



UNITED NATIONS DEVELOPMENT PROGRAMME
PROJECT DOCUMENT
[Turkmenistan]



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Project Title: Strengthening the Trade Capacity of Turkmenistan

Project Number:

Implementing Partner: Ministry of Trade and Foreign Economic Relations of Turkmenistan

Start Date: 01.05.2019

End Date: : 30.04.2021

Brief Description

The objective of this project between UNDP and the Ministry of Trade and Foreign Economic Relations of Turkmenistan is building trade capacity of the country through the development of human capital in order to increase the competitiveness of national staff and transform human intelligence into the leading factor of economic growth and national competitiveness, diversification of export and increasing the share of higher-value added products in export composition, and lowering the share of import in the national economy.

In this regard, the following project components have been identified: 1) strengthening institutional and personnel trade capacity; 2) building capacity to formulate and implement trade-related policy measures; and 3) strengthening the applied scientific research capacity and improving the quality of education.

Outcome 7 of the UN-TKM PFD 2016-2020: Strategies and simplified regulations are in place to promote high quality inclusive employment through sustainable economic diversification

Output: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded
Gender marker 1

Total project budget	468 175 USD
Government of Turkmenistan	444 175 USD
UNDP	24 000 USD

Agreed by (signatures):

Ministry of Trade and Foreign Economic Relations of Turkmenistan	United Nations Development Programme
 Amandurdy Ishanov, Minister	 Natia Natsvlshvili Resident Representative a.i.
Date:	Date:

I. DESCRIPTION OF THE SITUATION

In recent years, there has been a large number of developments in the economy of Turkmenistan that have a positive impact on strengthening trade capacity of the country. In particular, dynamically developing companies successfully competing in the domestic market and exporting products abroad have been established. A number of investment projects has been implemented in the territory of Turkmenistan, which have created new jobs. Impressive results have been achieved in certain sectors of country's economy, for example, in the construction sector. Several other sectors, such as textile and chemical industry, demonstrate potential for growth. Economic governance system is being formed based on both state-owned and private enterprises.

According to the Presidential Programme for Socio-Economic Development for 2019-2025, import substitution and export diversification should be the top priorities for strengthening the competitiveness of a national economy in the coming years. In addition, there are two key government programmes being currently implemented in the country, which promote economic diversification: 1) on production of import-substituting goods, and 2) on increasing the production of export-oriented goods. At the same time, the successful realization of the established goals faces several systemic challenges reflecting both global trends and domestic barriers to the development of country's trade capacity.

The level of competitiveness of modern economy is largely determined by the quality of professional staff. Among factors of economic growth human capital is a matter of primary importance. This challenge for Turkmenistan implies addressing the current negative trends in the development of human capacities, including: (1) insufficient level of training of specialists and advanced training of personnel, shortage of specialities demanded by the market, lack of feedback between market demand and activities of higher educational institutions; (2) shortage of applied scientific research skills in the field of market analysis, marketing, modern trading and information technologies, innovative areas of development of particular sectors of economy; (3) lack of well-established contacts with foreign and international expert organizations in the field of scientific and technical cooperation, which results in a shortage of relevant information.

In the context of growing competition with European and Asian markets the existing negative trends in terms of qualified personnel will make it extremely difficult to address the issue of reducing import dependency of country's economy (primarily, high value-added products, such as cars and equipment), because effective import substitution implies not only purchasing the technologies, but also their further advancement. Consequently, the objective of import substitution identified by the leadership of Turkmenistan has to be achieved primarily through investments in human capital in order to develop qualified national personnel.

Due to the increasing tendency towards protectionism and intensifying international competition for markets it will not be possible to address the objective of export diversification without implementation of range of measures focused on the creation of effective system to promote domestically produced goods in export markets throughout the whole chain: producer – ultimate buyer. Currently, there are internal barriers in Turkmenistan impeding the development in this area: (1) need to improve the legal and regulatory framework, primary, international agreements in specific areas of trade and economic cooperation (for example, Turkmenistan is not a party to the CIS Free Trade Agreement); (2) need to enhance economic return of trade houses and trade representations of Turkmenistan abroad with a view to undertake more intensive efforts on promotion of domestically produced goods in the markets of relevant countries; (3) lack of access to the international scientific, analytical and statistical information, including databases and specialized periodicals; (4) need to carry out systemic work to identify and reduce barriers to trade (tariff and non-tariff measures regulating trade) concerning products of Turkmenistan in foreign markets; (5) efforts on ensuring access of specific types of products to foreign markets has unsystematic character; (6) there is no effective and common result-based cooperation between the responsible government agencies, business and expert communities.

