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CENTRAL ASIA AND THE TRANSITION IN AFGHANISTAN

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LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, December 19, 2011.

DEAR COLLEAGUES: This report by the committee's majority staff is part of an ongoing examination of U.S. engagement in Afghanistan and the broader region. It takes a close look at the link between developing a comprehensive Central Asia strategy and U.S. initiatives to promote peace and stability in Afghanistan and the region. It is based on a field visit by the committee's majority staff to Tajikistan, Kazakhstan, Uzbekistan, and Kyrgyzstan in October 2011, as well as extensive staff meetings with experts and policymakers in Washington, D.C.

Central Asia is critical to the outcome in Afghanistan. The Northern Distribution Network and Manas Transit Center play vital roles in supporting NATO and U.S.-led coalition operations. Going forward, the challenge for the United States is to strike a balance between its short-term, war-fighting needs and long-term interests in promoting a stable, prosperous, and democratic Central Asia.

Given the U.S. strategic interests at stake, this report provides constructive and timely recommendations for the Obama administration as it works to use our resources to achieve core U.S. policy objectives.

Sincerely,

JOHN F. KERRY,
Chairman.

CENTRAL ASIA AND THE TRANSITION IN AFGHANISTAN

EXECUTIVE SUMMARY

Central Asia, which includes the countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, is on the frontlines of the war in Afghanistan. Three of the five countries share a long and porous border with Afghanistan, and the region is bound to its southern neighbor by ties of ethnicity, culture, history, politics, and language. They are also connected by flows of militant groups and illicit narcotics. Of all Afghanistan's neighbors, the greatest focus has rightly been on Pakistan, whose internal dynamics have the most profound effect on regional stability. But what happens in Central Asia will also affect the outcome in Afghanistan.

As the United States plans for the 2014 transition, Central Asia will continue to play a critical role in stabilization efforts and our broader regional strategy. Central Asian countries facilitate the movement of troops and non-lethal supplies into Afghanistan. Kazakhstan provides robust economic and humanitarian aid and recently hosted a meeting of the International Contact Group in the lead-up to the Bonn conference. Several countries, notably Tajikistan, Uzbekistan, and Turkmenistan, are exporting cheap electricity, and Uzbekistan and Kazakhstan have expressed interest in helping advance a peace process in Afghanistan.

The legacy of the Soviet Union's precipitous withdrawal from Afghanistan looms large in the minds and perspectives of leaders in Central Asia. Leaders in the region want to see a stable Afghanistan, one that does not fall prey again to the abusive practices of the Taliban. However, they are looking for reassurance that the United States and its partners have a political strategy to end the war and bring lasting peace. Officials with many governments told committee staff they fear the transition will increase drug trafficking and leave behind a security vacuum that extremist groups, such as the Islamic Movement of Uzbekistan (IMU) and Islamic Jihad Union (IJU), are eager to fill. Tajikistan remains the weakest link in Central Asia, and instability there would affect the entire region.[1]

The U.S. role in Afghanistan is changing, but Washington should repeatedly stress that its engagement is not ending. Afghanistan's neighbors fear the 2014 security transition and withdrawal of coalition forces could mean abandonment. The United States must keep working to change the narrative by making it clear that we will

[1] *See* Appendix III for a discussion on militancy in Tajikistan.

protect our long-term interests in the region. The top priority is regional stability, and that is why 2014 will mark the beginning of a new phase of U.S. engagement in the region. The U.S. military will continue to work with the Afghan National Security Forces to prevent the return of terrorist safe havens. Much as it is doing in Iraq, the United States will remain vigorously engaged on security, governance, and economic and social development.

American strategy is focused on Central Asia in part as a response to the challenges of transiting supplies through Pakistan for the Afghan war. Since 2009, the United States has increasingly relied on a series of commercial air and ground routes called the Northern Distribution Network (NDN) that carry non-lethal supplies from Europe to U.S. and coalition troops in Afghanistan through Russia, the Caucasus, and Central Asia. The NDN is a critical component in supporting coalition operations in Afghanistan and requires support from countries like Uzbekistan. In Kyrgyzstan, the United States relies on the Manas Transit Center as the premier air mobility hub for operations in Afghanistan. The Transit Center is the entry and exit point for virtually all coalition forces in Afghanistan and is a major and vital mission. Maintaining the Center requires active diplomatic and policy engagement with Kyrgyzstan's leadership.

Building political support in Central Asia for coalition efforts in Afghanistan has been challenging. In many cases, the United States is forced to rely on highly corrupt, authoritarian governments in countries whose populations are suspicious of U.S. intentions. Russia has deep ties in this region and fears American military encirclement. For their part, Chinese strategists are leery of permanent U.S. bases on China's border, but they are even more nervous about the risk of instability in Afghanistan should the United States and its partners fail to help stabilize the country.

To strengthen U.S. engagement with Central Asian countries, the Obama administration has launched Annual Bilateral Consultations (ABCs) that meet regularly and provide an important platform for discussions on a range of issues from security to human rights. The administration is complementing this high-level political engagement with the "New Silk Road" (NSR) initiative, a vision of regional economic integration that it hopes will connect Afghanistan with its neighbors in South and Central Asia. The administration is also focused on combating drug trafficking, which poses a serious threat to regional stability, through new regional programs such as the Central Asia Counternarcotics Initiative. Known as CACI, this initiative seeks to build task forces throughout the region to share sensitive information and coordinate joint operations.

