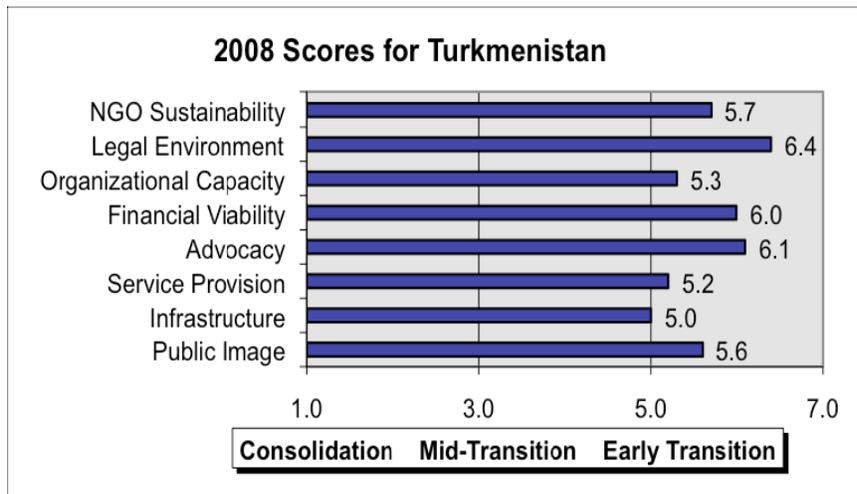


TURKMENISTAN



Capital: Ashgabat

Polity:
Republic

Population:
4,884,887 (July 2009 est.)

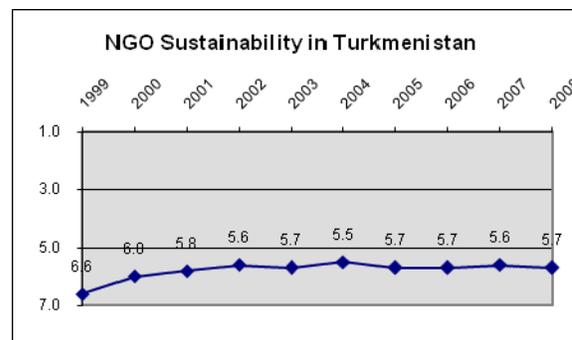
GDP per capita (PPP):
\$5,800 (2008 est.)

NGO SUSTAINABILITY: 5.7

Currently, eighty-nine registered NGOs are operating in Turkmenistan. This number includes professional associations and sports organizations.

In 2008, legislative reforms reflecting President Gurbanguly Berdimuhamedov's new political course were introduced. The new course emphasized human rights and social protection as the government's key priorities and was captured in the slogan "The State is for the People." In addition to a new version of the constitution, newly adopted laws included the Law on Migration, the Law on State Guarantees of Equality for Women, and the Law on Anti-Trafficking. Amendments were made to the Social Protection Code, Labor Code and Tax Code. The government has expressed serious intentions to bring Turkmenistan's legislation into compliance with international standards. Changes in legislation on taxation and women's rights protection opened up opportunities for civil society actors and local NGOs to be involved in different social projects.

The legal framework for the activities of NGOs and other civic groups has not changed since 2003, when the Law on NGOs was adopted. Although the government stance toward registration and NGO activities did not change



dramatically, dialogue between the NGO sector and the government reportedly improved during the year. One example was a two-day seminar on international standards for NGO legislation arranged by the International Center for Not-for-Profit Law (ICNL) in partnership with the Turkmen National Institute for Democracy and Human Rights (NIDHR), a government agency, in April 2008. A similar event, a roundtable on improvement of NGO legislation, took place in November 2008, and the participants agreed on the need to amend the NGO Law.

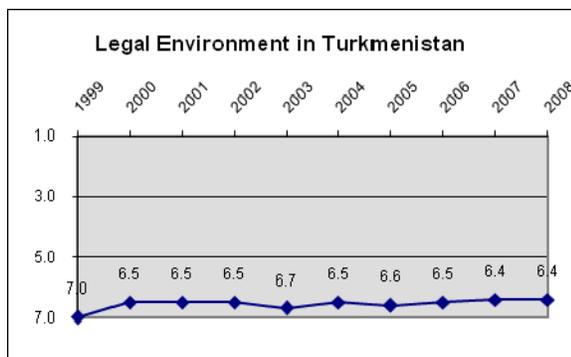
In some regions of the country, local authorities increasingly recognize the contributions made by civic groups to improve local infrastructure. Local officials have become increasingly receptive to local initiatives and are willing to provide support within their authority under the

Law on *Archins* (local authorities). For example, local authorities in Akel village, Koytendag town, Parahat village, Saglyk village, and Ahal village provided resources, specialists, and equipment for projects initiated by villagers and implemented under international organizations' grant programs.