In the business community the prevailing view is that enabling access to the external markets shall be addressed through provision of targeted benefits for the products of Turkmenistan, including in the framework of General System of Preferences (GSP). However, there is no legal basis to do so. Preferences under the GSP are not granted to the countries classified by the World Bank as upper-middle income and high-income economies. In 2012 Turkmenistan was classified as an upper-

middle income country. Therefore, Turkmenistan products should compete with products of other countries on a common basis. In a highly competitive market environment the successful implementation of export diversification objective, including access to new markets for Turkmenistan, will require a targeted and systematic work in this area.

Furthermore, the consumer market management system of the country is not sufficiently effective. In particular, the level of practical application of marketing approaches to business processes in the retail and wholesale trade remains to be low. In general, trade is not client-oriented, which is one of the constraining factors influencing its development. Moreover, the branding practice (when product has recognizable trademark) is not sufficiently widespread. When the product is supplied to the export markets, availability of its own brand is one of the integral conditions ensuring sustained demand, because the brand shapes consumer's dependence on certain goods.

In this regard, the United Nations Development Programme plans to provide assistance in formulation and implementation of a set of measures focused on building trade capacity of the country with a view to support the realization of Turkmenistan's objectives aimed at increasing competitiveness of national economy, reducing import dependence and diversifying export, including by increasing the share of higher-value added products in export composition.

II. STRATEGY

UNDP's assistance strategy on formulation and implementation of a set of measures to build trade capacity of Turkmenistan consists of the following four components.

Component 1: "Strengthening institutional and personnel trade capacity" includes:

- 1) measures to develop human capital with a view to enhance competitiveness of national personnel and transform human intellect to the leading factor of economic growth and national competitiveness;
- 2) increasing the efficiency of using trade regulation instruments specified by the existing international agreements of Turkmenistan; in order to consider the relevance of legal framework as one of the necessary instruments of successful implementation of objectives to reduce import dependence and diversify export in the current international conditions; drafting the model agreements covering the issues of trade and economic cooperation. This subcomponent also includes the analysis of Turkmenistan's participation in the international multilateral and regional organizations dealing with economic issues;

Implementation of a set of measures included to this component is focused on elimination of systemic internal barriers to development of trade capacity of Turkmenistan. In particular, under the **subcomponent 1**, comprehensive activities will be carried out to enhance knowledge and skills of specialists, which are, to varying degree, involved in addressing the issues of domestic and foreign trade. More specifically, it is planned to conduct the assessment of needs in training and professional development related to foreign and domestic trade issues. Based on the results of the assessment special training programmes will be developed for the specialists of the Ministry of Trade and Foreign Economic Relations, the Chamber of Commerce and Industry, the Union of Industrialists and Entrepreneurs and the Research Institute of National Product Turnover under the Ministry of Trade and Foreign Economic Relations. These training programmes will include such discipline as "Trade policy", "Art of negotiation", "Instruments for regulation of trade in goods and services", "Conflicts in international trade and interests of individual countries – regions", and others. Training courses might be organized with involvement of international experts, as well as educational institutions, such as "Russian Foreign Trade Academy" (RF), "Higher School of Economics" (RF), "WTO Expertise Center" (RF) and World Trade Institute (Bern, Switzerland).

Under the **subcomponent 2** it is planned to carry out training activities to increase the effectiveness of using the existing instruments for development of trade and economic cooperation of Turkmenistan, which will contribute to more complete and comprehensive protection of interests of the country in domestic and foreign markets. Moreover, it is planned to analyze the practices of concluding international bilateral and regional agreements in the area of trade and economic cooperation, and to prepare the texts of model trade and economic agreements that are best designed to serve the interests of country and economic entities. This work is necessary in view of the fact that in the modern world all processes of interstate and international cooperation are based either on the international agreements or decisions of international organizations. Absence of such foundations or availability of agreements that fail to serve the relevant interests of the states in a changing world create serious (sometimes insurmountable) institutional obstacles to realization of economic capacity and building of stable and diversified partnerships with key trading partners and world economic centers.

Under the **subcomponent 3** it is planned to formulate and implement proposals to leverage synergies between various agencies and organizations undertaking activities focused on the trade-related issues, including optimization of operations of trade houses and trade representations of Turkmenistan abroad.

Component 2: "Building capacity to formulate and implement trade-related policy measures" includes:

- 1) analysis of regulatory and procedural barriers in the markets of the third countries, which prevent access of Turkmenistan products to foreign markets;

- 2) formulation and implementation of a set of measures aimed to ensure the effective access of export of Turkmenistan to foreign markets, including introduction of organizational and economic mechanisms of formation of integrated distribution system, which can ensure effective promotion of export of national products;
- 3) strengthening the strategy to promote goods to foreign and domestic consumer markets, which will be based on the marketing approach to business-processes and client-oriented relationship with consumers, as well as introduction of trademark registration system (branding);

A set of measures included to this component will ensure implementation of an effective foreign trade policy in the light of rising international competition for markets and increasing global risks. In particular, under the **subcomponent 1**, by taking into account the international best practices (developed within the World Trade Organization (WTO), the UN Conference on Trade and Development (UNCTAD) and other international organizations), it is planned to conduct a research of regulatory and procedural barriers in the third country markets and regional integration associations (the European Union, the Eurasian Economic Union), preventing access of Turkmenistan products to the foreign markets.