As the United States prepares for the 2014 transition in Afghanistan and continues to engage with countries in Central Asia, this report offers three overarching recommendations for U.S. policy:

(1) *Strike a balance between security and political priorities in Central Asia.* As the United States increases security cooperation with the countries of Central Asia to support efforts in Afghanistan, it must also lay the foundation for a long-term strategy that sustains these gains and protects U.S. interests in the region. Security assistance has an important role to

play, but the United States should continue promoting political and economic reform by making greater investments where possible in democracy and governance, public health, economic assistance, and English language training.[2] Given the tight fiscal climate, the administration should consider using existing Afghanistan resources on cross-border projects that promote regional stability for Afghanistan and its neighbors. It should also prioritize and increase assistance to Tajikistan and Kyrgyzstan, given their fragility and importance for broader regional stability.[3]

(2) *Translate the New Silk Road (NSR) vision into a working strategy for the broader region beyond Afghanistan.* This will require identifying needs, available resources, U.S. comparative advantages, and the economic reforms regional governments must take to support increased trade and investment. Connecting Central to South Asia via Afghanistan will be challenging in light of the barriers to continental transport and trade, including the lack of regional cooperation. NSR will not be a panacea for Afghanistan's economic woes, but it offers a vision for the region that has the potential to foster private sector investment if projects are prioritized and steps are taken to create an enabling environment. The United States can play a vital role by supporting political and economic reform and leveraging its resources.

(3) *Link the regional Central Asia Counternarcotics Initiative (CACI) with bilateral initiatives that offer traction, given the constraints on regional cooperation.* CACI provides an important vision for reform and information sharing to tackle narcotics trafficking in the region. While there is demand for such an initiative among local agencies with a mandate to combat the drug trade, significant challenges remain. Regional cooperation has a checkered history in this part of the world. Corruption is widespread and prospects for the task forces remain unclear, given the lack of political will. The administration should consider piloting the task forces in countries where they stand the greatest chance of success, which will require a comparative regional assessment of efforts to combat the drug trade. It should also scale up cross-border operations between Central Asian and Afghan law enforcement and military officials, including joint training activities.

APPRECIATING THE CHALLENGES OF CENTRAL ASIA

Central Asia occupies a unique position on the map, sitting at the crossroads of Europe and Asia. Given its history, politics, and culture, a regional strategy should take into account the following realities:

- *Central Asian states have similarities, but they are not homogeneous.* While countries such as Kazakhstan and Turkmenistan can trade on massive energy reserves, others like Kyrgyzstan and Tajikistan are fragile states that rely on external re-

[2] *See* Appendix I for a discussion on expanding English language training in Central Asia.
[3] *See* Appendixes II and III for a discussion on the 2010 violence in Osh, Kyrgyzstan and militancy in Tajikistan.

sources for their survival. Border security varies greatly. Tajikistan's borders are largely "green" zones, allowing militants and narcotics to flow virtually unimpeded across them. Uzbekistan is contiguous to all other Central Asian states and Afghanistan. It maintains highly controlled borders, including land mines along its border with Tajikistan. Kyrgyzstan is the lone parliamentary democracy in an otherwise autocratic region, but its institutions are brittle and ethnic tensions simmer just beneath the surface.

- *Key Central Asian militant groups are based in Pakistan and fight in Afghanistan.* Groups such as the Islamic Movement of Uzbekistan (IMU) and Islamic Jihad Union (IJU), which trace their roots to Central Asia, are based in North Waziristan, Pakistan. They have conducted attacks in Afghanistan and have ties to the Taliban and Haqqani network. Both groups continue to pose a threat to stability in Afghanistan. Central Asian governments fear that these groups, which entertain ambitions of establishing a caliphate in Central Asia, will thrive as the United States draws down its military presence in Afghanistan.
- *Weak political will and limited capacity facilitate narcotics flows.* According to U.S. officials, an estimated 30 percent of narcotics flow from Afghanistan to Russia via Central Asia, mostly through Tajikistan. Despite multiple initiatives, counternarcotics efforts have been hampered by rampant corruption, weak political will, limited human capacity, and porous borders. Russia, China, Iran, and the European Union all share American concerns about the narcotics flows, creating potential for greater cooperation and coordination.
- *Russia and China maintain a strong presence in Central Asia.* China, in particular, is extending its economic reach, while Iran, South Korea, India, Japan, and Turkey are also playing greater roles. Russia is attempting to expand its influence through a network of military bases, commercial agreements, and new political alliances, and may redeploy Russian troops to the Tajik-Afghan border as the United States draws down in Afghanistan. China is consolidating its economic and political power in Central Asia through no-strings-attached lending policies, financial investments, and infrastructure projects. Its export-import bank extended a $5 billion line of credit to Kazakhstan's state-owned Development Bank and an additional $5 billion to Kazmunaigaz, a state-run gas company. China provided Turkmenistan with a $4.1 billion loan to develop the vast South Yolotan gas field and is responsible for several major energy and transport projects in Tajikistan.
- *Regional rivalries within Central Asia lead to zero-sum thinking.* Regional rivalries such as those between Tajikistan's President Emomali Rahmon and Uzbekistan's President Islam Karimov are endemic in Central Asia. There is a growing trust deficit among its political leaders, many of whom see international relations as a zero-sum game. Governments seem to care less about growing the pie and more about how big their slice will be, making regional initiatives difficult to pursue.

