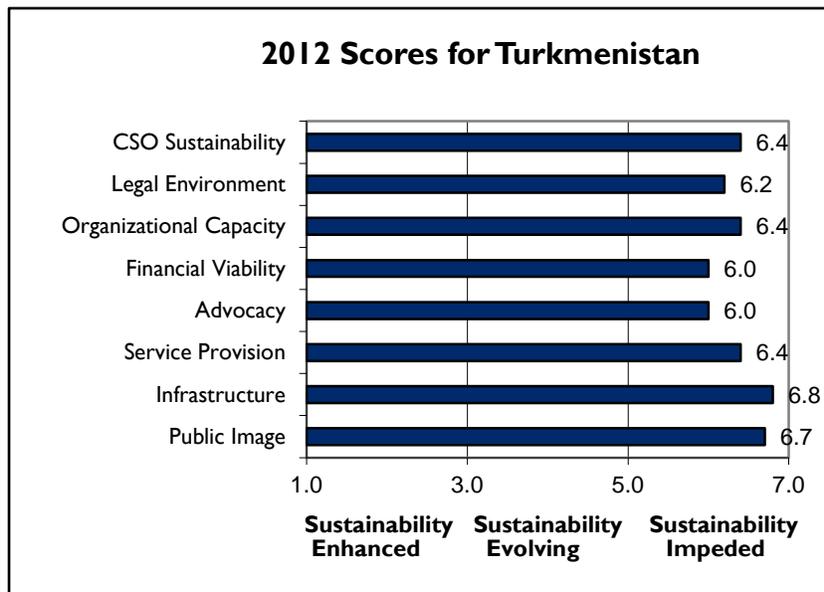


# TURKMENISTAN



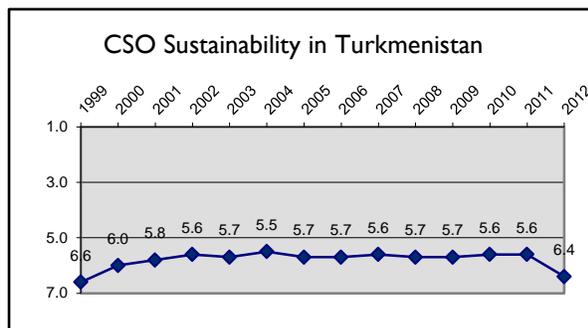
**Capital:** Ashgabat

**Population:** 5,113,040

**GDP per capita (PPP):** \$8,500

**Human Development Index:** 102

## CSO SUSTAINABILITY: 6.4<sup>1</sup>



The presidential election campaign in Turkmenistan started in October 2011. On January 11, 2012, during the run-up to the election, the Medjlis (parliament) passed the Law on the Election of the President of Turkmenistan, which introduced procedures for the accreditation of domestic and international observers and set out their rights and duties. Eight candidates from the Democratic Party, the only registered party in Turkmenistan at the time, contested the election. The incumbent president won the election on February 12,

2012, securing over 97 percent of the vote.

On January 15, 2012, the president signed the new Law on Political Parties. The law defines the legal basis for establishing political parties and regulates the procedures for establishing, operating, reorganizing, and liquidating political parties. On August 21, 2012, the Party of Industrialists and Entrepreneurs, a new party, held a constituent congress, making it the second registered political party in the country.



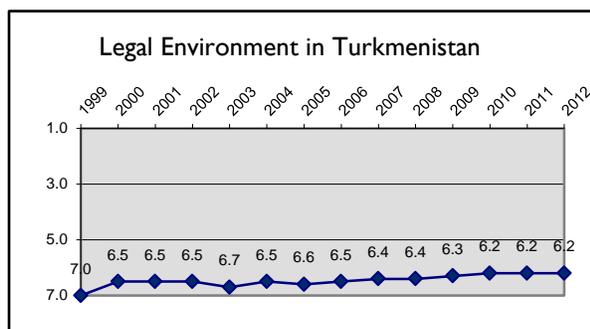
<sup>1</sup> In reviewing the report for Turkmenistan, the Editorial Committee noted that the narrative for several dimensions described a situation that was much worse than the scores reflected. In order to rectify this situation and make the scores more comparable across the region, the Editorial Committee significantly adjusted the scores for Organizational Capacity, Service Provision, Infrastructure, and Public Image. These changes in scores do not reflect a deterioration in the situation in Turkmenistan during 2012.

