



# Integrated Country Strategy

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## Turkmenistan

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## 1. Chief of Mission Priorities

Turkmenistan is a valued partner that supports U.S. security policy priorities in the region. The country occupies a critical geographic location, sharing long borders with Afghanistan and Iran, and has focused since independence on ensuring its sovereignty and prosperity in this difficult neighborhood. Turkmenistan is estimated to have the world's sixth largest reserves of natural gas, but it needs to improve its management of the economy, as well as diversify its customer base and export routes to realize its economic potential. Weak human capacity and poor governance constrain the Government of Turkmenistan's ability to realize its policy goals, and the country's self-imposed isolation will continue to limit its engagement with the United States.

Turkmenistan works independently and with various regional partners and international organizations to counter transnational threats in the region, particularly terrorism, proliferation of weapons of mass destruction, and the illicit drug trade. However, bilateral cooperation with the United States remains hampered by bureaucratic obstacles, corruption, excessive secrecy, and travel restrictions. Notably, when granted, U.S. personnel have limited access to conduct end-use monitoring or site assessments. While the Mission aims to improve Turkmen border security capabilities, help develop and implement export control laws consistent with Turkmenistan's international obligations, and institutionalize law enforcement training via Turkmen law enforcement academies and other training programs, progress, although important, will continue to be incremental.

President Berdimuhamedov has frequently and publicly stated his intent to create a market economy that can compete globally according to international standards. The extent and pace of economic reforms have been gradual and limited. Turkmenistan requires economic reform at the policy, institutional and legislative levels, but also a government workforce with a sufficient knowledge base to implement reforms. Reform is also hampered by rampant corruption and the government's desire to control all aspects of the economy. We will continue to assist government efforts to integrate with regional and global economic institutions to increase trade of goods and services in the market, including with the United States. Our efforts will focus on improving macroeconomic policy, legislative and regulatory environment, a competitive private sector, expanded transportation networks, and better cooperation with neighbors on issues such as energy and water management.

Turkmenistan's human capacity crisis is the single greatest threat to the country's independence and prosperity. Years of neglect, isolation, and government control have created a system that fails to produce well-educated and informed citizens that can compete on the world market or participate actively in society. There is little transparency or accountability in the political system. Media are strictly controlled, alternative political views are blocked, and citizens have almost no means of making their voices heard by the government. The government distrusts civil society and limits its activities through bureaucratic hurdles and restrictions on funding, creating a constrained context that curtails people-to-people diplomacy

and embassy outreach. The Turkmen education system promotes conformity and rote learning and discourages independent thought, creativity, and initiative. The end result is a risk-averse, poorly educated workforce that lacks skills to develop and staff a modern economy. We will work to address weak human capacity through English-language and other educational and cultural programs, educational advising for students who want to study in the U.S., people-to-people exchanges and professional seminars, and expanded access to both print and electronic information. By exposing government officials to the benefits of modern, inclusive, and transparent practices, we will help the Government of Turkmenistan to govern more justly and efficiently. We will continue to strengthen Turkmenistan's civil society by providing assistance, advice, and information to nongovernmental and community organizations. We will also continue to lobby the government to show progress on human rights and will support the parallel efforts of our international partners.

With construction stalled on the new chancery in the New Embassy Compound (NEC), scheduled for completion in 2019, the Mission faces the ever growing need to renovate the current chancery, addressing vulnerabilities and repairs associated with a facility built more than two decades ago. To make room for growth and address management challenges the Embassy will repurpose space in the NEC for management section elements. Cognizant of the high-risk seismic zone, the Mission will maximize use of seismically safe facilities to support objectives. To address rapid inflation of consumer goods, the Mission will challenge the fledgling commissary to stock staple products that are increasingly inaccessible in the local economy.

For a number of years, Washington has designated Ashgabat as a historically difficult to staff post due to isolation, host nation restrictions, cost of living, and limited recreational options. Staffing shortages compound employee workloads, impact available services, and detract from our ability to meet Mission goals. To improve recruitment, productivity, and morale, we will prioritize updates to our Cost of Living Allowance (COLA) to stabilize employee purchase power, focus on expanded morale programs, and prioritize connectivity. In the summer of 2019, we will move into purpose-built MWR facilities and house many staff into seismically stable apartments, which will offer opportunities for expanded English-language television options. With an eye for career development, the Front Office is committed to providing both our FAST and mid-level officers with the mentoring and tools necessary to serve effectively in Ashgabat, the State Department, and in other agencies across the U.S. government.