- *Key countries lack enabling economic environments.* Tajikistan, Uzbekistan, and Turkmenistan are some of the toughest places to do business in the world. Corruption is rife throughout the region and institutional and bureaucratic obstacles create systemic delays. For example, the World Bank's 2012 *Doing Business* report finds that it takes 71 days to export an item from Uzbekistan and 92 days to import one, compared to an average of 10 and 11 days, respectively, for Organization for Economic Co-operation and Development (OECD) countries. Without a serious reform commitment, governments in the region will have a difficult time implementing economic initiatives that link Central and South Asia.
- *Human rights are a pressing concern.* The State Department's Country Reports on Human Rights Practices consistently document serious human rights problems throughout the region. Progress will depend on public pressure and quiet, persistent engagement that emphasizes the economic and social benefits of respecting fundamental human rights. Uzbekistan, in particular, will require a careful balancing of priorities, given its central role in supporting the Northern Distribution Network (NDN). It has made some modest progress in recent years such as allowing the International Committee of the Red Cross (ICRC) to visit prisons. Unfortunately, such steps continue to be overshadowed by the country's significant human rights concerns, including torture in pre-trial detention facilities, imprisonment of human rights defenders, forced child labor in the cotton fields, and government restrictions on religious freedom. Nevertheless, it is in the United States' interest to engage with such admittedly authoritarian countries on the full range of bilateral priorities, including security, good governance, human rights, trade, and investment.
- *Governments are cracking down on religious freedom.* Islam is flourishing in Central Asia, but countries such as Tajikistan are limiting its free expression by monitoring Friday sermons, recalling students studying at religious institutions abroad, and prohibiting most children under the age of 18 from attending religious services at mosques. These restrictions, along with a stifling political climate and limited economic opportunities, could drive many organizations underground. This threatens to radicalize a younger population whose active participation in society is vital to promoting economic growth, political reform, and moderation.

CENTRAL ASIA'S ROLE IN SUPPLYING U.S. AND COALITION TROOPS IN AFGHANISTAN

Since 2009, the United States has steadily increased traffic on the NDN, a major logistical accomplishment that has resulted in a series of commercial air and ground routes that supply NATO and U.S. operations in Afghanistan. Close to 75 percent of ground sustainment cargo is now shipped via the NDN. According to U.S. Transportation Command, an estimated 40 percent of all cargo transits the NDN, 31 percent is shipped by air, and the remaining 29 percent goes through Pakistan.

The NDN comprises three principal land routes: one stretching from the Georgian Black Sea port of Poti, through Baku, Azerbaijan, across the Caspian Sea, and into Central Asia; one from the Latvian port of Riga through Russia, Kazakhstan, and Uzbekistan; and a final route that originates in Latvia and travels through Russia, Kazakhstan, Kyrgyzstan, and passes into Afghanistan via Tajikistan. An estimated 70 percent of cargo transiting the NDN enters at Uzbekistan's Hairaton Gate.

The NDN has allowed the United States to diversify its supply routes into Afghanistan, instead of relying solely on Pakistan for transit. Whereas in 2009, about 90 percent of U.S. non-military supplies for Afghanistan transited through the Pakistani port city of Karachi, today, more non-lethal cargo is shipped to Afghanistan via the NDN than through Pakistan.

The NDN is not a perfect substitute for the current supply routes in Pakistan. The NDN only allows for one-way transit of goods to Afghanistan, though discussions are reportedly underway to expand the NDN to support two-way transit of cargo leaving Afghanistan via the northern routes. The NDN also only allows for the transit of non-lethal supplies, such as cement, lumber, blast barriers, septic tanks, and matting. Sensitive and high-technology equipment is transported by airlift. Moreover, the NDN is not cheap. It costs roughly an additional $10,000 per twenty-foot container to ship via the NDN instead of Pakistan. But airlifting supplies directly into Afghanistan remains the most expensive option, which costs an estimated $40,000 more per twenty-foot container, according to U.S. Transportation Command.

In addition to the NDN, the United States relies on the Manas Transit Center in Kyrgyzstan as the premier air mobility hub for operations in Afghanistan. The Transit Center is the entry and exit point for virtually all coalition forces. The Center enables critical missions, including aerial refueling and medical evacuations. About 13 million pounds of cargo transit the Center each month, and it consumes one million gallons of fuel every two days. In short, this is a major and vital mission.

Keeping Manas operational has been a challenge. In 2006, Kyrgyzstan requested a significant increase in lease payments from the United States for use of Manas. A settlement was reached later that year, including an announcement that the United States would provide $150 million in total assistance and compensation. In 2009, Kyrgyzstan's then President Kurmanbek Bakiyev announced that he intended to close Manas, reportedly bowing in large part to pressure from the Russians who offered Bakiyev a mixture of loans and grants for budget stabilization. The United States concluded a five-year agreement with Kyrgyzstan in 2009 to keep operations running, increasing its rent payment from $17.4 million to $60 million per year. However, suspicions in Kyrgyzstan regarding the U.S. presence at Manas run deep, and the Transit Center is frequently part of domestic public debate.

Besides supporting the NDN and Manas Transit Center, most governments in Central Asia have granted U.S. and coalition forces over-flight rights. Russia has permitted over-flights since 2009, and Kazakhstan signed an air transit agreement with the United States in 2010.

STRIKING A BALANCE BETWEEN SECURITY AND POLITICAL PRIORITIES

As the United States increases security cooperation with the countries of Central Asia to support efforts in Afghanistan, it must also lay the foundation for a long-term strategy that sustains these gains and protects U.S. interests in the region.

Achieving our security goals and promoting good governance and human rights are not mutually exclusive. In fact, security and political engagement are complementary strategies that are more likely to be effective when pursued together. For example, promoting economic reforms that focus on removing barriers to continental transport and trade will not only benefit local economies; it will also help support the NDN. The NDN, in turn, can drive economic reform as local economies work to improve purchasing standards and local governments cooperate to keep the NDN up and running.

Similarly, in Kyrgyzstan, the Manas Transit Center provides vital support to U.S. and coalition operations in Afghanistan. It also promotes stability through its theatre security cooperation division, which helps build ties with the local community through humanitarian assistance, military-to-military operations, and social cultural operations. Kyrgyzstan recently participated in the first peaceful and democratic transition of power in Central Asia, and the United States is actively supporting its democratic transition. Through investments in parliamentary strengthening and public health, good governance and economic growth, we have managed to promote political reform as we continue operations at the Manas Transit Center.

