds.

Besides bilateral and regional aid, the United States contributes to international financial institutions that aid Central Asia. Recurrent policy issues regarding U.S. aid include what it should be used for, who should receive it, and whether it is effective.

110th Congress Legislation

H.R. 1 (Bennie Thompson)

Implementing the 9/11 Commission Recommendations Act of 2007. Introduced on January 5, 2007. Passed the House on January 9, 2007. Sec. 1421 states that it is the policy of the United States to provide aid and support for democracy, the rule of law, good governance, sustainable development, a vigorous civil society, political freedom, protection of minorities, independent media, women's rights, private sector growth, and open economic systems in the countries of the Middle East, Central Asia, South Asia, and Southeast Asia. Calls for the Secretary of State within 180 days of enactment to submit a country-by-country five-year strategy to implement the goals of the legislation and to estimate funding.

S. 198 (Nunn)

Nunn-Lugar Cooperative Threat Reduction Act of 2007. Introduced on January 8, 2007; referred to the Committee on Armed Services and the Foreign Relations Committee. Amends the Soviet Nuclear Threat Reduction Act of 1991, the Cooperative Threat Reduction Act of 1993, and the National Defense Authorization Act for Fiscal Year 2000 to repeal specified restrictions on the use of Cooperative Threat Reduction (CTR) program funds and activities. Amends the FREEDOM

⁶⁹ Some IMET aid was provided to Uzbekistan in FY2005. See U.S. Departments of Defense and State. *Foreign Military Training: Joint Report to Congress, FY2005-FY2006*, September 2006.

Support Act of 1992 to make specified funding requirements respecting independent countries of the former Soviet Union inapplicable to CTR programs.

S. 328 (Menendez)

Ensuring Implementation of the 9/11 Commission Report Act. Introduced on January 17, 2007. Sec. 324 contains language similar to that in S. 198 (above).

Table 1. U.S. Foreign Assistance to Central Asia, FY1992 to FY2008
(millions of dollars)

Central Asian Country	FY1992 thru FY2005 Budgeted ^a	FY2005 Budgeted ^a	FY2006 Budgeted ^a	FY2008 Request ^b
Kazakhstan	1,244.8	84.6	88.48	24.32
Kyrgyzstan	806.5	54.21	43.54	31.43
Tajikistan	679.7	65.69	45.01	32.12
Turkmenistan	255.4	18.44	10.44	8.43
Uzbekistan	760.9	75.87	49.41	9.37
Regional	73.2	3.34	4.83	2.5
Total	3,820.5	302.15	241.71	108.17
Percent	14	15	12	25

Sources: State Department, *U.S. Government Assistance to and Cooperative Activities with Eurasia: FY2006 Annual Report*; *Congressional Budget Justification for Foreign Operations, FY2008: South and Central Asia*.

Note: The Continuing Appropriations Resolution 2007 (P.L. 109-289), as amended, provides funding for foreign operations for FY2007 under the authority, conditions, and level of FY2006 funding, except as adjusted. Final figures are not available.

- a. FSA and Agency funds. Excludes some classified coalition support funding.
b. FSA and other Function 150 funds, including Peace Corps. Does not include Defense or Energy Department funds, or funding for exchanges.

Figure 1. Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan



Source: Map Resources. Adapted by CRS. (08/02 M. Chin)