In discussing NGO activity in Turkmenistan, it is important to differentiate between registered NGOs, community-based civic groups and government-supported GONGOs. With the 2003 NGO Law still in place, many NGOs continue to

face challenges with obtaining legal status, which has led to the continued presence of informal civic groups. While the informal groups are quite active, their impact on civil society development is difficult to estimate. Moreover, their activities are considered illegal under the NGO Law. GONGOs, on the other hand, are registered NGOs backed by the government of Turkmenistan. They implement projects with funding from the government and in some cases from UN agencies. Some GONGOs, such as the Women's Union and Nature Protection, are very active.

LEGAL ENVIRONMENT: 6.4



Registration remains a serious issue for NGOs. The NGO Law has never been amended since it was adopted in 2003. Although the law has many legal flaws, it allows NGOs to register and provides a legal basis for NGO activities. The law requires a national NGO to have 500 members to register as a legal entity. This requirement can rarely be met, and its application by the state appears to be selective. For example, the Union of Entrepreneurs, a national NGO, was closed down because it did not have 500 members, whereas the Union of Entrepreneurs and Industrialists, a GONGO, was registered with only about seventy members.

Some civic groups applying for registration to the Ministry of Justice (MoJ) received refusals that were not substantiated by legitimate reasons. Instead, the comments referred to minor details or even grammatical mistakes in the text of the application. The official period in which the ministry must respond to registration applications is one month, but some civic groups

have waited for three to fifteen months for a decision. There has been some progress, however, such as the registration of the Gardeners' Society NGO in Ak Bugday *etrap* (district) and the Union of Entrepreneurs and Industrialists. The re-registration of the Association of Accountants, which was not able to re-register in 2007, represented a real breakthrough.

Increasingly, MoJ officials agree to meet with applicants, provide feedback, and at times even encourage them to re-apply. Typically, because they lack legal knowledge and mechanisms for asserting their rights, groups do not dispute MoJ refusals of registration. The groups often believe that their objections will not lead to reversal of the decision. In addition, they fear that questioning government officials could lead to retaliation in the future.

Given the relative ease of registering for-profit organizations, civic activists increasingly opt to register as businesses in order to continue providing services to their constituents.

The MoJ closely monitors the activities of registered NGOs. NGOs report on their activities in compliance with set reporting requirements. Requirements for the education sector remain unclear, however. As a rule, a commercial educational center must obtain a license and approval of its curricula from the Ministry of Education. An NGO seeking to provide short-term training is also required to obtain a license

from the Ministry of Education, but this is difficult, restricting NGOs' ability to provide services in the education sector.

Civic group members lack access to quality legal consultations on various issues related to their activities, such as taxes, paid services, registration, entrepreneurship, and licensing. In most cases, civic group members obtain information directly from ICNL and the American Bar Association (ABA), the only civil society legal experts in Turkmenistan.

In April 2008, the NIDHR requested ICNL to prepare an analysis of NGO legislation in Turkmenistan. This request was preceded by a two-day seminar on international standards for

NGO legislation conducted by ICNL. In November 2008, ICNL and NIDHR held a two-day roundtable with government officials and leading civil society organizations to discuss ways to improve NGO legislation.

The Tax Code has not changed in regard to NGO activities since 2005. The existing Tax Code is favorable to organizations working with disabled people and exempts them from paying taxes on income from educational activities, but does not extend this exemption to NGOs that provide educational training. Taxation has not presented a burden for civic groups because they do not have income-generating activities. If they start earning income by providing paid services, however, they are charged VAT.

ORGANIZATIONAL CAPACITY: 5.3

In general, a growing number of civic initiatives are being implemented. Leading NGOs contend that the level of activity of registered and informal groups varies greatly from region to region, as does local authorities' interest in local initiatives.