## 2. Mission Strategic Framework

**Mission Goal 1:** Turkmenistan effectively secures its borders and the country is better able to face extremist and criminal threats.

**Mission Objective 1.1:** Strengthen border controls by training and equipping counternarcotics and border security units and encouraging compliance with international standards on trade and border security.

**Mission Objective 1.2:** Improve capabilities in law enforcement, security, crisis management, detecting and preventing Trafficking in Persons (TIP), and protecting trafficking victims.

**Mission Objective 1.3:** Increase U.S.-Turkmenistan security cooperation by developing a closer partnership and building trust to ensure programs enhance national and regional stability.

**Mission Goal 2:** Turkmenistan increases trade and further integrates into regional and global economic markets and institutions, thereby contributing to greater stability and increased opportunities for U.S. trade and investment.

**Mission Objective 2.1:** Increase commercial ties between the United States and Turkmenistan.

**Mission Objective 2.2:** Turkmenistan improves its economic stability.

**Mission Objective 2.3:** Improve regional cooperation on critical energy and water resources.

**Mission Goal 3:** Turkmenistan reforms education, health, justice, and governance sectors in accordance with international standards and practices.

**Mission Objective 3.1:** Broaden access across government and society to uncensored information and take advantage of U.S. educational opportunities.

**Mission Objective 3.2:** Provide leadership and share best practices to improve governance, delivery of social services, and civic participation.

**Management Objective 1:** Mission facilities maintain functionality and are brought into compliance with security standards in the absence of a NOB.

**Management Objective 2:** Ensure adequate management controls to prevent waste, fraud, and abuse.

**Management Objective 3:** Maintain high level of morale, despite host-nation restrictions and limited recreation options.

### **3. Mission Goals and Objectives**

**Mission Goal 1: Turkmenistan effectively secures its borders and the country is better able to face extremist and criminal threats.**

**Description and Linkages:** Turkmenistan's long borders with Afghanistan and Iran, the threats posed by drug trafficking and extremist forces in the region, and the potential for terrorism and WMD smuggling make strengthening border controls and law enforcement capabilities a high priority. Without effective border controls, Turkmenistan risks attracting destabilizing groups that could threaten the security of its neighbors and U.S. interests in the region. This mission goal directly supports State/USAID Joint Strategic Plan Objective 1.5.

**Mission Objective 1.1: Strengthen border controls by training and equipping counternarcotics and border security units and encouraging compliance with international standards on trade and border security.**

**Justification:** Turkmenistan shares long, porous borders with Iran and Afghanistan. Threats posed by trafficking in drugs, weapons (including WMD) and humans, and the potential for cross-border terrorism, all make strengthening Turkmenistan's border controls a high priority. Turkmenistan's ability to manage and control its borders affects both internal and regional stability. Without the ability to control who or what crosses its international borders, Turkmenistan risks attracting groups that could threaten the security of its neighbors, as well as U.S. interests in the region. The Government understands the need to control its borders more effectively and wants to cooperate with us in order to do so.

**Mission Objective 1.2: Improve capabilities in law enforcement, security, crisis management, detecting and preventing Trafficking in Persons (TIP), and protecting trafficking victims.**

**Justification:** Turkmen law enforcement agencies face serious challenges in providing security, responding to crises, and carrying out basic law enforcement functions. Limited capacity (including English language capacity) and limited exposure to international best practices related to strategic trade controls, legal reform, and counterterrorism constrain the ability of the Government of Turkmenistan to carry out these functions. Although the Government is wary of partnering too closely with the United States and other international actors, it has shown strong interest in our English language and law enforcement training programs and in cooperating with USG-supported counter-trafficking efforts implemented by the International Organization for Migration (IOM).