Striking the right balance between U.S. security and political priorities will require greater investments in U.S. civilian assistance. Kyrgyzstan and Tajikistan are the most fragile states in the region and U.S. assistance there can make a real difference.[4] The United States should consider increasing its investments in democracy and governance, public health programs, economic assistance, and English language training[5] to augment its security assistance.

Civilian assistance for all countries in Central Asia was $186.2 million in FY 2010 and is on a downward trajectory.[6] Peace and security assistance to the region, which includes funds from the national defense 050 account and smaller amounts from the foreign assistance 150 account, increased from $70 million in FY 2001 to $257 million in FY 2010, though it too may actually be declining. Overall, U.S. assistance to the countries of Central Asia is relatively small compared to Afghanistan and Pakistan. In FY 2010, for example, total U.S. assistance to Central Asia, including both the function 150 and 050 accounts, amounted to just under three

[4] *See* Appendixes II and III for a discussion on the 2010 violence in Osh, Kyrgyzstan and militancy in Tajikistan.

[5] *See* Appendix I for a discussion on expanding English language training in Central Asia.

[6] The $186.2 million figure includes funds from the AEECA account and other Function 150 programs. For more information, *see:* Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," *Congressional Research Service,* RL33458, October 12, 2011, p. 53.

percent ($436.24 million) of what we spent in Afghanistan ($14.78 billion).[7]

Given the tight fiscal climate in the United States, the administration should consider using existing Afghanistan resources on cross-border projects that promote regional stability to the benefit of both Afghanistan and its northern neighbors. For a relatively small amount of money, such projects can reinforce cooperation between Afghanistan and Central Asian states and deliver immediate results. These projects could include:

- Scaling up cross-border electricity projects, such as Pamir Energy. This public-private partnership supplies electricity to an estimated 85 percent of the Gorno-Badakhshan Autonomous Oblast in Tajikistan as well as to several districts in northern Afghanistan;
- Expanding joint training sessions between Afghan and Tajik military and law enforcement officials at the U.S.-funded facility in Khorog and the National Border Guard Academy in Dushanbe, as well as considering similar programs between Uzbek officials and their Afghan counterparts;
- Implementing cross-border community border guarding programs, including more targeted training for populations living on the border, organizing joint training study tours, focusing on community policing and cross-border training of border guards and Ministry of Interior police in the region on vehicle inspection best practices, crime scene evidence gathering, emergency response, human rights, and interrogation and interview techniques;
- Promoting cross-border working groups with provincial governments in Afghanistan and Turkmenistan, Uzbekistan, and Tajikistan, strengthening sub-national governance on both sides of the border;
- Funding cross-border initiatives to tackle multi-drug resistant and extensively resistant tuberculosis (TB). The Central Asian states have some of the highest rates of TB in the world. Cross-border initiatives could help control TB infection rates and spur innovative and sustainable programming;
- Encouraging cross-border health programs by facilitating the exchange of medical professionals;
- Facilitating exchanges between women-led Tajik and Afghan non-governmental organizations. Tajikistan has experienced civil war in the recent past and its people are familiar with the challenges and opportunities of reconciliation. Women, in particular, can play a critical role in laying the groundwork for a comprehensive peace process;
- Integrating Afghanistan's youth into existing programs in Central Asia that promote economic development, such as Junior Achievement programs, and expanding vocational training opportunities to teach vocational and agricultural skills to populations on the border to provide economic opportunities and help stabilize the region; and

[7] *See* Appendixes IV, V, and VI for budget numbers and charts.

- Supporting American-style summer camps for Afghan and Central Asian youth similar to the successful Camp America model in the Isfara and Rasht regions of Tajikistan. The curriculum can include sports, English language, leadership, critical thinking, and team building, with a focus on addressing the roots of terrorism before they take hold in regions vulnerable to extremism.

TRANSLATING THE NEW SILK ROAD VISION INTO A STRATEGY

The United States has a vested interest in promoting regional economic integration, which could catalyze political reform and reinforce efforts to stop illicit traffic and militant activity at Afghanistan's borders. As cited in a World Bank report, landlocked countries can face average growth rates that are about 1.5 percentage points lower because of transaction costs and other inefficiencies such as unpredictability in transportation time.

In July 2011, Secretary of State Hillary Clinton announced the New Silk Road (NSR) initiative, a long-term economic vision to transform Afghanistan into a hub of transport and trade, connecting markets in India, Pakistan, Afghanistan, and Central Asia. Some of the proposed NSR projects include completing the Afghan Ring Road; establishing rail links between Afghanistan and Pakistan; completing the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline; and creating a regional electricity market by establishing a transmission line between Central Asia and South Asia (CASA-1000).

NSR requires U.S. leadership, not necessarily an infusion of new U.S. funds. It will instead involve cooperation from multilateral development banks, foreign donors, regional governments, and the private sector. NSR has been enthusiastically welcomed by governments in Afghanistan and Central Asia who want to connect to markets in Europe and Asia and appreciate American attention to their economic challenges.

However, connecting Central to South Asia via Afghanistan will be challenging in light of the barriers to continental transport and trade, including the lack of regional cooperation. NSR will not be a panacea for Afghanistan's economic woes, but it does offer a vision for the broader region that could foster private sector investment if projects are prioritized and steps are taken to create an enabling environment. The United States can play a vital role by supporting political and economic reform and leveraging its resources.

