



**PROJECT DOCUMENT**  
***[TURKMENISTAN]***



**Project Title:** Strengthening the Trade Capacity of Turkmenistan, Phase II

**Project Number:**

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

**Start Date:** 01.03.2023

**End Date:** 31.12.2023

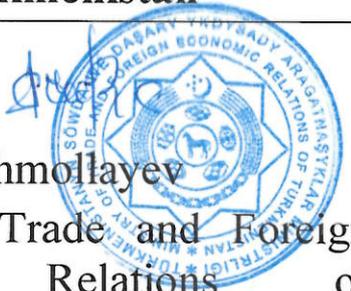
**PAC Meeting date:**

<b>Brief Description</b>
<p><i>The objective of this project between UNDP and the Ministry of Trade and Foreign Economic Relations of Turkmenistan is to build the institutional capacity of the Ministry of Trade and Foreign Economic Relations of Turkmenistan through digital empowerment.</i></p> <p><i>In this regard, the project component “Institutional capacity of the Ministry has been strengthened through digitalization processes” was identified, which includes a measure to promote the development and purchase of software and hardware for the analytical platform for export-import operations.</i></p>

<p><b>Contributing Outcome 2 UNSDCF :</b></p> <p>By 2025, conditions for sustainable and inclusive economic diversification are strengthened with competitive private and financial sectors, enhanced trade and</p>	<p><b>Total resources required:</b></p>	<p>US\$164,486.00</p>
	<p><b>Total resources allocated:</b></p>	<p><b>UNDP TRAC:</b></p>
	<p><b>Government of Turkmenistan:</b></p>	<p>US\$164,486.00</p>

<p>investment promotion, and the adoption of new technologies</p> <p><b>CPD Output 2.1:</b> Public institutions and private sector have strengthened regulatory, institutional, and human capacity for realization of diversification, digitalization, and trade promotion with focus on creation of employment opportunities, including for women and vulnerable groups</p> <p><b>Gender marker:</b> GEN 1</p>			
---	--	--	--

Agreed by (signatures):

<p><b>Ministry of Trade and Foreign Economic Relations of Turkmenistan</b></p>	<p><b>UNDP</b></p>
<p><i>[Signature]</i> Begench Gochmollayev Minister of Trade and Foreign Economic Relations of</p> 	<p><i>[Signature]</i> Narine Sahakyan UNDP Resident Representative</p> 

---

Turkmenistan	in Turkmenistan
<b>Date:</b> 27.02.2023.	<b>Date:</b> 27.02.2023

---

## **I. DESCRIPTION OF THE SITUATION**

The United Nations Development Programme jointly with the Ministry of Trade and Foreign Economic Relations of Turkmenistan implemented the project “Strengthening the Trade Capacity of Turkmenistan” in 2019-2022, aimed at building trade capacity of the country through the development of human capital in order to increase the competitiveness of national personnel and transform the human capital into a leading factor of economic growth and national competitiveness, diversify exports and increase the share of higher value-added products in its pattern, and reduce the proportion of imports in country’s economy. The project included the following components: 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.

The need assessment and a number of actions were undertaken under the project to enhance the performance of ministries and departments of the country’s trade sector in order to build personnel and institutional capacity with regard to topics such as:

- building trade policy -making capacity;
- application of modern technologies to promote domestic and foreign sales and electronic marketing technologies utilization;
- application of advanced information and marketing technologies to analyse the market and consumer behaviour and organize the sales of goods, and advanced technologies utilization in trade and commerce (e-commerce);
- development of the foreign trade policy, and preparing the country for the WTO accession process;
- development of proposals for overcoming trade barriers and the introduction of an integrated national exports support system throughout the commodity chain;
- lifting trade barriers and facilitating trade procedures, including the single-window concept, the creation of digital transport corridors, and country’s compliance with international standards and recommendations;
- improvement of research and innovation activities in the field of trade through the implementation of the public-private partnership mechanism, as well as;
- development of trade policy skills such as the art of negotiation, increase knowledge in conflicts and interests of individual countries/regions in international trade, trade instruments and risk management, trade research and analysis skills, and instruments of regulating trade in goods and services.