Under the **subcomponent 2** it is planned to implement practical measures aimed at addressing comprehensively the issue of access of Turkmenistan products to foreign markets – introducing the system to support the export based on the “single window” principle. Export support system will include the measures to reduce and/or eliminate trade barriers in foreign markets in order to provide Turkmenistan exporters the best conditions for accessing foreign markets; legal and technical support in line with the procedures to verify the compliance of exported products with mandatory requirements of the importing countries (certificates, licenses, permits, technical requirements, test reports); measures on financial support of export (export credits, insurance of export risks, etc.); support for companies to participate in public and private sector tenders of foreign countries.

Under the **subcomponent 3** a set of measures and practical recommendations on strategic development of trade, as one of the major aspects of economic growth of Turkmenistan, will be developed. Strategic trade development module includes: (a) exploring economic factors, trade resources, changes in consumer market, market trends; (b) abolishing the practice of “anonymity” of marketing programmes; (c) building client-oriented relationship between the retail trade organizations and consumers, as a tool for shaping expected consumer behavior and stimulating demand for products, which in turn will facilitate increased domestic production; (d) improving performance in the service sector (for example, catering companies, etc.), as the main source of small business growth and new job creation. Recommendations will be also provided to introduce trademark registration practice in the production and trade system. This will help to identify the business, encourage customer loyalty towards the goods of certain producers, which in turn will serve to improve “brand recognition” of domestically produced goods and develop consumer market.

Component 3: “Strengthening the applied scientific research capacity and improving the quality of education” includes:

- 1) measures aimed at creating conditions for collaboration between the Research Institute of National Product Turnover under the Ministry of Trade and Foreign Economic Relations and international scientific community to access new knowledge and opportunities for cooperation in the priority research areas.
- 2) measures aimed at enhancing the efficiency of knowledge generation areas (fundamental and applied science) and increasing the practical significance of scientific researches with a view of strengthening competitiveness of economic sectors of Turkmenistan, including building trade capacity of the country.

Implementation of a set of measures included to this component will form the foundations for the development of competitive science capable of making an effective contribution to trade and economic development of Turkmenistan, as well as constitute the basis for creation of system to train competitive national staff.

Under the **subcomponent 1** it is planned to implement activities on building the portfolio of potential partners of the Research Institute of National Product Turnover under the Ministry of Trade and Foreign Economic Relations (for example, Russian Academy of National Economy and Public Administration, All-Russian Market Research Institute, Higher School of Economics (RF), Institute

of Economics of National Academy of Sciences of Belarus, Economic Research Institute of the Republic of Kazakhstan, Kazakhstan Institute for Strategic Studies, etc.). Such collaboration will unleash further the research capacity of the Institute for the purpose of developing trade of the country and creating new opportunities for growth.

Under the **subcomponent 2** it is planned to carry out the activities on development of a set of measures to establish a feedback system between business community, on the one hand, and scientific research institutes and higher educational institutions, on the other. This will help to strengthen the practical significance of scientific works, train staff demanded by the market, and create a sustained market demand for scientific knowledge and highly qualified specialists.

This project is in line with the goals and objectives stipulated of the long-term National Programme for Socio-Economic Development of Turkmenistan for 2011-2030. The project will also contribute to the implementation of the results of the United Nations – Turkmenistan Partnership Framework for Development 2016-2020 (PFD) and the Country Programme Action Plan between the Government of Turkmenistan and the United Nations Development Programme for 2016-2020 (CPAP), which are aimed to accelerate economic diversification and transition to a market economy, characterized by sustainable, inclusive job-rich growth; enhanced macroeconomic management to facilitate the expansion of the private sector; promotion of entrepreneurship and the expansion of the small and medium-sized enterprise sector. The project will contribute towards the achievement of the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDG), nationalized by the Turkmenistan in September 2016. In particular, SDG 8 (economy), SDG 9 (innovation/infrastructure), SDG 10 (equality) and SDG 17 (partnership).

III. RESULTS AND PARTNERSHIPS

It is expected that the project will produce the following results, which will significantly contribute to strengthening and building trade capacity of Turkmenistan, expand competitive potential of country's economy, and based on that engage new sources of economic growth and improvement of welfare of people.