**Mission Objective 1.3: Increase U.S.-Turkmenistan security cooperation by developing a closer partnership and building trust to ensure programs enhance national and regional stability.**

**Justification:** In order to deal effectively with challenges such as border control and smuggling, we need to develop a more effective partnership with the Government. Such a partnership should increase the professional capacity of the Turkmen security services and build mutual trust and transparency, allow for sharing of sensitive information, and enhance mil-to-mil cooperation. Persuading the Government to expand security cooperation will be difficult, but is necessary and in the interests of both countries if we are to confront shared challenges effectively. We need to continue to work with the Government to develop Turkmenistan's military capabilities and willingness to support operations in Afghanistan within the context of Turkmenistan's positive neutrality policy.

**Mission Goal 2: Turkmenistan increases trade and further integrates into regional and global economic markets and institutions, thereby contributing to greater stability and increased opportunities for U.S. trade and investment.**

**Description and Linkages:** Trade among Central Asian states remains lower than most of the world's other regions. If Turkmenistan would open up to the regional and global economic markets, it would be a stabilizing force, fuel growth in Afghanistan, and become a better trading partner for U.S. firms, supporting bureau policy objectives.

**Mission Objective 2.1: Increase commercial ties between the United States and Turkmenistan.**

**Justification:** U.S.-Turkmenistan bilateral trade remains limited, despite expansion in recent years. With a steadily growing economy, rapid urbanization, and large state investments in transport, housing, and the energy sector, major opportunities exist for U.S. companies to export products and services to Turkmenistan. These opportunities are tempered, however, by Turkmenistan's weak regulatory environment, restrictive visa regime, and opaque legal system. Turkmenistan's heavy-handed state apparatus also leaves little room for entrepreneurial activity and private sector growth. Nevertheless, the country is gradually opening to the world and instituting reforms that will allow U.S. companies to invest with greater confidence. As privatization moves forward, Turkmen citizens and firms are also seeking information about of the U.S market and opportunities to engage in increased bilateral trade.

**Mission Objective 2.2: Turkmenistan improves its economic stability.**

**Justification:** Turkmenistan's economy is centrally managed and relies almost entirely on natural gas exports, making the economy vulnerable to any changes in gas and commodity prices. Tariff and non-tariff barriers impede trade and economic efficiency and stymie economic growth. These include corrupt customs procedures, poorly defined product standards, unevenly implemented laws and regulations, weak trade information systems, and untrained and undereducated staff. The economy is also limited by the policy of positive neutrality and an unwillingness to participate in many regional and global economic institutions. Positive neutrality allows Turkmenistan to engage with multilateral organizations such as the UN and OSCE, and to take an active role in the Istanbul Process. However, Turkmenistan has been slow to join more targeted institutions such as the World Trade Organization (WTO). As the government has yet to address the root causes of the economic downturn, the private sector is evolving into a source of innovation both to implement government policies but also to circumvent the more serious impacts of the crisis. While U.S. assistance will continue to target state institutions to press for and support reform initiatives, the private sector will become an increasing area of focus, especially in relation to export and trade promotion, competitiveness, and regional cooperation.

**Mission Objective 2.3: Improve regional cooperation on critical energy, water resources, and associated infrastructure.**



**Justification:** Overreliance on China as an export market for its natural gas makes Turkmenistan vulnerable to Chinese economic and political pressure. Turkmenistan needs additional energy export routes. Monetizing its gas through electricity exports to Afghanistan and Pakistan through projects such as Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP), and potentially linking to CASA-1000, would help alleviate excessive dependence on China. The USAID Central Asia Regional Energy Market (CAREM) program also presents a tremendous market opportunity for Turkmenistan to re-engage in electricity sales with its Central Asian neighbors. Access to water and energy resources, which are a major source of disagreement across Central Asia, lead to heightened diplomatic tensions, and reduced cooperation. As an exporter, Turkmenistan could help meet the energy demands of its neighbors, but first needs to increase its human and production capacity and improve relevant laws, policies, procedures, and trade agreements. As an arid and downstream country, Turkmenistan also needs to engage in regional and local water dialogues to limit the potential negative effects of other projects across the region. Improvements are needed in water governance and sustainable management, as well as the development of a legal framework for trans-boundary resource cooperation and strengthened compliance with existing agreements.