---

Moreover, analyses were conducted, proposals were prepared and recommendations were presented under the project based on the best international practices to improve:

- practice of concluding international agreements on trade and economic cooperation on a bilateral, regional and multilateral basis;
- trademarks registration process in Turkmenistan;
- activities of trading houses abroad;
- scientific and innovative component of the trade system through the implementation of the public-private partnership mechanism.

Furthermore, familiarization meetings with the Institute of World Trade, Bern, Switzerland and the National Research University - Higher School of Economics of the Russian Federation were facilitated in order to strengthen the scientific research capacity of national partners.

Finalizing the project with the Ministry of Trade and Foreign Economic Relations, the final meeting of the Project Board took the decision to continue the project by developing the next phase in view of the country's dynamic progress towards joining WTO and the positioning of the Ministry as one of the major state institutions with Government's practical expectations.

In particular, the Government of Turkmenistan adopted in 2019 the Program for Development of Foreign Economic Activity for 2020-2025 in order to introduce continued improvement in legislative framework regulating foreign economic activity, create and further enhance a favorable legal, management and financial environment necessary for development of foreign economic relations of the country, step up mutually beneficial relations with foreign countries, international organizations, including international financial and credit institutions, and development of foreign economic relations through diversification.

In July 2020, Turkmenistan was granted the WTO observer status, which made it possible to intensify work in this area for further development of foreign trade and integration into the global trade system.

In February 2021, Turkmenistan adopted the Foreign Trade Strategy for 2021-2030, aimed at developing and improving the foreign economic activity of Turkmenistan by making the efficient use of resources and domestic economic capacity of the country, encouraging foreign investment, reforming the domestic and foreign economic relations liberalization based on market instruments, and the integrated implementation of the international trade principles and innovation in accordance with the WTO agreements and international best practices. The Foreign Trade Strategy for 2021-2030 will be implemented in two stages: the first in 2021-2025,

---

and the second in 2026-2030. It is expected that all preparatory work for the country's WTO accession will be completed at the first stage in 2021-2025.

In November 2021, Turkmenistan officially applied for the WTO accession and on February 23, 2022, during a meeting of the WTO General Council, Turkmenistan was granted the status of an acceding country. The Government has developed the 2021 Implementation Roadmap for the Foreign Trade Strategy of Turkmenistan for 2021-2030.

Taking into consideration the positive partnership experience between the UN Development Programme and the Ministry of Trade and Foreign Economic Relations of Turkmenistan, as well as the active position of the country towards improving the trade policy, the second phase of the project will be aimed at strengthening the digital capacity of the Ministry to improve the analytical platform for export-import operations.

---

## **II. STRATEGY**

The UNDP Assistance Strategy for the development and implementation of trade capacity building measures of the Ministry consists of the following component.

**Component 1: Strengthening institutional capacity through digitalization processes** includes:

- 1.1. A review of the process of analysing information and data on trade and foreign economic activity, as well as the development and introduction of a digital analytical platform for export-import operations.
- 1.2. An assessment of Ministry's needs as for hardware resources for the effective digitalization process, including the necessity of distance learning actions to provide broader capacity building opportunities to the Ministry staff.

This project is in line with the goals and objectives outlined in the long-term National Program of Socio-Economic Development of Turkmenistan for 2022-2052. The project will also contribute to the implementation of the outcomes of the Sustainable Development Cooperation Framework between Turkmenistan and the United Nations for 2021-2025, and the Country Programme of Cooperation between Turkmenistan and UNDP for 2021-2025. The project will contribute to the achievement of the 2030 Global Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), nationalized by Turkmenistan in September 2016, in particular SDG 8 (Economy), SDG 9 (Innovation/Infrastructure), SDG 10 (Equality) and SDG 17 (Partnership).