Output 1: Institutional and personnel trade capacity has been strengthened. In particular, the qualification level of state, public and private organizations dealing with trade-related issues is expected to increase. Acquired knowledge and skills will substantially strengthen the competitiveness of national staff on a wide range of trade-related issues. The draft model agreements on trade and economic cooperation will be prepared. Proposals to leverage synergies between various agencies and organizations undertaking activities on the trade-related issues, including optimization of operations of trade houses and trade representations of Turkmenistan abroad, will be developed and implemented.

This result will be achieved through the implementation of the following activities:

- Practical training of national staff within short-term (approximately one week) and medium-term (approximately four weeks) courses in the form of lectures, practical sessions, master-classes, problem-solving exercises, and simulation of case studies. Moreover, it is planned to implement the practice of systematic professional development of national staff, primarily civil servants;
- Exploring functions and tasks of existing agencies responsible for trade-related issues (Ministry of Trade and Foreign Economic Relations and its Research Institute of National Product Turnover, Chamber of Commerce and Industry, Union of Industrialists and Entrepreneurs, trade houses and trade representations) and preparing recommendations to enhance their capacity and strengthen the synergy of their collaboration.

Output 2: Capacity to formulate and implement trade-related policy measures has been strengthened.

In particular, the list of regulatory and procedural barriers in the markets of the third countries preventing access for Turkmenistan products to enter foreign markets will be determined. The international experience will be provided in the area of integration of distribution system to support export covering all aspects of administrative, legal, economic and technical solutions required for effective promotion of national products in the export markets both at the unit level (exporter) and the state level. Improvement is expected in terms of the effectiveness and practical results of the activities of trade houses and trade representations abroad. This will be demonstrated by the expansion of volumes and range of national products sold in the markets of destination, primarily the products of advanced processing. Consumer market management system will be created to best meet the demand of population by offering wide range of goods and services, first of all domestically produced goods. This will be achieved by improving management methods of trade resources and creating an effective system for the movement of goods based on the marketing approach to business-processes and client-oriented relationship with consumers. Moreover, the trademark registration practice will be implemented in the production and sales system of domestically produced goods.

This result will be achieved through the implementation of the following activities:

- Examining the existing customs tariff and non-tariff measures in the markets of third countries that adversely affect current and potential interests of Turkmenistan;
- In accordance with current international law, development of proposals on practical measures required for implementation of comprehensive system to support national export throughout the whole goods shipment chain;
- Examining the legal and institutional framework of activities of trade houses and trade representations, including their operation in the markets of specific countries by taking into account local conditions;

- Development of practical recommendations based on the best international practices on application of marketing technologies by wholesale and retail enterprises for analyzing market and consumer behaviour;
- Разработка практических рекомендаций на основе наилучших мировых практик по развитию активных форм торговли (ярмарки, выставки-продажи, рекламные акции с вручением покупателям призов);
- Development of practical recommendations based on the best international practices on introducing state-of-the-art technologies for organizing sale of goods;
- Development of comprehensive solutions for registration of trademarks of national products, including solutions related to patenting and registration of trademarks;
- Exploring the best international practices of online export support projects;
- Development of terms of reference, implementation and launching of informational and analytical online portal;
- Practical steps to fill the content of portal with information and regularly update the portal with relevant information.

Output 3: Applied scientific research and quality of education have been improved.

In particular, government agencies of Turkmenistan, scientific institutions and educational organizations will have an access to the international scientific, analytical, statistical information and specialized periodical publications, which in turn will ensure access to regularly updated databases, namely, to the new knowledge. Cooperation agreements will be signed between the Research Institute of National Product Turnover under the Ministry of Trade and Foreign Economic Relation and foreign research and expert organizations, primarily with the countries in the region, which will provide new opportunities to the Institute to realize the commercial potential. Institutional mechanisms will be implemented to establish research and development system, which is integrated with higher education and responsive to the needs of economy.

This result will be achieved through the implementation of the following activities:

- Examining and analyzing the activities of relevant research and expert organizations; proposals on concluding cooperation agreements have been prepared; support on negotiations to achieve the required results have been provided;
- Development and implementation of public-private partnership mechanisms and strengthening of innovation component in the activities of the Research Institute of National Product Turnover;
- Analysis of opportunities and preparation of proposals of educational establishments of the country on training of specialists for occupations where there is a labour shortage.

Resources Required to Achieve the Expected Results

The project will engage highly qualified international expertise to produce the above outputs. The consultants should have substantial experience in development of trade capacity, working experience in the CIS region, good knowledge about economy and development of trade in Turkmenistan, as well as excellent communication and writing skills both English and Russian. The project will also engage local consultants to support international experts who should have working experience and excellent understanding of Turkmenistan's national system of foreign and domestic trade, including legal and institutional framework. Moreover, study tours will be organized in order to explore the international practice in relevant areas.