The legal framework for CSOs in Turkmenistan did not change substantially in 2012, although there were fewer arbitrary decisions and delays in the registration process. The Law on Public Associations was discussed in 2008 and 2009 and the resulting recommendations were submitted to the government, but no changes have been made yet. The government also has not yet responded to the draft Law on State Social Orders proposed by CSOs.

The financial viability of the CSO sector is still constrained. Most public associations (PAs) cannot afford to employ paid staff or train their staff. Many CSOs rely on obsolete equipment that was purchased with grant funding in the early 2000s. CSOs do not form issue-based coalitions or engage in broad-based advocacy campaigns. CSO infrastructure continues to be minimal. CSOs suffer from a weak public image. Media largely ignores the sector and the wider public is not sufficiently aware of CSOs' role or activities to form an opinion about the sector.

There are currently 106 PAs registered at the Ministry of Justice. They include sports entities, professional unions, organizations working to achieve common civil purposes, and government-organized public associations that represent government interests and receive governmental financial support and endorsement of their activities (GONGOs). The Ministry of Justice (Adalat) registered six new PAs in 2012, compared to none in 2011. Some CSOs register as business societies or individual enterprises at the Ministry of Economy and compete for grants to implement socially useful work. The number of unregistered community-based and other groups and activists is unknown.

## LEGAL ENVIRONMENT: 6.2



The Law on Public Associations, which regulates CSO registration and operation, has not changed since 2003. The law requires CSOs to have 500 members to register as national-level organizations, fifty members to register as international organizations, and five members to register as local organizations. These provisions restrain the formation of new PAs and prevent small groups from attempting to register. The law bans unregistered groups, making any informal group activity illegal.

CSOs generally find the registration process to be difficult. According to the law, registration should be processed within one month of submitting all required documents. In reality, applications are often refused for not including all required documents. To avoid the complicated process of registering as a PA, many small groups either choose not to register or operate as business societies, individual enterprises, or entrepreneurs.

Despite the difficult registration process, six new PAs were registered by the Ministry of Justice in 2012, including two from the Balkan province (the Lawyers' Bar Association and the Sports Club), one from the Lebap province (Taze Zaman, which works with youth), and three from Ashgabat (Yashil shohle focusing on ecology, Yenme aimed at the disabled, and the Elderly Council). The registration of these new entities suggests a reduction in arbitrary decisions and delays in the registration process. Many registered associations also assert that Ministry of Justice officials were more cooperative in the past year.

A PA requires authorization from designated state institutions to conduct any activity involving the public or a public area. Authorization frequently depends on the personal willingness of the official in charge. Central and local governments and tax inspectors rarely interfere with CSO activities as long as these activities do not run counter to official views. Recognizing these challenges, registered PAs generally limit their activities to those listed in their statutes and make every effort to comply with the legal framework.

All foreign grants must be registered with the Ministry of Justice. The process of registering a grant is quite difficult, can easily be protracted, and is subject to excessive government discretion.

PAs are exempt from paying taxes on grants, endowments, and property they own. However, PAs pay 20 percent in social insurance taxes on all labor agreements, including both employee salaries and individual consultant fees, regardless of the source of financing. Neither individual nor corporate donors receive any tax exemptions or deductions for donations to CSOs.

The Law on Public Associations and the Civil Code allow PAs to conduct economic activities, as long as they are specified in their statutes and the income generated is used to further the organization's stated objectives. Income earned by PAs through commercial activity is taxed at a rate of 8 percent. Only enterprises run by disability organizations receive tax breaks.

PAs are legally allowed to bid on government contracts and procurements. However, these tenders generally require participation fees that are too high for most PAs. The government has still not responded to PAs' proposed Law on State Social Orders, which would regulate contractual relations between state institutions and civic entities.

Bar associations exist in every province and charge for their services. However, few lawyers are familiar with the legislation regulating PAs. Many PAs also take advantage of the free legal consultations offered by the International Center for Not-for-Profit Law (ICNL) and NGO Bosfor.