---

At the same time, the project will contribute to the implementation of the Program of the President of Turkmenistan on Socio-Economic Development for 2022-2028, the Program on Development of Digital Economy in Turkmenistan for 2021-2025, the Program on Development of Foreign Economic Activities of Turkmenistan for 2020-2025, as well as the Foreign Trade Strategy of Turkmenistan for 2021-2030.

---

### III. RESULTS AND PARTNERSHIPS

#### *Expected Resultss*

The goal of the project is to build the institutional capacity of the Ministry of Trade and Foreign Economic Relations of Turkmenistan in the formulation of the country's trade policy.

As part of the project the achievement of the following outputs is expected, which will contribute to strengthening the institutional capacity of the Ministry of Trade and Foreign Economic Relations of Turkmenistan through digital empowerment.

**Result 1: The institutional capacity of the Ministry has been strengthened through digitalization processes.** Based on this output, it is expected to conduct a review of the operating electronic platforms of the Ministry, used to collect, process and analyse data regarding trade and foreign economic transactions. Following the review outcomes, it is expected to elaborate the operating or develop and put in place a new data collecting, processing and analysing platform. Moreover, there is plan for synchronizing this digital platform with the "Single Window for Export-Import Operations" system. It is also provided for an assessment of the Ministry's hardware resources to ensure the effectiveness of digitalization and distance learning processes, which will contribute to the significant capacity building empowerment of personnel.

#### *Resources Required to Achieve the Expected Results*

In order to achieve the above outputs the project provides for the engagement of high-class experts. Local consultants will also be involved in the project. These consultants are required to have work experience and good knowledge of the national foreign and domestic trade system of Turkmenistan, as well as digitalization processes, including the legal and institutional framework.

---

## ***Partnerships***

During the implementation of the project, UNDP and the Ministry of Trade and Foreign Economic Relations of Turkmenistan will collaborate closely with representatives of the Ministry of Foreign Affairs and the Ministry of Finance and Economy.

## ***Risks and Assumptions***

### ***Assumptions:***

- The commitment of the leadership of the Ministry of Trade and Foreign Economic Relations of Turkmenistan and other relevant government stakeholders to the Project implementation process.
- Efficiency and professionalism of UNDP staff, including the project manager and his assistant.
- Timely procurement of appropriate equipment, ICT infrastructure and software.
- Effective coordination of all Parties during the implementation of the Project.

### ***Risks:***

The most critical among the risks that may affect the achievement of the objectives specified in this Project are:

- Failure of national partners to take appropriate action on crucial administrative or operational recommendations arising from the Project.
- Delays in procurement of required ICT equipment, software and services, or procurement of ICT equipment and software that does not meet minimum technical requirements,

## ***Digital Solutions***

Digital solutions are to be adopted under the project to strengthen the analytical capacity of the Ministry of Trade and Foreign Economic Relations of Turkmenistan.

## ***Knowledge***

Knowledge and experience gained by the project beneficiaries during their activities as part of the project will be transformed into action plans for development of the trade policy of the country.

---

## ***Sustainability and Scaling Up***

The sustainability of project results after the cancellation of external support, with allowance for the content of the project, partnerships and the implementation of the activities under the project, is maintained through joint activities to introduce the project activity outputs in certain areas by:

- Reflecting the project outputs in the operational business processes of the Ministry;
- Continuing to assist the Ministry in building capacity.

---

## **IV. PROJECT MANAGEMENT**

### ***Cost Efficiency and Effectiveness***

A number of approaches were taken to ensure the efficiency and effectiveness of the project, specifically:

- The logic of both the project in general and its individual components is built on the principles of output-oriented management. The project implementation management mechanisms, including resource provision, monitoring and evaluation, have been harmonized with the expected outputs at all project levels, and form a single integrated structure;
- Key project outputs such as strengthening the institutional capacity of the Ministry;
- Project products are not only part of the system of project measures, but they will also be required for further use in trade development. The project activities will be synchronized with the relevant state programs and national development strategies ongoing during life of the project, and the outputs thereof.

### ***Project Management***

The project will be managed by staff from the project office in Ashgabat.

The project management system consists of 3 levels:

1. Strategic management;
2. Operational management and coordination;
3. Monitoring and Evaluation System (Section VI of the Project Document).