Partnerships

During the project implementation, UNDP and the Ministry of Trade and Foreign Economic Relations of Turkmenistan will partner with representatives of the Ministry Finance and Economy, the Chamber of Commerce and Industry, the Union of Industrialists and Entrepreneurs and others. Moreover, the project activities will be coordinated with work of other international organizations, including UNCTAD, the Center of World Trade Organization, the United Nations Economic Commission for

Europe, which are implementing activities focused on improving trade policy and enhancing trade capacity of Turkmenistan.

IV. PROJECT MANAGEMENT MECHANISMS

The project will be implemented under a National implementation modality. As the national implementing partner, the Ministry of Trade and Foreign Economic Relations of Turkmenistan (Ministry) will oversee all aspects of project implementation. This role is consistent with the role of the Ministry, which is focused on the development and implementation of foreign and domestic trade policies. The Ministry will appoint a senior staff member to serve as the National Project Coordinator (NPC), who will be the lead individual responsible for overseeing the project implementation.

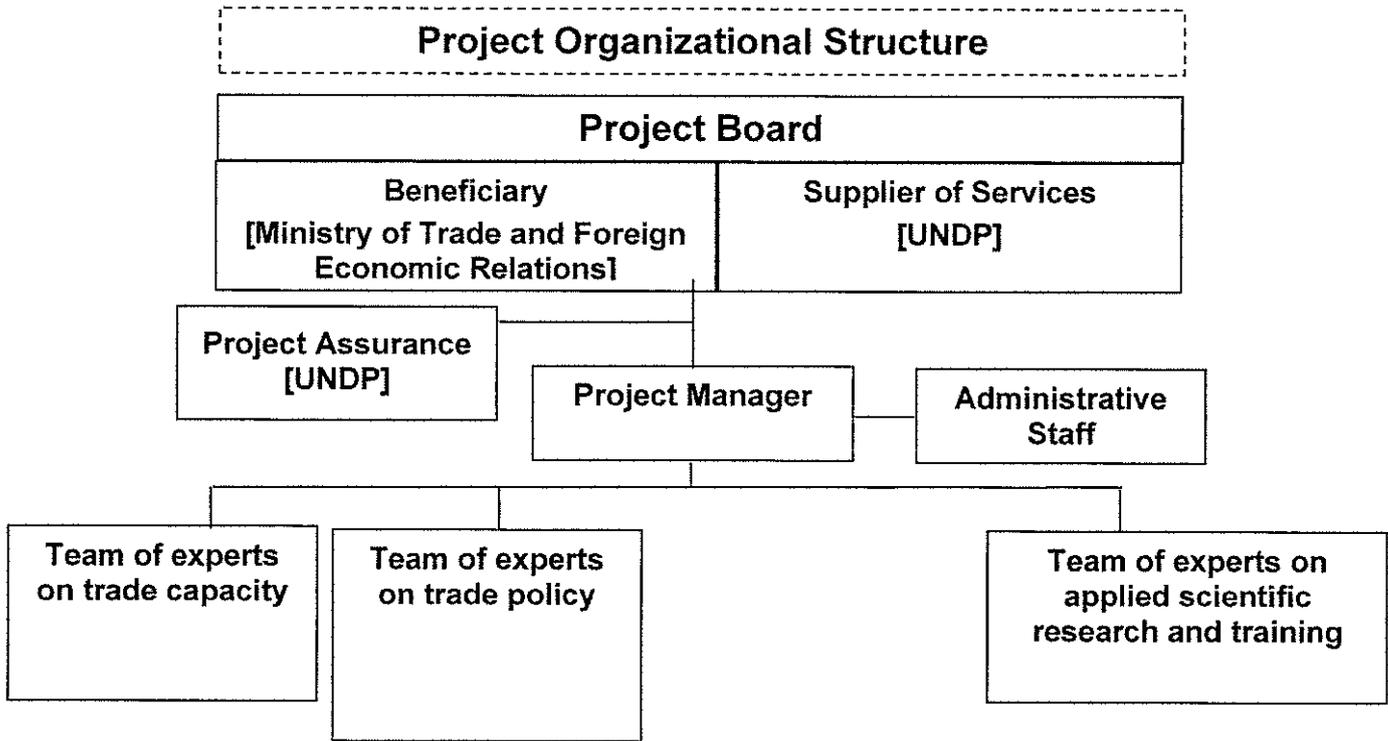
Overall governance of the project will be carried out by the Project Board, which will include the Ministry and UNDP. The Project Board will also include the representatives of the Chamber of Commerce and Industry, the Union of Industrialists and Entrepreneurs and the State Commodity and Raw Materials Exchange of Turkmenistan. The National Project Coordinator (NPC) will serve as Chair of the Project Board, with support from UNDP in organizing and running all meetings and other exchanges of information. Meetings of the Project Board will take place at least twice annually in time for approval of the following year's Annual Work Plan and the previous year reports. Additional meetings may be called as needed by the NPC. The Project Board is the overall authority for the Project and is responsible for its initiation, direction, review and eventual closure. Within the confines of the Project, the Board is the highest authority. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and any parties beyond the scope of the project.

