



Rule of Law Programme – Central Asia: Promoting Transparency and Action against economic crime (CA TAEC)

Project Summary: Turkmenistan (CA TAEC TM)

Project title	Promoting Transparency and Action against economic crime
Project area	Turkmenistan
Implemented by	Economic Crime and Cooperation Division, Action against Crime Department, Directorate General Human Rights and Rule of Law, Council of Europe
Duration	48 months (starting from 2 January 2020)

SUMMARY

The Joint Programme Agreement for the “Central Asia Rule of Law Programme” was signed in November 2019 between the Council of Europe and the European Union Delegation to the Republic of Kazakhstan. The Programme aims at reinforcing the human rights, rule of law and democracy in the countries of Central Asia in accordance with European and other applicable international standards.

The Programme started on 2 January 2020 with a duration of 48 months. It will cover all five countries of the region – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – and will be in line with the Council of Europe Policy for Neighbourhood Regions.

The project on “Promoting transparency and action against economic crime” (CA TAEC) will focus on strengthening authorities’ capacities in the region to fight and prevent economic crime and corruption, based on regional priorities, as well as priority areas of the countries concerned. These will be addressed through a **regional component** and **five country-specific components**.

COUNTRY: TURKMENISTAN

BACKGROUND AND JUSTIFICATION

The project looks to achieve its overall objective stated above by enhancing:

- a) Business integrity and compliance in the private sector; and
- b) Anti-corruption, AML and asset recovery systems in Turkmenistan.

Area 1: Business integrity and compliance in the private sector

Turkmenistan has not yet undertaken systemic measures in the area of business integrity and protection of the rights of entrepreneurs. Initial steps are being undertaken to develop a system of corporate governance, in particular with regard to the reform of state-owned enterprises. Policy level discussions on improvement of the business climate and reduction of administrative barriers

are carried out with the involvement of the Union of Industrialists and Entrepreneurs of Turkmenistan. These discussions however are not yet comprehensively linked to anti-corruption policy or a particular effort to protect entrepreneurs from corruption. There is a clear need to initiate a policy discussion and dialogue involving the private sector on key issues of business governance and transparency, protection of entrepreneurs' rights from corrupt practices and implementation of compliance standards. This should be followed by measures aimed at developing and implementing effective policies in these fields.

Area 2: Anti-corruption, AML/CFT and asset recovery

Turkmen authorities have undertaken several steps towards implementing anti-corruption policies, namely adopting in September 2017 amendments to the Law on combating corruption, which introduce a number of new preventative mechanisms, such as rewards for whistle-blowers and follow-up on their reports, corruption proofing of legislation, conflict of interest prevention, involvement of civil society in anti-corruption policies and others. Trainings and capacity building programmes on anti-corruption for the civil service are only beginning to emerge at the state level and support is needed to these initiatives through good practices and training curricula. The capacities of investigators and prosecutors dealing with economic crime cases are also in need of support.

In the AML/CFT field Turkmenistan is in need of an overall review of the legislative and regulatory framework and compliance with the revised FATF Recommendations, as well as of a comprehensive system for risk-based supervision, beneficial ownership identification and outreach to the private sector on proper implementation of AML/CFT policies.

PROJECT OUTCOMES

Intermediate outcomes	<ol style="list-style-type: none"> 1. To enhance business integrity and compliance in the private sector, reducing administrative barriers and ensuring the protection of rights of entrepreneurs in countries of Central Asia. 2. To enhance the effectiveness of anti-corruption, anti-money laundering and asset recovery systems in the countries of Central Asia.
Immediate outcomes	<ol style="list-style-type: none"> 1: Business integrity and transparency is strengthened, administrative barriers and abuses of entrepreneurs' rights are reduced. 2: Mechanisms and capacities of authorities to prevent corruption are improved. 3: Capacities of law enforcement authorities to tackle corruption, money laundering and economic crime are enhanced. 4: National systems to combat money laundering and terrorism financing are strengthened.

IMPLEMENTATION ARRANGEMENTS

The Council of Europe and more specifically the Economic Crime and Cooperation Division (ECCD) of the Action against Crime Department will be responsible for the implementation of the Project through a delegation agreement under indirect management by the European Union Office in Nur-Sultan, Kazakhstan.

The Council of Europe project team will be based in Strasbourg and Nur-Sultan. For the purpose of implementing activities under this project, international and national consultants of appropriate expertise and background will be engaged pursuant to Council of Europe procurement rules.

Project activities will include assessments, provision of expert advice/opinions, conferences, roundtables and seminars, workshops, training courses and researches. Information on the activities and project outputs will be made available through the project website.

CONTACTS

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