**Mission Goal 3: Turkmenistan reforms education, health, justice, and governance sectors in accordance with international standards and practices.**

**Description and Linkages:** Turkmenistan's ability to grow its economy and modernize its institutions depends on cultivating educated and informed citizens and government officials. However, serious impediments require attention and resources in this regard. First, the lack of access to information poses severe limitations on people's ability to think critically and offer recommendations to improve policies, regulations, and various aspects of everyday life. The growing tendency for citizens to only learn the Turkmen language also distances them even further from the international community. Enhancing access to objective information as well as English language learning will have far-reaching impact across various sectors of society. In terms of governance, civil servants will benefit greatly from exposure to international best practices, especially in terms of implementation of international conventions to which Turkmenistan is already committed. The limited capacity of governance institutions and personnel provide numerous opportunities, but resources will be devoted to increasing accountability, transparency, and the quality of public service delivery as the most tangible aspects where U.S. leadership can be effective. Such efforts will include efforts for the Government of Turkmenistan to acknowledge human rights of its citizen and the potentially positive role of civil society. This Mission Goal will be achieved through a concerted blend of diplomatic engagement and development programming with contributions across the Mission, including P/E, PAS, and USAID.

**Mission Objective 3.1: Broaden access across government and society to uncensored information and take advantage of U.S. educational opportunities.**

**Justification:** In one of the most closed societies in the world, the Government of Turkmenistan monitors all media and attempts to control all educational opportunities offered to its citizens. Access to the internet, while improving, remains under the thumb of government censors. Restrictions on information and education threaten stability and development in key sectors of society. Turkmenistan's ability to grow its economy and modernize its institutions depends on cultivating educated and informed citizens and government contacts with greater access to information.

**Mission Objective 3.2: Provide leadership and share best practices to improve governance, delivery of social services, and civic participation.**

**Justification:** Governance institutions in Turkmenistan are limited in capacity and competence, and they harbor an intense distrust of civil society. The most recent Country Data Analytics for Turkmenistan show that the country's sectorial performance in economic policy, democracy, rights and governance, and education received a value of one, which indicates Turkmenistan is among the lowest performers in the world in these sectors. While Turkmenistan rates high on the intensity of need indicators with a rating of 3.5, the political will to improve these sectors is one of the lowest in the world. Corruption, outdated methods, weak human capacity, and a highly-centralized system hinder the efforts of government officials to effectively do their jobs. The small community of civil society organizations struggles to remain active in Turkmenistan. NGOs require government approval to operate, to conduct any type of program, and to receive funds from outside sources. Exposing government officials to the benefits of modern, inclusive, and transparent practices will help the Government of Turkmenistan become a more efficient and just institution. Strengthening Turkmenistan's civil society community will demonstrate their essential role in achieving transparent governance. Our programs will also encourage government officials to see NGOs as partners and not as adversaries.

## 4. Management Objectives

**(SBU) Management Objective 1** Mission facilities maintain functionality and are brought into compliance with security standards in the absence of a new office building (NOB).

**(SBU) Justification:** The existing embassy chancery, constructed in 1995, does not meet security, consular, safety, or management controls requirements. With offices spread across the city, some in seismically precarious facilities, the Mission has outgrown its physical footprint. Pending resolution on the stalled NOB, the Embassy will find creative solutions to enforce management controls, while ensuring the safety and security of personnel.

**Management Objective 2** Ensure adequate management controls to prevent waste, fraud, and abuse.

**Justification:** Mission Turkmenistan, like other posts in the region, has made personnel adjustments in response to verified fraud. While Turkmenistan remains a cash-based society, the Embassy will continue to promote electronic fund transfer (EFT) payments, when practical. To reduce our Mission footprint and eliminate potential avenues for fraud, we will explore using contract solutions to meet business needs, improving flexibility and reducing human capital overhead.

**Management Objective 3** Maintain high level of morale, despite host-nation restrictions and limited recreation options.

**(SBU) Justification:** Ashgabat remains a historically difficult to staff post, despite enhanced recruitment efforts. Officers often cite limited recreation options, exorbitant prices of consumer goods, and host-nation restrictions for morale issues that influence attitude, work performance, and prospective recruitment candidates. With the opening of the NEC in 2019, the Embassy will open a fully functioning commissary, MWR facilities, and new apartment housing that must offer a community atmosphere without the constant stresses associated with the authoritarian regime. With this site, the Embassy will be able to expand English language television programming and high-speed internet access to residents, sparing them from the constant bombardment by external actors.