UNDP will join the Ministry in managing the project and providing quality assurance, in accordance with plans approved by the Project Board. Most of UNDP's work for the project will be based in its Country Office (CO) in Ashgabat, under the supervision of the UNDP Deputy Resident Representative and the UNDP Resident Representative as warranted.

The day-to-day operations of the project will be carried out by a Project Manager, who will lead the work of International and National Technical Experts and any support staff needed. The project team will be responsible for carrying out the activities of the project as set forth in this Project Document and any revisions approved by the Project Board. For each meeting of the Project Board, the Project Manager will prepare a progress report on project activity, including recent accomplishments, risks, and proposed mitigation measures. The Project Manager will also be responsible for preparing all required annual reports for UNDP and the Government as required by the documents signed under this project.

The project will engage experts to carry out specific project work, including a long-term national consultant and short-term international experts. The specialists from UNDP regional hub will be also engaged in support of project activities. The project will cover the costs of the experts.

UNDP country office staff will provide assistance to the project in performing all administrative work, including logistics and clerical work. In addition, the country office will provide administrative support to the Government with regard to various specific administrative functions (such as those involving procurement and financial management). Costs associated with these latter functions will be billed as Direct Project Costs according to the provisions outlined in Section 1 "Special clauses".



V. RESULTS FRAMEWORK

intended Outcome as stated in the UN Country Programme results matrix: Strategies and simplified regulations are in place to promote inclusive employment through sustainable economic diversification. Indicative Output(s): Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded

Outcome indicators as stated in the Country Programme results matrix, including baseline and targets:

Indicator 8.4.1. Number of enhanced and simplified legal instruments (or measures), bylaws to facilitate import, export and free movement of goods across the border.

Baseline: Plans are in place to develop programmes facilitating import and export. Target indicator: 4

Indicator 8.4.2. Number of state, sectoral, regional programs including on SME development aimed at piloting new initiatives related to economic diversification at national and subnational levels.

Baseline: One national programme on development of entrepreneurship in the industrial sectors of economy. Target indicator: 3

Project Title and Project Number: Strengthening the trade capacity of Turkmenistan

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS			DATA COLLECTION METHODS
			VALUE	Year	Year 1	Year 2	FINAL	
Output 1 Strengthening institutional and personnel trade capacity	1.1 Number of specialists, who have completed certified course on professional development in the area of international trade	Project data	-	2019-2021	30	30	60	Project reports
	1.2 Practice of concluding international trade agreements on bilateral, regional and multilateral basis	Project data	-	2020-2021	+		+	Project reports
Output 2 Building capacity to formulate and implement foreign trade-related policy measures	2.1. Improving consumer market management system. International experience and recommendations for Turkmenistan	Project data	-	2019-2020		+	+	Project reports
	2.2. Capacity building of national staff on application of advanced informational and marketing technologies for analyzing market and consumer behavior	Project data	-	2019-2020	+		+	Project reports
	2.3 Review and preparation of proposals on improvement of trademark registration practice	Project data	-	2019-2020	+		+	Project reports
Output 3 Applied scientific research capacity has been strengthened	2.4 Recommendations on increasing practical results of activities of trade houses/representations abroad have been prepared	Project data	-	2019-2020		+	+	Project reports
	3.1 Proposals on strengthening of research and innovation component	Project data	-	2020-2021			+	Project reports
	3.2 Preparation of proposals on concluding agreements between the Ministry of Trade and Foreign Economic Relations of Turkmenistan and foreign research and expert organizations	Project data	-	2020-2021	+	+	+	Project reports
	3.3. Training programmes (according to the approved list) on training of national staff have been prepared	Project data	-	2020-2021		+	+	Project reports

VI. MONITORING AND EVALUATION

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the Results and Resources Framework (RRF) will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	
Project Review (Project Board)	The project's governance mechanism (i.e., Project Board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Two times per year	Any quality concerns or slower than expected progress should be discussed by the project board, and management actions should be agreed to address the issues identified.