## ORGANIZATIONAL CAPACITY: 6.4

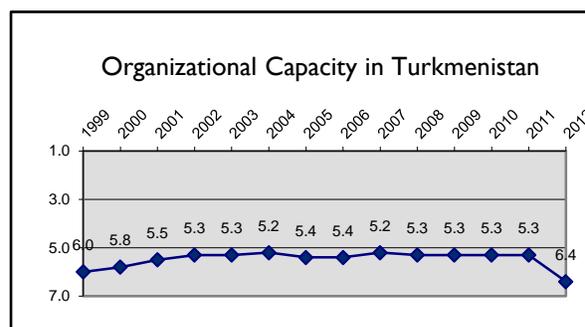
CSOs seek to operate in an open and transparent manner. CSO statutes must stipulate their goals, tasks, and geographical scopes of operations. PAs are also legally required to specify their legal addresses; the organizational structures, mandates, and terms of their management, control, and audit bodies; procedures for calling management meetings and decision making; and financial and property resources.

GONGOs receive government support and therefore generally have better capacity. Managers of such organizations receive government salaries, and organizations generally receive office equipment, including upgraded computers, software, fax machines, and scanners.

Most CSOs clearly identify their constituencies and actively involve them in different activities. Many organizations engage in annual planning and some elements of strategic planning. Long-term planning often depends on financial resources, as well as knowledge of strategic planning practices. Some well-developed PAs, including the Union of Professional Accountants, the Union of Economists, Keik Okara, and Agama, engage in longer-term strategic planning of two to three years.

Few CSOs can afford paid staff. CSOs with paid staff maintain adequate human resource practices like contracts, job descriptions, and payroll. Many PAs cannot afford professional services like accountants, IT managers, or lawyers. When needed, professionals are hired on short-term bases or for individual assignments. CSOs sufficiently recruit and engage volunteers.

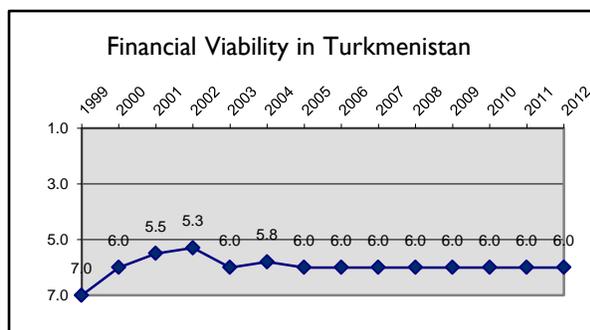
Many CSOs that do not receive government support rely on outdated office equipment that they acquired several years ago and cannot afford to update. Quite often, CSOs use members' personal equipment, including computers and scanners, and pay for repairs and Internet access. Business societies that compete



for donor grants have greater resources to update their equipment. For example, the business society Hemayat purchased thirty computers for its offices in Ashgabat and the provinces this year.

In 2012, the Russian telephone company MTS resumed its services in Turkmenistan. As a result of the increased competition, cellular service and Internet access in the country improved. Still, many websites and social networks, including Facebook, Twitter, and YouTube, are banned in Turkmenistan. Whatsapp, which provides quick messaging and photo exchange, was also blocked for part of 2012.

## FINANCIAL VIABILITY: 6.0



The financial viability of the CSO sector did not change notably in 2012. A number of GONGOs, such as the Women’s Union of Turkmenistan, the Magtymguly Youth Union of Turkmenistan, the Nature Protection Society, and the National Center of Trade Unions, continue to receive financial and in-kind support from the state and therefore have greater stability. Some GONGOs also compete for donor grants.

Typically, CSOs seek multiple sources of funding.

International grant funding plays an important role for many organizations. Many PAs compete for small foreign grants from embassies and programs of the International Organization for Migration (IOM), World Bank, OSCE, and some UN agencies. To increase their financial viability, some CSOs adjust their plans to reflect donor priorities.

Some PAs offer paid services to supplement their income. For example, Keik Okara offers language courses; the Union of Professional Accountants provides accounting training; and Agama requests a participation fee to use its climbing equipment. Many membership-based CSOs rely on membership dues.