Going forward, the administration should consider the following questions in implementing NSR:

- *What are the right priorities and timelines?* How is the United States prioritizing projects and coordinating with multilateral donors and foreign companies who are already vested in this effort? Should the United States cast a broad net, or focus on a few specific projects that stand the greatest chance of success? How do we implement quick-impact projects that show results, while focusing on the longer-term conditions that create an enabling economic environment?
- *What is the right balance between "hardware" and "software"?* One study cited by the Central Asia-Caucasus Institute esti-

mates that about 60 percent of the time required to ship goods from Bishkek, Kyrgyzstan through Kazakhstan to Novosibirsk, Russia is spent at two border crossings, comprising 64 percent of the total cost. What is the right balance between "hardware" projects like big-ticket infrastructure and "software" improvements such as customs and legal reforms that focus on removing barriers to continental transport and trade?

- *Should NSR be regional or continental in scope?* South and Central Asia are part of a broader continental economy. How can the United States augment its relationships in Central Asia to include allies such as Japan, South Korea, and India? The United States has engaged in policy discussions with these countries on Central Asia. How can we build on relationships with partners and allies to secure international support for trade and investment in Central Asia?

For NSR to succeed, the administration should incorporate lessons learned from previous U.S. attempts to promote regional economic integration in Central Asia. In 2006, the State Department advanced a vision to link Central Asia with Afghanistan, Pakistan, and India, while also expanding continental trade. The United States also signed a Trade and Investment Framework Agreement (TIFA) with the countries of Central Asia in 2004. These initiatives were promising, but the same obstacles that stymied progress then still exist in Central Asia today, including lack of regional cooperation, corruption, inhospitable business climates, regional rivalries, and the unfavorable cost differential between continental and maritime trade.

This report recommends the following six-pronged approach for NSR:

(1) *Appreciate the region's challenges:* Internal divisions, corruption, and poor business climates limit prospects for regional integration. A NSR strategy must take into account the differences among the Central Asian states, as well as their shared past. The region has yet to develop a culture of private enterprise and evolving one will take time. Bringing Afghanistan, Pakistan, and the rest of South Asia into the fold will make attracting private sector investment all the more necessary, and all the more challenging.

(2) *Get local buy-in:* Local governments need to do their part, enacting the kind of macroeconomic reforms that will be required for regional integration to take shape. The United States and other partners can aid this effort through capacity-building programs and technical assistance.

(3) *Engage the private sector:* NSR is intended to be locally owned and privately financed, spurring completion of several major energy and infrastructure projects across the region. What is needed now is a strategy for engaging the private sector, given the hesitation of investors to commit to a region where incomes are low, political risks are high, and the logistical challenges are great.

(4) *Focus on software:* NSR is a generational vision for the entire region. It should not simply be a means to cope with the eco-

nomic impact of transition in Afghanistan. Creating an enabling environment for private sector-led, export-oriented growth by removing the impediments to continental transport and trade, including customs and legal reforms, trade facilitation, and border management, should be an urgent priority.

(5) *Get real results quickly:* Most of the projects envisioned under the new strategy will take three to ten years to yield results. However, there are some projects that can deliver in the near term, demonstrate the potential of this strategy, and help broaden political support to sustain longer-term U.S. engagement. At the tactical level, for example, the United States could speed implementation of a few "demonstration projects," such as using its convening power to open a transport corridor between Central Asia and the port of Gwadar in Pakistan.

(6) *Communicate intentions clearly:* The United States should be mindful of creating expectations that cannot be fulfilled. A strategic communications strategy should clearly articulate how NSR will be implemented, what role the United States and other donors will play, what steps regional governments must take, how projects are being prioritized, the timeframe for implementation, and how the private sector is engaged. This strategy should also take into account the most effective means of communicating in these countries.

ASSESSING THE CENTRAL ASIA COUNTERNARCOTICS INITIATIVE

Militant activity and a lack of economic opportunity are not the only threats to regional stability. Drug trafficking and the corruption that it creates pose an equally serious challenge. Afghanistan is the epicenter of the drug problem. Production of opium decreased in Afghanistan by almost 50 percent in 2010, according to the United Nations Office on Drugs and Crime (UNODC), but prices have proved less elastic. This has allowed the Taliban and other criminal actors to exploit stockpiles from earlier harvests to maintain high profit margins. Drugs have become a source of income for insurgent groups, with the Taliban reaping tens to possibly hundreds of millions of dollars each year from the drug trade.

In June 2011, the State Department launched a new $4.1 million initiative known as "CACI," or the Central Asia Counternarcotics Initiative, to build local capacity and stimulate regional cooperation on counternarcotics. CACI seeks to establish vetted units and build counternarcotics task forces in the five Central Asian countries, linking them with existing task forces in Russia and Afghanistan. The U.S. Drug Enforcement Administration (DEA) and the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) will implement the initiative.

CACI provides an important vision for encouraging greater reform and information sharing across the region. As one U.S. official put it, "we are planting a seed with CACI," which could eventually grow into an effective investigative network for sharing information and conducting joint operations across the entire supply chain.

While there is demand for such an initiative among local agencies with a mandate to combat the drug trade, significant challenges remain. Regional cooperation has a checkered history in this

part of the world. Central Asia is home to a wealth of regional organizations and initiatives, many of which have failed to achieve their stated goals. Corruption is widespread and prospects for the vetted units remain unclear, given the lack of political will in several Central Asian countries.

To succeed, CACI will need to be coordinated across a range of interagency and intergovernmental counternarcotics initiatives. In FY 2010, the United States spent an estimated $69 million on counternarcotics in Central Asia through various Defense Department and State Department security assistance programs. The international community and regional organizations have also devoted considerable resources to the counternarcotics effort and launched a variety of initiatives, including the UNODC's Paris Pact-mandated "Rainbow Strategy," the NATO-Russia Council Project on Counternarcotics, and various initiatives within the Shanghai Cooperation Organization (SCO) and the Collective Security Treaty Organization (CSTO).