The project will be implemented in the national execution modality with the support from the UNDP country office in accordance with the Policies and Procedures of UNDP.

---

In this project, in addition to the project team, operational control over the project implementation and maintaining the relationship of the project with other similar initiatives and projects will be carried out by the program staff of the UNDP country office: the Head of Program Department and the Program Analyst for Management, Economic Diversification, and Inclusive Growth.

Along with the program staff support, the UNDP country office will also provide administrative services.

UNDP in Turkmenistan will monitor and manage the total budget of the project, and will be responsible for monitoring project implementation and timely reporting to the donor. Moreover, UNDP will maintain coordination and networking with other active initiatives and organizations in the country.

**V. RESULTS FRAMEWORK**

**Intended Outcome 2 as stated in the Turkmenistan-United Nations UNSDCF for 2021-2025:**

By 2025, conditions for sustainable and inclusive economic diversification are strengthened with competitive private and financial sectors, enhanced trade and investment promotion, and the adoption of new technologies

**Outcome indicator 2.1 as stated in the Country Programme Document for 2021-2025, Results and Resources Framework, including baseline and targets:**

Public institutions and private sector have strengthened regulatory, institutional, and human capacity for realization of diversification, digitalization, and trade promotion with focus on creation of employment opportunities, including for women and vulnerable groups

Indicator 2.1.1: The number of policies, regulatory acts, and mechanisms developed to enhance trade capacity, promote a favorable investment climate and strengthen business environment

Baseline: 1

Target: At least 5 (2025)

Data Source: Project reports, National partner reports

**Applicable Output from the UNDP Strategic Plan: Structural transformation, particularly green, inclusive and digital transitions**

**Project title and Project Number: “Strengthening the Trade Capacity of Turkmenistan, Phase 2”**

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS	DATA COLLECTION METHODS & RISKS
			Value	Year		
				Year	Year 1	

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS	DATA COLLECTION METHODS & RISKS
			Value	Year		
<p><i>Output 1: Institutional capacity of the Ministry has been strengthened through digitalization processes.</i></p>	<p><i>1.1 The process of analysing information and data on trade and foreign economic activity was reviewed, and a digital analytical platform for export-import operations was developed and put in place.</i></p>	<p>Project Implementation Report</p>	<p>No</p>	<p>2022</p>	<p>Yes</p>	<p>Project Report Progress</p>

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (in the project implementation period)	DATA COLLECTION METHODS & RISKS
			Value	Year		
	<i>1.2 Ministry's needs as for hardware resources for the effective digitalization process was assessed, including the necessity of distance learning actions to provide broader capacity building opportunities to the Ministry staff.</i>	Project Implementation Report	No	2022	Yes	Project Report Progress

## VI. MONITORING AND EVALUATION

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track outputs progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	At least quarterly	Slower than expected progress will be addressed by project management.		
<b>Monitor and Manage Risk</b>	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.	At least 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.		
<b>Learn</b>	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.		
<b>Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision	Biyearly	Areas of strength and weakness will be reviewed by project management and used to inform decisions to		

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
	making to improve the project.		improve project performance.		
<b>Review and Make Corrections</b>	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.		
<b>Project Report</b>	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 long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., PB) 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	At least annually	Any quality concerns or slower than expected progress should be discussed by the PSB and management actions agreed to address the problems identified.		

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
	<p>learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p> <p>T</p>				



**VII. 2023 WORK PLAN**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET	
		I Q 2023	II Q 2023	III Q 2023	IV Q 2023		Funding Source	Budget Description
<i>Output 1: The institutional capacity of the Ministry is strengthened through digitalization processes</i>	1.1. A review of the process of analysing information and data on trade and foreign economic activity, as well as the development and introduction of a digital analytical platform to connect the Ministry to the “Single window for export-import operations” portal.					UNDP	71300 National consultant	22,754
							Turkmenistan Government	72400 ICT procurement (software)
	1.2. An assessment of the Ministry’s needs as for hardware resources for the effective					UNDP	72400 ICT procurement (hardware)	100,000