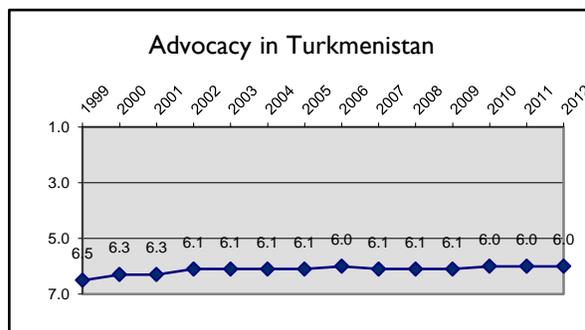
Philanthropy remains undeveloped in Turkmenistan and CSOs do not engage in outreach or philanthropy development programs. While the custom of sadaka - wherein people distribute food to celebrate family events or national holidays - is widespread, CSOs do not benefit from this practice. However, CSOs are able to draw upon a core of volunteers, and many PAs receive non-monetary support from their communities and constituencies. Businesses occasionally provide monetary contributions to organizations for the disabled. For example, four companies – Ak Toprak, Dragon Oil, Renaissance Turkmen, and Advis – helped send the Special Olympics team to the World Championship in Portugal.

CSOs typically operate in a transparent manner. Quarterly and annual financial balances are submitted to the tax authorities. CSOs that receive donor funding provide information to their donors and the Ministry of Justice. The control and audit bodies report their findings at annual meetings. CSOs do not publish financial statements in newspapers or websites. Although several new independent audit companies have opened in the capital, CSOs do not conduct independent financial audits due to a lack of financial resources.

## ADVOCACY: 6.0

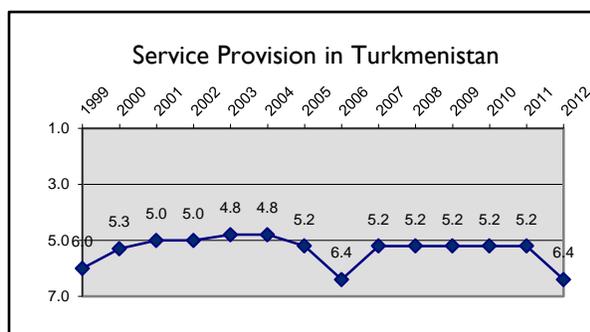
Advocacy did not change substantially in 2012. CSOs do not form issue-based coalitions or engage in broad-based advocacy campaigns at either the national or local levels. Although CSOs are familiar with the concept of lobbying, they do not lobby for legislation at either the local or national levels.

Although there are no established legal mechanisms or defined channels for CSOs to advocate or communicate with decision makers, some CSOs have established direct lines of communication with the government. Often, this communication depends on how important the government finds a given project. For example, the Cabinet of Ministers tasked the Union of Economists (UET) with coordinating preparations for the Law on Assessment. By presidential order, UET and the Union of Professional Accountants were included in the state inter-agency committee in charge of coordinating the work on the National Standards on Financial Accounting State Program. Keik Okara, UET, Agama, and other PAs often initiate dialogue with government entities. Many GONGOs maintain close relationships with government structures at various levels and participate in their activities.



CSOs did not engage in any advocacy efforts to improve the legal and regulatory framework for the CSO sector in 2012.

## SERVICE PROVISION: 6.4



Service provision did not change substantially in 2012. CSOs work in various areas, including the environment, children and youth issues, women's issues, culture, art, education, legal rights, social rights, and the rights of the disabled.

Services generally reflect the needs and priorities of CSOs' constituents and target communities. However, few CSOs provide services beyond their own members or engage in expert analysis. Most CSOs do not market their products or services to other CSOs, academia,

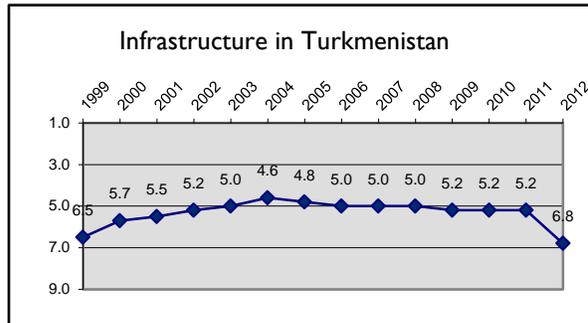
churches, or the government, although some CSOs distribute leaflets to promote their events or activities. High costs and strict state controls on publishing prevent CSOs from preparing and issuing publications.