International donor priorities and funding have shifted from NGO capacity building to community development in light of the legal restrictions. This may have adversely affected NGOs' organizational capacity and growth. Currently, there is no institutional training provider for NGOs, although there is a clear need for NGO capacity building. Most civil society development programs are focused on building the capacity of community groups. Recognizing NGOs' needs for capacity building, Counterpart International conducted strategic planning and financial sustainability trainings for its branch Civil Society Support Centers, partner Resource Centers, and NGO network members.

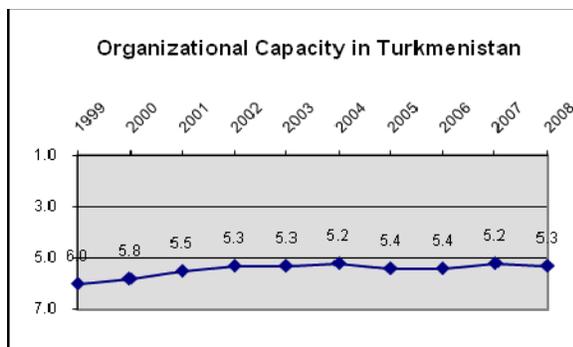
Because of the lack of training providers and training in strategic planning, registered groups do not place enough emphasis on strategic planning when designing and implementing their activities. Their decision making, although participatory in nature, tends to be done on an ad hoc basis and is limited to discussions at general

meetings, nor do they dedicate enough time and resources to reflecting on and assessing the impact of their activities.

The NGO Law stipulates that the MoJ must approve the internal structure responsible for NGO governance, contrary to international standards that specify that a board of directors should carry out this function. In the majority of registered NGOs, NGO management implements day-to-day activities and develops strategy simultaneously. It is even more difficult to discern the level of strategic planning among informal groups, which tend to have very loose organizational structures.

The distinction between paid staff and volunteers is nominal. When an NGO is implementing a grant project, it compensates staff. Once the project funding ends, the staff automatically becomes volunteers. This presents a challenge to the retention of qualified staff.

Registered and informal groups generally have outdated office and computer equipment. The only chance NGOs have to upgrade their inventory is through donor grants. Although several Internet cafes have opened across the country, Internet access remains a challenge due to the low speed and relatively high cost.



Internet access is currently limited to the main cities of the country. NGO support centers are

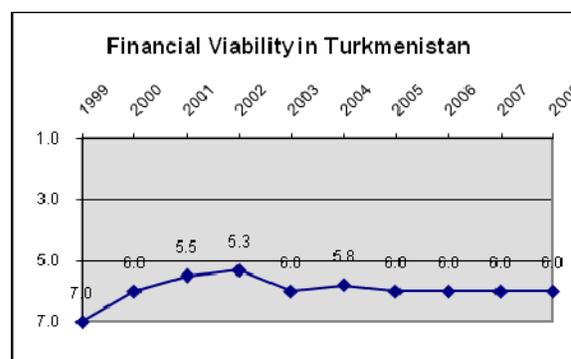
FINANCIAL VIABILITY: 6.0

Civic groups try to diversify their funding sources to sustain themselves. While most NGOs do not charge fees for services, NGOs increasingly understand that they need to start doing so as a way to sustain themselves financially. Even those who do, such as the Society of Deaf and Blind People, cannot earn sufficient income to sustain their organizations. Some groups generate revenue by providing paid services such as copying materials or filming videos, although these activities are not very profitable.

Most NGOs cover their operational expenses through membership fees and grants. Given that most for-profit activities require licenses, which are very difficult to obtain, NGOs find it extremely challenging to introduce fees for services. Moreover, to be able to engage in profit-generating activities, civic groups have to create affiliated commercial organizations. To date, only NGO Keyik Okara has managed to obtain a license for rendering paid educational services, which may allow the organization to open a commercial entity in the future. Agama has started to charge fees for services; for example, it charges a fee of 70 cents per person to cover costs associated with organizing mountain climbing expeditions. Agama also earns money from industrial alpinism (performing repair and construction work on tall buildings), which allows it to maintain its office, organize climbing trips and provide training.

not able to charge clients for Internet access according to Turkmen Telecom's user agreements.

Most NGOs have poor financial management systems, seldom make their annual reports and financial statements available to the public, and rarely conduct external audits. NGOs do not yet understand the importance of an objective audit and are usually unwilling or unable to pay for auditing services by an outside organization or individual.



