

February 2016

Economics

Dozens [protested](#) US dollar mortgages in Almaty, demanding that loans be recalculated in the Kazakh Tenge at the January 2015 exchange rate. The Tenge has lost more than half its value over the past year.

The Economist Intelligence Unit [predicted](#) that the Kazakh economy will shrink for the first time in 20 years.

Kyrgyz authorities [exposed](#) a US\$58 million money laundering operation involving a construction company in Osh.

Kyrgyzstan's Parliament [terminated](#) two powerplant deals with Russia, blaming Russia for a "lack of financing." Kyrgyzstan is seeking a new investor.

The EU Foreign Affairs chief Federica Mogherini [signed](#) an economic agreement with Kazakhstan during her trip to Astana in December.

Gazprom Kyrgyzstan [repaid](#) a US\$41.6 million debt to Kazakhstan for natural gas purchased in 2004.

Kazakhstan [reduced](#) oil export customs duty by more than 30 percent to US\$40 per ton.

Uzbekistan [signed](#) agreements worth more than US\$91 million for the export of fruits, vegetables and textile products to Europe.

The Asian Development Bank will [allocate](#) a US\$1.89 billion loan to Uzbekistan for the 2016-2018 period.

The chief of Tajikistan's National Bank [announced](#) that the country would consider introducing jail terms of up to nine years for "illegal hard-currency exchange operations."

Politics

The United Nations [called](#) on countries to donate US\$393 million in humanitarian aid to Afghanistan in 2016.

In December, the Tajik President Emomali Rahmon [signed](#) legislation to endow himself with lifelong legal immunity and the title of "Leader of the Nation."

The Tajik Parliament [adopted](#) constitutional amendments to reduce the minimum age of presidential candidates and to enable President Rahmon to be elected to an indefinite number of presidential terms. Rahmon's eldest son will now be eligible for election in 2020, which observers worry may pave the way for dynastic rule in Tajikistan.

The Uzbek Foreign Minister [met](#) US Officials in Washington on January 19. They discussed a number of issues, including human rights and security.

The Kazakh President Nursultan Nazarbaev [dissolved](#) the lower house of the Kazakh parliament so that early elections can be held on March 20.

President Rahmon [signed](#) a bill to tighten government control over internet traffic.

Tajik lawmakers [voted](#) to ban two common Muslim practices: Arabic-sounding "foreign" names and marriage between first cousins.

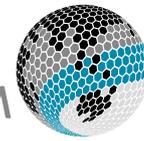
Transparency International's 2015 Corruption Perceptions Index (CPI) [ranked](#) Afghanistan, Turkmenistan and Uzbekistan amongst the 15 worst countries in the world in for corruption.

Freedom House [dubbed](#) Turkmenistan and Uzbekistan among the "Worst of the Worst" countries in relation to political rights and civil liberties.

After a long delay, Afghan election officials [announced](#) that parliamentary elections will be scheduled for October 15. The legislature's term expired in June 2015, but the election was postponed for security reasons.

Kazakh human rights campaigners [urged](#) the country to abolish two pieces of legislation that are commonly used against critics of President Nazarbayev.





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Security

Two Kazakh civil rights activists were [sentenced](#) to jail after being found guilty of “inciting social hatred.”

A Kyrgyz police officer was [detained](#) after being named as a weapons supplier by an alleged terrorist.

The Taliban ran an unusually aggressive [campaign](#) of violence in Afghanistan this winter, which was thought to be an attempt to strengthen the group’s hand in upcoming peace talks.

The Afghan Independent Human Rights Commission [announced](#) that more than 700 civilians were killed or wounded in Helmand province in the nine months to January 2016.

More than 30 Kyrgyz nationals were [reportedly](#) killed fighting alongside Islamists in Syria and Iraq in 2015.

A mortar hit a school in eastern Afghanistan on January 11, [killing](#) at least three children.

Akram Yuldashev, a leading figure among Uzbek Islamists is [reported](#) to have died in prison in 2010

A US military official [said](#) that Afghan forces in Helmand province are being “rebuilt” by replacing underperforming key commanders.

A suicide bomber [attacked](#) a minibus carrying employees of the prominent Afghan news network Tolo TV, killing at least seven people. The Taliban had declared last month that the network was a legitimate “military target.”

Tajik authorities [announced](#) that up to 1,000 nationals have joined Islamic State (IS) militants in Syria and Iraq, which is double the figure previously announced.

The Afghan President Ashraf Ghani [pledged](#) to “bury” the Islamic State (IS) group.

Preparation for Taliban peace talks resumes

Peace talks between the Afghan government and the Taliban were derailed in 2015 after the group confirmed that its leader, Mullah Mohammad Omar, had [died](#) two years earlier. Mullah Omar was thought to have sanctioned the talks, with his support was [seen](#) as crucial to the chances of success. Now it was clear that Mullah Omar had died well before the Talks began and that the statement attributed to him had been falsified. His successor, Mullah Akhtar Mohammed Mansour, categorically rejected talks with the Afghan government.

Yet six months later, the outlook has improved and preparations for the next round of talks have started, with diplomats and military officials from the US, China, Afghanistan and Pakistan meeting in Kabul in mid-[January](#) to discuss the process. Javed Faisal, the spokesperson for the Afghan Chief Executive Abdullah Abdullah, declared that the meeting was aimed at constructing “the mechanism” for direct peace talks between Taliban and Kabul. But Afghan officials continue to [accuse](#) Pakistan of providing financial support to the group, even though the Afghan President Ashraf Ghani acknowledges that Pakistan’s involvement is crucial to achieving a lasting settlement.

The peace talks have proven divisive for the deeply-fractured Taliban. The Afghan Foreign Minister Salahuddin Rabbani [urged](#) all Taliban factions to join the talks with the Afghan government, noting that those that refuse risk being sidelined in future agreements. The group formally [issued](#) a list of preconditions for the talks in late-January, including the release of political prisoners, which a spokesman for Afghan President Ashraf Ghani [declared](#) ‘unacceptable.’ Pakistan will [host](#) the third round of the pre-Talk preparations on February 6.