Some CSOs recover their expenses by collecting fees for their services. For example, Agama requests a fee for using its climbing equipment. The Accountants Union provides paid accounting training to the population and free training to its members.

Although the government does not provide any grants or procurement contracts to CSOs, some CSOs benefit from cooperation with the government in other ways. In 2012, Agama cooperated with the State Committee on Tourism and Sports to organize mass mountaineering for the International Day of Tourists. Some PAs use government office space for free. For example, the Women's Union of Turkmenistan, the Magtymguly Youth Union of Turkmenistan, the War Veterans Organization, and the National Center of Trade Unions share the Public Center with the Democratic Party. Agama has free office space from the State Committee on Sports.

## INFRASTRUCTURE: 6.8

The sectoral infrastructure did not improve in 2012. There are no intermediary support organizations (ISOs) or CSO resource centers in the country. CSOs can access relevant information, the Internet, and other resources at the information centers sponsored by the OSCE, the US embassy, and the World Bank's Public Information Center in the capital. Some provinces have resource centers that provide minimal services, such as photocopying, but these centers lack regular funding. CSOs recognize the need for a center that could facilitate networking and the exchange of information and experiences, promote the sector's interests, and offer training; however, no CSO has the capacity to undertake these responsibilities.



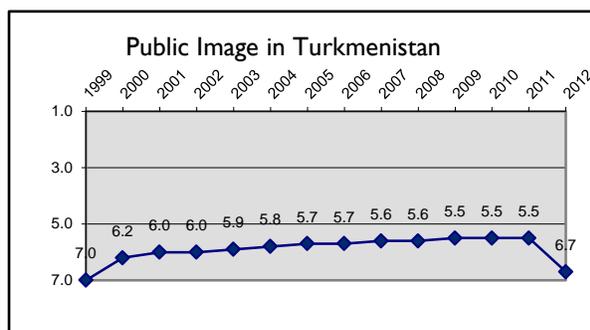
CSOs do not have access to free training in strategic management, accounting, financial management, fundraising, or volunteer management. There are capable trainers in the sector, but CSOs rarely request their services since they cannot afford them. CSOs' financial capacities prevent them from paying for training offered by business societies like Hemayat.

No local community foundations or other organizations provide local grants to CSOs or re-grant international donor funds.

Some CSOs share information with each other informally, but there is no universal network or coalition of CSOs.

Some CSOs work in informal partnerships with government or local businesses. For example, Agama works with the Ministry of Nature Protection, the Ministry of Defense, the Central Youth Union of Turkmenistan and its Children's Fund, the State Committee for Tourism and Sport of Turkmenistan, and other state and local entities.

## PUBLIC IMAGE: 6.7



Media attention to CSOs continued to be minimal in 2012. Newspapers and magazines do not publish any analytical articles about the sector. Print and electronic media only publish a few news stories or commentaries about the sector. Coverage tends to focus on individual events. For example, the national seminar on Rights of Women of Turkmenistan, organized by the Central Committee of the Women's Union of Turkmenistan, received wide media coverage. CSOs collaborating with UN agencies might also receive some media coverage. Mass media, which is largely

owned by the state, generally prefers to give coverage to government-organized entities. Most media do not distinguish between public service announcements and corporate advertising and charge for both.

Most CSOs do not seek out the media or try to develop relationships with journalists. One exception is Agama, which benefits from wide media coverage. Some of Agama's members are journalists and participate in its activities.

Few CSOs have their own websites. Those with websites maintain them sporadically when they have grants. Agama, which maintains its website with its own resources and updates it regularly, is also an exception in this regard.

Most CSOs are well-recognized by their constituents, but the wider public is not sufficiently aware of the purpose or activities of CSOs to form an opinion about the sector. The business sector is also unaware of CSOs and their activities. Moreover, it lacks incentives and interest in sponsoring or supporting CSOs. In general, the government has a neutral perception of CSOs.

CSOs do not publish annual activity or financial reports. However, the Law on Public Associations requires PAs to make their statutory and program documents accessible to the public. In addition, all PAs are required to have control and audit bodies that present their findings at annual general meetings.