NGOs and informal groups are exploring additional sources of financing. While government social contracting could be a potential funding source, NGOs have yet to develop strategic, quality services that can be marketed to state agencies and the private sector. In addition, it is culturally accepted that NGOs are not paid for their consultations to government agencies. Only a few government institutions at the national and local level contract NGOs and GONGOs for service delivery. For example, Nature Protection Society works extensively with the Ministry of Nature Protection on the implementation of joint programs.

The concept of philanthropy is almost nonexistent in Turkmenistan. Businesses have little desire to contribute to charities or support civic groups due to the absence of tax incentives. It is significantly less complicated and more desirable for businesspeople to make personal contributions than to act in the capacity of a

business sponsor or donor. In many cases, businesspeople do not wish to publicize their contributions out of fear that their finances may attract undue scrutiny by state officials. The spirit of anonymous giving is also consistent with the Islamic tradition of *zakat*, or charitable giving. Potential for philanthropy may grow in Turkmenistan as incomes and standards of living rise.

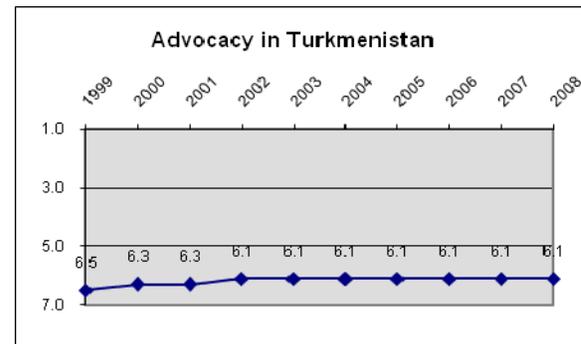
Typically, community civic groups are able to raise some funding and in-kind contributions from local sources to supplement donor grants. For example, they cook meals for training participants; volunteer their time and labor for project activities; or leverage funding,

equipment, or construction materials from local governments. The ability of community groups to raise money is an indicator of their relative sustainability. In some cases, community leaders raise funds from the private sector, including local and international businesses. Counterpart International's Community Action Grants, designed to support community-driven projects to improve local infrastructure and services, require a 20 percent cost share or in-kind contribution by the participating communities. So far, the communities were able to generate a total of \$77,000 in in-kind contributions, or almost 40 percent of the \$200,000 provided in grant funding.

ADVOCACY: 6.1

No visible progress in advocacy was made in 2008 compared to previous years. Currently, NGOs implement almost no advocacy initiatives. However, 85 percent of community-driven projects financed by the USAID-funded Turkmenistan Community Empowerment Program implemented by Counterpart International promote social partnership between communities and local government. These projects have led to successful advocacy initiatives at the local level on issues such as improved roads, access to gas and electricity, and waste collection. Such accomplishments increase trust and cooperation between the government and citizens.

The NGO Union of Economists recommended reforming the Law on State Guarantees of Equality for Women and the Law on Entrepreneurial Activities. The Union of Economists proposed recommendations to the Law on Small Businesses to a Mejlis (parliamentary) committee, which welcomed them.

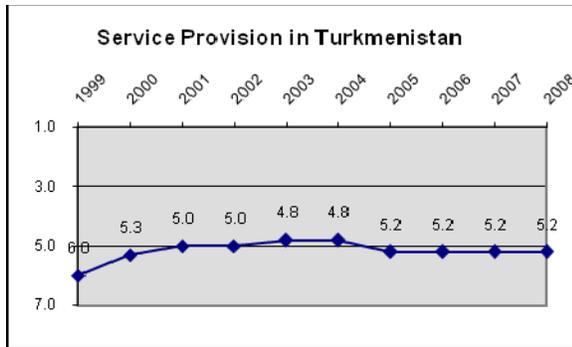


The dialogue initiated by ICNL with the Turkmen National Institute for Democracy and Human Rights resulted in a November 2008 roundtable at which participating NGO representatives raised their concerns regarding the NGO Law. The roundtable was the continuation of ICNL's seminar for Turkmen government officials in April 2008, which reviewed how other countries in the region regulate the financing, registration, and operations of NGOs.

SERVICE PROVISION: 5.2

Services provided by NGOs to their target groups mostly depend on donor support. Unfortunately, donor-funded grant programs do

not always correspond to the demands of NGO constituencies, pointing to a lack of needs assessments among potential target groups.