Going forward, the administration should consider:

- Applying regional labels to new initiatives with caution, given the structural constraints on regional cooperation in Central Asia;
- Piloting vetted units in countries where they stand the greatest chance of success, which will require a comparative regional assessment of efforts to combat the drug trade;
- Scaling up cross-border operations between Central Asian and Afghan law enforcement and military officials, including joint training activities; and
- Investing in informal working groups, like the Northern Route Working Group (NRWG), to improve information sharing and coordinate joint operations and regional and international counternarcotics efforts. The NRWG was established in 2010 to coordinate joint counternarcotics investigations in northern Afghanistan. It is composed of the Russian Federal Drug Control Service, Tajikistan Drug Control Service, Kyrgyzstan Drug Control Service, and DEA Country Offices in Dushanbe, Kabul, and Moscow.

SECURING CENTRAL ASIA'S SOUTHERN BORDERS

To support counternarcotics efforts, the United States should continue to shore up the borders between Central Asia and Afghanistan. Tajikistan's border with Afghanistan is particularly long, porous, and thinly guarded. Unmanned sections are known as "green borders," where virtually anyone can cross by river raft, donkey, or truck. Some areas of the border are protected by fences and border patrols, but many sections are left wide open.

According to officials in the region, most smuggling occurs at official points of entry and there is credible evidence that Tajik authorities look the other way, with some actively facilitating the drug trade. Tajik authorities told committee staff they make seizures about three to four times a year, with the last significant seizure in Dushanbe at the end of 2009, when the Tajik Ministry of Interior reportedly seized a large shipment of drugs coming from the Gorno-Badakhshan Autonomous Oblast.

Cross-border cooperation between Tajikistan and Afghanistan leaves room for improvement. Weak local government and corruption on both sides of the border are obstacles to effective border management. The Government of Tajikistan has relations with the Afghan border police, including regular meetings. They have agreements in place on exchanging information, but effective joint cooperation must be strengthened.

The United States is actively working with the Tajik government to improve border security. It is constructing or refurbishing border guard facilities, providing training for Tajik and Afghan border guards at a U.S.-funded facility in Khorog, and implementing programs on police reform, rule of law, judicial training, prosecutorial training, trafficking in persons, domestic violence, and drug demand reduction. The United States also provides basic equipment to Tajik border guards.

There are three steps the United States could take to build on its efforts to improve border security in Tajikistan and the wider region:

- *Improve and share data collection:* It is hard to have a genuine discussion and debate about the narcotics problem when our local partners lack publicly accessible and consistent information on the drug trade. According to Tajik Ministry of Interior estimates, they seize about 70 to 80 percent of all drugs that pass through Tajikistan each year, with only 10 percent of drugs produced in Afghanistan transiting Central Asia. The UNODC estimates that as much as 25 to 30 percent of the drugs produced in Afghanistan transit Central Asia. Experts estimate that roughly five to ten percent of these flows are seized.
- *Get back to brass tacks:* Establishing elite investigatory units, as envisioned under CACI, is a long-term goal. In the near term, the United States should also focus on the basics, working with the Government of Tajikistan to improve standards and facilities for interrogations, as well as to provide modern communications equipment, rations, and vehicles for border guards, customs service, and law enforcement agencies.
- *Increase Drug Enforcement Administration (DEA) staff:* DEA maintains only a handful of narcotics officers in Central Asia. By contrast, there are 81 DEA officers in Afghanistan. The administration should consider a modest increase in DEA's staff in Central Asia, given the volume of narcotics that transits the Northern Route and the challenges of coordinating an effective response.

APPENDIXES

Appendix I.—English Language Training

Across Central Asia, the English language is barely heard. This should concern the United States for three reasons: (1) fewer English-speakers means fewer opportunities for bilateral engagement, (2) fewer opportunities for engagement means less influence, and (3) less influence means reduced opportunities for trade and investment, as well as meaningful dialogue on human rights and legal reform.

English language training is important for other countries, too. Conversational fluency in the English language is critical to participating in peacekeeping missions and joint military exercises, to say nothing of reaping the benefits of globalization. It is why countries like Kazakhstan have invested in English language training, with the ambitious goal of becoming trilingual in Kazakh, Russian, and English in 10 years. The United States should seize the opportunity and expand English language training throughout the region.

Increasing support for English language training in Central Asia would complement existing U.S. outreach efforts. Public diplomacy programs like the Future Leaders Exchange (FLEX) program have played an important role in fostering people-to-people exchanges for high school students from Russia, Ukraine, Moldova, the Caucasus, and Central Asia. The United States also teaches English through the International Military Education and Training (IMET) program, annual Fulbright scholarships, English Language Fellowship and Specialist programs, and the Peace Corps.

Unfortunately, the Peace Corps' footprint in Central Asia is getting smaller. The Uzbekistan program ended in 2005, and the Peace Corps recently suspended its program in Kazakhstan, leaving just 89 volunteers in Kyrgyzstan and 25 in Turkmenistan. Tajikistan does not have a Peace Corps program, despite high-level interest from the United States.

Expanding English language training requires unity of effort to succeed, particularly in a constrained fiscal environment. There is room for creativity in partnering with the private sector. For instance, in cooperation with the State Department, American companies could leverage their resources to bolster English language opportunities in Central Asia. This could be achieved with a minimal start-up investment from the U.S. Government. Public-private partnerships like the U.S.-Kazakhstan Public-Private Economic Partnership Initiative (PPEPI) have delivered results. We should apply this model to our English language programs in Central Asia.