VII. WORK PLANS

Period: 01.05.2019- 30.04.2020

Expected Outputs	Planned Activities	Timeframe				Planned Budget		
		Q2 2019	Q3 2019	Q4 2019	Q1 2020	Funding Source	Budget Description	Amount (in USD)
Output 1 Strengthening institutional and personnel trade capacity	1.1. Carrying out of certified course on professional development in the area of international trade (30 people)					Government of Turkmenistan	71200 International expert (1 expert x 20 days x 2 courses = 40 days)*	24,000*
							71600 Travel expenses (5 days x 1 expert x 2 trips)*	4,900*
							75700 Trainings, workshops (5 days x 30 persons x 2 courses - stationery and printing of handout materials)	11,760
							71400 Project management expenses	11,089
	1.2 Capacity building of national staff on application of advanced informational and marketing technologies for analyzing market and consumer behavior, and organizing sale of goods, including in velayats					UNDP	71200 International expert (1 expert x 20 days)*	12,000*
						Government of Turkmenistan	71600 Travel expenses (1 expert x 15 days)*	4,940*
							71600 Travel expenses (3 days x 1 expert x 5 velayats (regions) x 1 workshop)*	1,450
							71300 National experts (2 experts x 2 months)	4,000
							71600 Travel expenses (3 days x 1 national expert x 5 velayats)	2,900
							75700 Trainings, workshops (3 days x 15 participants x 5 velayats)	8,625
							64300, 74500 Operating expenses	1,000
	Total, Output 1:						86,664	
	Total for Government of Turkmenistan						74,664	
	Total for UNDP						12,000	
Administrative expenses, 7%:					Government of Turkmenistan	75100	5,226	
Total, Output 1, including administrative expenses:							91,890	
Output 2. Building capacity to formulate and implement foreign trade-related policy measures	2.1 Development of proposals on elimination of trade barriers and implementation of comprehensive system to support national export throughout the whole goods shipment chain; International experience and recommendations for Turkmenistan					Government of Turkmenistan	71200 International experts (2 experts x 20 days)*	24,000*
							71600 Travel expenses (2 missions x 5 days x 2 experts)*	9,800*
							71300 National experts (2 experts x 6 months)	12,000
							75700 Trainings, workshops	11,760

						(5 days x 30 participants - stationery and printing of handout materials x 2 courses)	
						71400 Project management expenses	10,000
	2.2. Capacity building of national staff on application of advanced informational and marketing technologies for analyzing market and consumer behavior				Government of Turkmenistan	71200 International experts (1 expert x 10 days)*	6,000*
						71600 Travel expenses (5 days x 1 expert)*	2,500*
						75700 Trainings, workshops (5 days x 30 participants - stationery and printing of handout materials x 1 course)	5,880
						72400 Communications and Internet	2,952
						64300, 74500 Operating expenses	1,000
	Total, Output 2:						85,892
	Administrative expenses, 7%:				Government of Turkmenistan	75100	6,012
	Total, Output 2, including administrative expenses:						91,904
Output 3 Strengthening of applied scientific research capacity	3.1. Proposals on strengthening research and innovation component in the activities of Research Institute of National Product Turnover through implementation of public-private partnership mechanism				Government of Turkmenistan	71200 International experts (1 expert x 20 days)*	12,000*
						71300 National experts (1 expert x 2 months)	2,000
						71600 Travel expenses (1 expert x 5 days)*	2,450*
						71400 Management expenses	10,000
						72200 Equipment and furniture	2,500
						72500 Office supplies	1,500
						64300, 74500 Operating expenses	500
	Total, Output 3:						30,950
	Administrative expenses, 7%:				Government of Turkmenistan	75100	2,166
	Total, Output 3, including administrative expenses:						33,116
TOTAL Government of Turkmenistan							204,911
TOTAL UNDP							12,000
GRAND TOTAL							216,911

Period: 01.05.2020 – 30.04.2021

Expected Outputs	Planned Activities	Timeframe				Planned Budget		
		Q2 2020	Q3 2020	Q4 2020	Q1 2021	Funding Source	Budget Description	Amount (in USD)
Output 1 Strengthening institutional and personnel trade capacity	1.1. Carrying out of certified course on professional development in the area of international trade					Government of Turkmenistan	71200 International expert (1 expert x 10 days x 4 courses = 40 days)*	24,000*
							71600 Travel expenses (5 days x 1 experts x 4 trips)*	9,800*
							75700 Trainings, workshops (5 days x 30 persons x 4 courses - stationery and printing of handout materials)	23,520
	1.2. Development of proposals on improvement of practice of concluding international agreements on trade and economic cooperation on bilateral, regional and multilateral basis					Government of Turkmenistan	71200 International expert (1 expert x 30 days)*	18,000*
							71300 National experts (1 expert x 30 days)	3,000
							71600 Travel expenses (3 missions *5 days x 1 expert)*	7,350*
							71400 Project management expenses	11,089
	64300, 74500 Operating expenses							1,000
	Total, Output 1:							97,759
	Administrative expenses, 7%:							6,843
Total, Output 1, including administrative expenses:							104,602	
Output 2. Building capacity to formulate and implement foreign trade-related policy measures	2.1. Review and preparation of proposals to improve the trademark registration practice					UNDP	71200 International experts (1 expert x 20 days)*	12,000*
						Government of Turkmenistan	71300 National experts (1 expert x 3 months)	3,000
							71600 Travel expenses (2 missions*5 days x 1 expert)*	4,900*
	2.2. Recommendations on increasing practical results of activities of trade houses located abroad have been prepared					Government of Turkmenistan	71200 International experts (1 expert x 20 days)*	12,000*
							71300 National experts (2 experts x 2 months)	4,000
							71600 Travel expenses (2 mission*1 expert x 5 days)*	4,900*
							71400 Project management expenses	10,000
	64300, 74500 Operating expenses							1,000