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		I Q 2023	II Q 2023	III Q 2023	IV Q 2023		Funding Source	Budget Description	Amount (USD)
	digitalization process, including the necessity of distance learning actions to provide broader capacity building opportunities to the Ministry staff and organizing procurement						71300 National consultant	3,000	
	<b>Sub-Total for Output 1</b>							<b>130,754</b>	
	Administrative expenses, 7%						75100 GMS	<b>9,153</b>	
	<b>Total for Output 1, including administrative expenses 7%</b>							<b>139,907</b>	
<i>Project Management</i>	Project staff salary					UNDP	Turkmenistan Government	71400 Salary (Project Manager - 50% x 10 months)	13,070
							71400 Salary (Project Assistant - 20% x 10 months)	2,840	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIB LE PARTY	PLANNED BUDGET		
		I Q 202 3	II Q 2023	III Q 2023	IV Q 2023		Funding Source	Budget Description	Amount (USD)
	Communications and Internet					UNDP	72400 Communication and Internet	5,040	
							64300, 74500 Operating expenses	2,021	
	<b>Total for Project Management</b>							<b>22,971</b>	
	Administrative expenses, 7%							<b>1,607.97</b>	
	<b>Total for Project Management, including administrative expense, 7%</b>							<b>24,579</b>	
	<b>GRAND TOTAL</b>							<b>164,486</b>	

---

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be implemented in **the national execution** modality **with the support from the UNDP country office** in accordance with the UNDP's policies and procedures. The Ministry of Trade and Foreign Economic Relations of Turkmenistan will be the major National Implementing Partner. The Ministry of Trade and Foreign Economic Relations of Turkmenistan will be responsible for the successful implementation of the project activities, the sustainability of the results achieved, and report on the project results to other government agencies of Turkmenistan. The National Implementing Partner is responsible for ensuring that the long-term project results are in line with the development goals defined in the strategic documents of Turkmenistan.

The Ministry of Trade and Foreign Economic Relations of Turkmenistan appoints a senior official as a National Project Coordinator (NPC), who will be responsible for project implementation on behalf of the Implementing Partner. At the initial stage of the project, UNDP and the Ministry of Trade and Foreign Economic Relations of Turkmenistan jointly develop the regulatory documents of the Project Board (PB), including a list of members and a work procedure. PB is responsible for making management decisions on the project by consensus. PB is the main body of strategic project management. PB shall meet at least twice a year to discuss issues related to project implementation. NPC is the chairman of PB. The voting members of PB are representatives of the National Implementing Partner, UNDP and the donor. Representatives of other parties concerned may be invited to participate in PB in the capacity of observers.

The Project Manager is the Executive Secretary of PB, who participates in the meetings as a non-voting PSB member, and is responsible for preparing the PSB meeting and taking minutes of the meetings.

To ensure unconditional UNDP accountability for project outputs, PSC decisions will be taken in accordance with standards that contribute to efficient management for achieving development results, including the best value for quality, money, fairness, integrity, transparency and effective competition.