NGO Keyik Okara provides educational services under OSCE, UNHCR and British Embassy grants. NGO Agama provides leadership training under a World Bank grant. Hemayt and Tagt provide access to office equipment, information, and consultations, and deliver seminars to their target groups. Community Resource Points, earlier donor-supported and now operating independently, provide basic services such as access to office equipment, information, and consultations to their communities and civil society activists throughout Turkmenistan. The Union of Economists and the legal NGO Bosfor

provide access to their libraries and information for professionals and the public.

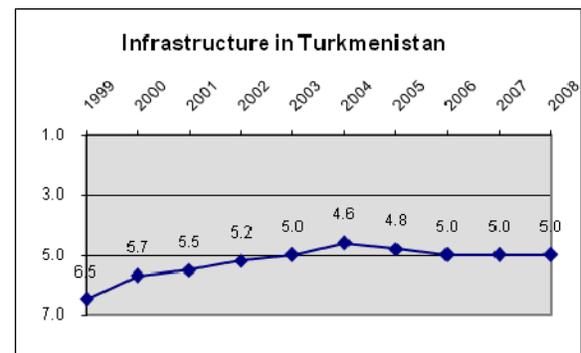
Some NGOs have tried to expand the scope of their services. For example, NGO Agama organized a mass climb to the Markau peak and regularly conducts bard song evenings. Some NGOs would like to start conducting surveys in the economic sector but cannot obtain licenses for this type of activity, even though they have expertise. NGO Keik Okara focuses on youth development issues and recently obtained a license for paid educational services to conduct English, French, and computer classes.

NGO objectives, activities and services are very poorly understood by state agencies, and the government has yet to accept the practice of social contracting. Only a few NGOs have had experience contracting with state agencies, including Keyik Okara, which works with the Social Protection Ministry; Agama, which works with the Ministry of Nature Protection to clean government buildings; and Accountants of Turkmenistan, which works with the Ministry of Finance.

INFRASTRUCTURE: 5.0

The countrywide network of Civil Society Support Centers, Resource Centers and Community Resource Points continues to provide services to a broad range of local civil society actors, but available grant funding limits their services and restricts their geographic outreach. Resource Centers and Community Resource Points also lack capacity in certain technical areas.

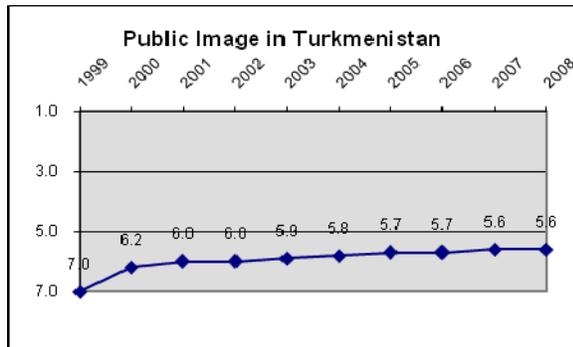
Other local associations and NGOs such as the Youth Union, Women's Union, Union of Economists, Entrepreneurs and Industrialists Union, Bosfor, Keyik Okara, Agama, Accountants of Turkmenistan, and Women's Resource Centers, as well as various international organizations, provide issue-specific or specialized services to NGO clients.



Organized NGO coalitions do not exist, mainly because the number of registered NGOs is very small, nor are there coalitions of informal groups working to address particular issues. The communication and cooperation between existing NGOs and informal groups occurs on an ad hoc, short-term basis.

PUBLIC IMAGE: 5.6

In general, the government realizes that NGOs have a role in the development of society, but it prefers to deal with GONGOs to promote the active participation of civil society organizations in reforming the country.



The few registered, independent NGOs receive limited coverage in local and national media. Even then, the media typically covers NGO-organized sporting events. GONGOs and sports

organizations invite the media to cover their events, while many independent NGOs are afraid that media coverage may lead to undue scrutiny by the authorities.

Another factor that impedes NGOs' ability to improve their public image is that the government carefully reviews and censors all newspaper and TV content. Editors-in-Chief prefer to receive materials from permanent contributors that are considered safe to publish rather than materials from unknown entities.

NGOs do not promote or publicize their activities, and many have yet to develop professional communication skills. To fill this gap, Counterpart leveraged funds to carry out public relations training for NGOs and civic actors to enable them to acquire skills for effectively promoting their activities.