Appendix II.—Remembering Osh

The ghosts of the 2010 violence in Kyrgyzstan, during which clashes between ethnic Kyrgyz and Uzbeks left nearly 500 dead and hundreds of thousands displaced, still haunt the streets of Osh in the heart of the Ferghana Valley. Charred buildings and half-empty markets are stark reminders of the tensions that simmer just beneath the surface. Kyrgyzstan has taken some positive steps since the ouster of former President Kurmanbek Bakiyev last April, with credible parliamentary elections in October 2010, and a presidential election this fall. But much work remains to be done to consolidate Kyrgyzstan's democratic transition.

Reconciliation initiatives have been slow to get off the ground. Officials have pledged reforms to encourage better inter-ethnic relations. But throughout the country, an uneasy fear pervades discussion of the future.

Kyrgyzstan's halting strides toward democracy underscore the fragility of Afghanistan's northern flank. Many of the Central Asian countries labor under the constraints of artificially imposed borders and mismanagement of natural resources. The Ferghana Valley, which spans the countries of Kyrgyzstan, Tajikistan, and Uzbekistan, is one of the most densely populated and ethnically diverse areas in the world. It has been a hotbed of violence and instability, as well as a fertile recruiting ground for militant groups. Ferghana's diversity, economic potential, and local governance structures are sources of strength. But these rays of light have been overshadowed by social and cultural conflict.

Remembering Osh is less a call to action than a caution against the tendency to assume we can "fix" what ails Central Asia. The United States can help, and in many respects, U.S. assistance can make a real difference. In Osh, for example, the United States could put more dollars behind youth sports centers and joint economic initiatives for ethnic Kyrgyz and Uzbeks, as well as mobile health clinics that provide psychosocial support for families of the victims of last year's violence. But ultimately, it is the people of Central Asia that must lead the way to reconciliation, economic growth, and political reform.

There is reason for hope. In Tokmok, a small town to the east of Bishkek, an elderly gentleman proudly cast his vote in this year's presidential election. "Do you want to know whom I'm voting for?" he asked his compatriots, to which they responded with cries of "No, No." The gentleman raised his voice: "I'm voting for peace and stability in Kyrgyzstan."

Appendix III.—Tajikistan: A Closer Look

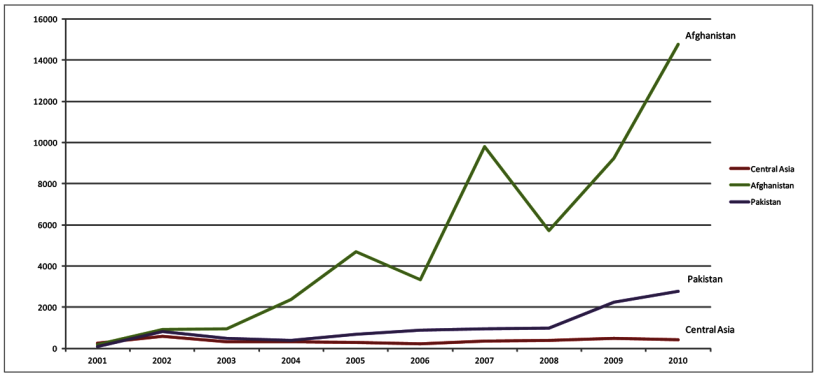
Tajikistan is a weak state in a dangerous neighborhood. It lacks resources and shares a widely porous and vulnerable border with Afghanistan. Corruption is rife, and the country's institutions are brittle, raising concerns about its ability to manage political, economic, and humanitarian shocks.

Militant ambushes against a convoy of government troops and a suicide bombing in the northern city of Khujand last year exposed Tajikistan's vulnerability to growing extremism at home and armed incursions from across the border in Afghanistan. Much of what passes for terrorist activity in the country may be local in nature, driven by those who have grown dissatisfied with electricity shortages, unemployment, corruption, abusive interrogation methods, and religious persecution. The IMU and other militant groups occasionally infiltrate the country, and there is some evidence to suggest that Tajikistan's northern Isfara district is at risk of becoming a haven for extremists. In the final analysis, however, the specter of Islamic radicalism may be a self-inflicted wound.

Islam is flourishing in Tajikistan. Yet the government is limiting its free expression by monitoring Friday sermons, prohibiting most children under the age of 18 from attending religious services at mosques, and recalling students pursuing religious studies at institutions abroad. Government restrictions on religious expression, coupled with a lack of economic opportunity, could drive many organizations underground. This threatens to radicalize a younger population whose active participation in society is vital to promoting economic growth, political reform, and moderation.

For Central Asia to remain part of the solution for Afghanistan and not the problem, its governments must address the shortcomings in their domestic security regimes. In addition to the human and social costs, the presence of radicalized and alienated populations in Central Asia could present the Taliban and other militant groups with ample opportunity to regenerate and spread their message from across the border.

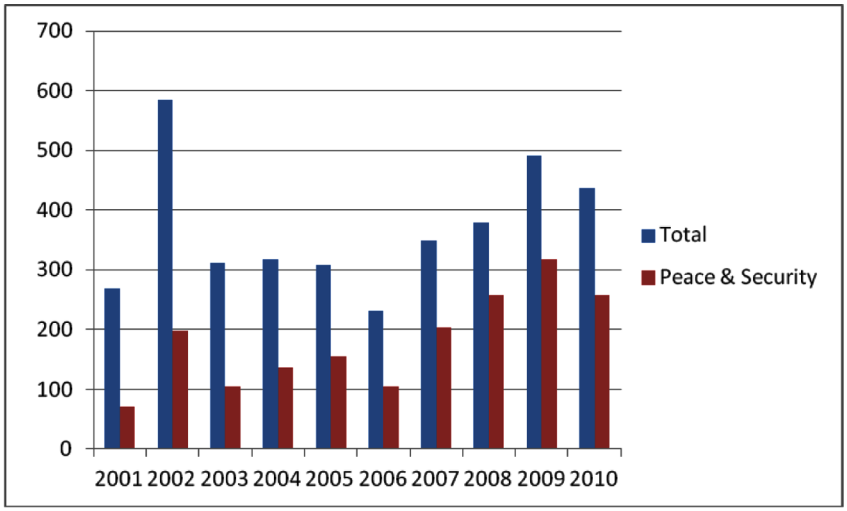
Appendix IV.—Total U.S. Budgeted Assistance to Central Asia, Pakistan, and Afghanistan, FY 2001–2010 (millions)