						72400 Communications and Internet	2,952	
	Total, Output 2:						54,752	
	Total for Government of Turkmenistan						42,752	
	Total for UNDP						12,000	
	Administrative expenses, 7%:				Government of Turkmenistan	75100	2,993	
	Total, Output 2, including administrative expenses:						57,745	
Output 3 Strengthening of applied scientific research capacity	3.1. Preparation of proposals on concluding cooperation agreements between the Research Institute of National Product Turnover and international research and expert organizations				Government of Turkmenistan	71200 International experts (1 expert x 20 days)*	12,000*	
						71300 National experts (1 expert x 3 months)	3,000	
						71600 Travel expenses (2 missions* 1 expert x 5 days)*	4,900*	
						71400 Project management expenses	10,000	
	3.2. Development of proposals on improvement of international logistics system and implementation of innovative management in the trade system of Turkmenistan					Government of Turkmenistan	71200 International experts (2 experts x 20 days)*	24,000*
							71300 National experts (2 experts x 4 months)	8,000
							71600 Travel expenses (2 experts x 5 days x 3 trips)*	14,700*
							72400 Communications and Internet	4,000
							72500 Office supplies	1,500
							64300, 74500 Operating expenses	1,000
	Total, Output 3:						83,100	
	Administrative expenses, 7%:				Government of Turkmenistan	75100	5,817	
	Total, Output 3, including administrative expenses:						88,917	
TOTAL Government of Turkmenistan						239,264		
TOTAL UNDP						12,000		
GRAND TOTAL						251,264		

* Costs indicated in these budget lines will be transferred to the foreign currency account of UNDP in US dollars.

VIII. LEGAL CONTEXT AND RISK MANAGEMENT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Turkmenistan and UNDP, signed on 5 October 1993. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Ministry of Trade and Foreign Economic Relations of Turkmenistan "Implementing Partner" in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

Risk management standards

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner, its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) develop and adhere to an appropriate security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner's security, and carry out the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any risk management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

IX. SPECIAL CLAUSES

1. The Ministry of Trade and Foreign Economic Relations of Turkmenistan guided by the provisions of the Co-financing Agreement between the Government of Turkmenistan and the United Nations Development Programme signed on 22 June 2016 will provide contribution for implementation of the current Project in the amount of 444,175 (four hundred forty four thousand one hundred seventy five) US dollars, which will be transferred to the following accounts of UNDP as follows.
2. The Ministry shall, in accordance with the schedule of payments set out below, *transfer in manat equivalent the contribution in the amount of 250, 871 (two hundred fifty thousand eight hundred seventy one)* US dollars to the manat account of the UNDP Country office in Turkmenistan in the Turkmen-Turkish Commercial Bank, account no. 23203934273168502583000:

Date payment due	Amount
15.05.2019	USD 114,321
15.05.2020	USD 136,550

3. The Ministry shall, in accordance with the schedule of payments set out below, *transfer in USD equivalent the contribution in the amount of 193,304 (one hundred ninety three thousand three hundred and four)* US dollars to the foreign currency account of the UNDP Country office in Turkmenistan in the Turkmen-Turkish Commercial Bank, account no. 23203840273168400274000:

Date payment due	Amount
15.05.2019	USD 90,590
15.05.2020	USD 102,714

4. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange¹ in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
5. The above schedule of payments takes into account the requirement that the Contribution shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
6. UNDP receives, manages and uses the Contribution aimed at attaining the project objectives and in accordance with its applicable regulations, rules and directives of UNDP, including, in particular financial regulations issued by the UNDP Executive Board.
7. UNDP shall submit to the Ministry of Trade and Foreign Economic Relations of Turkmenistan reports on the project implementation and financial report in accordance with Article 4 of the abovementioned Co-financing Agreement dated 22 June 2016. All financial accounts and statements shall be expressed in United States dollars.
8. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
9. If the payments referred above are not received in accordance with the payment schedule or additional arrangements, and are not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

¹ The United Nations operational rate of exchange for Turkmenistan is based on the official exchange rate of the Central Bank of Turkmenistan.

10. Any interest income attributable to the contribution shall be credited to UNDP account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 7% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country office
- (b) Direct cost for implementation support services (ISS) provided by UNDP and implementing partner.

11. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.