Sources: For Afghanistan, FY 2002–2010, *see:* Curt Tarnoff, "Afghanistan: U.S. Foreign Assistance," *Congressional Research Service,* R40699, August 19, 2011, p.16. For Afghanistan, FY 2001, *see:* Kenneth Katzman, "Afghanistan: Post-Taliban Governance, Security, and U.S. Policy," *Congressional Research Service,* November 22, 2011, RL30588, p. 75. For Pakistan, *see:* Susan B. Epstein and K. Alan Kronstadt, "Pakistan: U.S. Foreign Assistance," *Congressional Research Service,* R41856, November 4, 2011, pp. 20–21. Data on total U.S. budgeted assistance to Central Asia compiled for Senate Foreign Relations Committee majority staff by Jim Nichol, Specialist in Russian and Eurasian Affairs at the Congressional Research Service.

Notes: Estimates for Afghanistan include total budget function 050 and function 150 assistance, FY 2001–2010. Estimates for Pakistan include total security and economic assistance, excluding Coalition Support Funds, FY 2001–2010. Estimates for Central Asia include assistance reported by all agencies and programs, FY 2001–2010.

Appendix V.—U.S. Budgeted Peace & Security Assistance vs. Total Assistance to Central Asia, FY 2001–2010 (millions)



Source: Data on total U.S. budgeted assistance and Peace and Security (P&S) assistance to Central Asia compiled for Senate Foreign Relations Committee majority staff by Jim Nichol, Specialist in Russian and Eurasian Affairs at the Congressional Research Service.

Notes: Peace and Security assistance includes Department of Defense funding for combating weapons of mass destruction, counternarcotics, and stabilization operations and security sector reform (Section 1206); Department of Energy funding for combating weapons of mass destruction; and Department of State funding for International Military Education and Training (IMET), Foreign Military Financing (FMF), Non-Proliferation, Anti-terrorism, Demining, and Related Programs (NADR), and Assistance to Eastern Europe and Central Asia (AEECA) funding for counterterrorism, transnational crime, counternarcotics, stabilization operations and security sector reform, combating weapons of mass destruction, and conflict mitigation and reconciliation.

Appendix VI.—U.S. Assistance to Central Asia, FY 2001–2010

Table 1: Total U.S. Assistance Budgeted for Central Asia, FY 2001–2010

(millions of dollars, by fiscal year)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Kazakhstan	80.01	97.4	97.88	111.00	84.91	80.06	165.55	179.52	219.02	157.9	1273.25
Kyrgyzstan	43.07	94.47	53.85	55.25	55.23	43.34	71.25	71.23	111.74	117.53	716.96
Tajikistan	76.48	136.34	48.71	53.01	65.69	42.81	48.44	67.33	65.60	82.99	687.4
Turkmenistan	12.57	18.93	10.98	10.42	18.94	10.44	19.84	16.83	20.78	28.25	167.98
Uzbekistan	48.33	224.14	90.77	84.25	78.28	49.30	35.90	38.33	48.55	37.36	735.21
Regn.	7.57	13.88	9.99	3.41	4.67	5.23	7.59	6.66	25.61	12.21	96.82
Total	268.03	585.16	312.18	317.34	307.72	231.18	348.57	379.9	491.3	436.24	3677.62

Source: Data on total U.S. budgeted assistance to Central Asia compiled for Senate Foreign Relations Committee majority staff by Jim Nichol, Specialist in Russian and Eurasian Affairs at the Congressional Research Service.

Notes: Estimates for Central Asia include assistance reported by all agencies and programs, FY 2001–2010.

Table 2: U.S. Budgeted Peace & Security Assistance for Central Asia, FY 2001–2010

(millions of dollars, by fiscal year)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Kazakhstan	36.66	47.63	51.67	73.75	56.00	50.35	139.8	155.5	187.6	137.72	936.68
Kyrgyzstan	6.55	38.62	11.28	12.33	17.44	13.27	18.78	37.57	42.23	48.62	246.69
Tajikistan	0.75	21.6	1.62	7.88	28.99	10.00	17.49	30.48	25.50	31.48	175.79
Turkmenistan	1.87	7.73	1.16	0.97	8.98	2.17	5.72	5.90	8.71	13.0	56.21
Uzbekistan	24.27	82.53	39.18	41.62	43.43	28.67	17.82	26.82	33.98	25.95	364.27
Regn.	0.30	0.00	0.12	0.00	0.91	0.68	3.60	2.13	19.21	0.75	27.7
Total	70.4	198.1	105.0	136.5	155.7	105.1	203.2	258.4	317.2	257.52	1807.34

Source: Data on U.S. budgeted peace and security assistance to Central Asia compiled for Senate Foreign Relations Committee majority staff by Jim Nichol, Specialist in Russian and Eurasian Affairs at the Congressional Research Service.

Appendix VII.—Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan

Source: Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests," *Congressional Research Service,* RL33458, October 12, 2011, p. 54, http://www.fas.org/sgp/crs/row/RL33458.pdf.

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