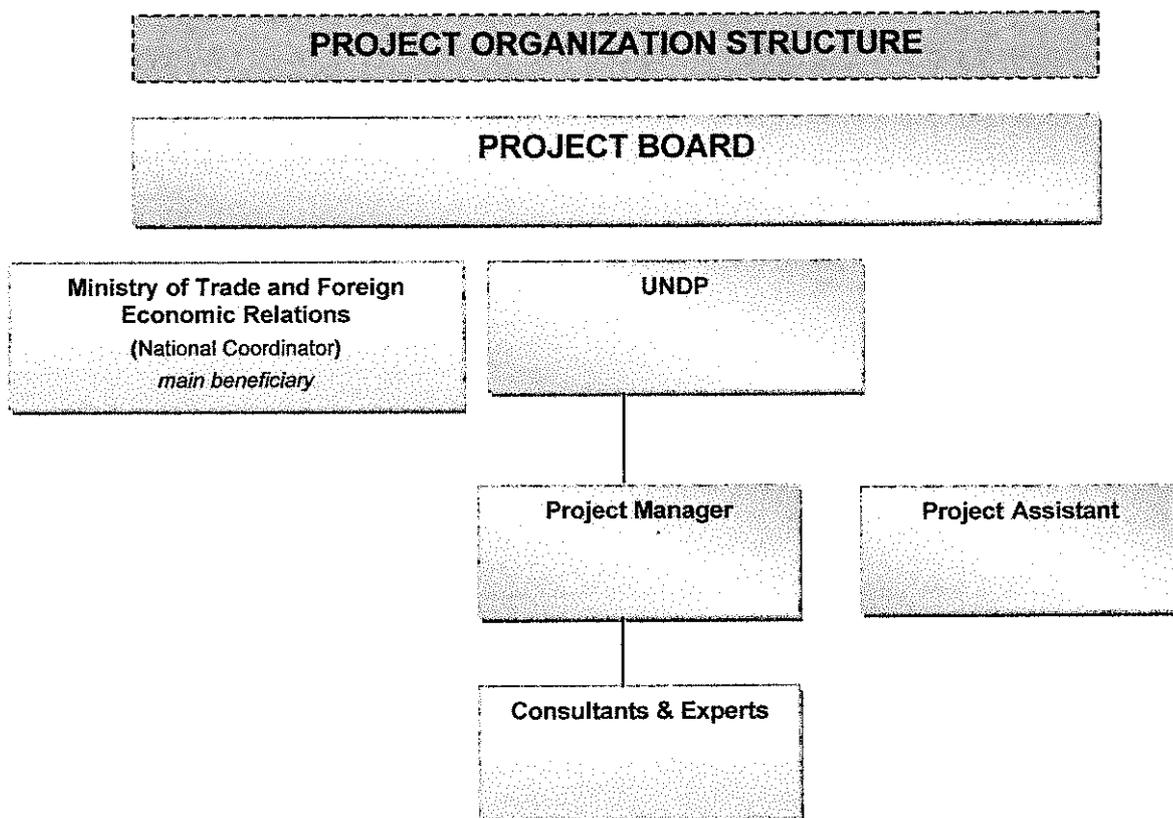
A more detailed requirements specification for PSB is provided in Annex 4 to this Project Document.

The strategic project governance level with UNDP is maintained by the UNDP country office in Turkmenistan. At this level, the compliance of the long-term project outputs of the Sustainable Development Cooperation Framework between Turkmenistan and the United Nations for 2021-2025 with the Sustainable Development Goals (SDGs) and the UNDP Country Programme Document for Turkmenistan (2021-2025) is ensured.

The basic level of operational management is exercised by the Project Manager. The project team is composed of the Project Manager and the Project Assistant.

International and national experts will be involved in undertaking the highly tailored objectives and providing the necessary expertise to increase the project efficiency. The short-term consultants shall be engaged in accordance with the UNDP Procedures.

The transfer of property acquired as part of the project will be carried out after the completion thereof in accordance with the decision of PSB under the UNDP's policies and procedures.



---

## **IX. LEGAL FRAMEWORK**

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 October 5, 1993, which relate 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”) supported by UNDP in accordance with the Financial Regulations and Policies of UNDP in order to ensure the optimal value for money, fairness, good faith, integrity, transparency, and effective international competition. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure the optimal value for money, fairness, good faith, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

---

## **X. RISK MANAGEMENT**

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and 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 undertakes to:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried out;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and 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, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of the activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection

---

with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

5. a) In the performance of activities under this Project Document, the Implementing Partner shall (with respect to its own activities) require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
  - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, and where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
  - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
  - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations

---

received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply with the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. 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>).

7. 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 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.

8. 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.

---

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of the then in force UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices, and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).

13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

---

14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, credible allegation of fraud or corruption or other financial irregularities with due confidentiality. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner shall inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

15. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

16. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

17. Should UNDP refer to the relevant national authorities for appropriate legal action against any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

18. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party,

---

subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

---

---

Turkmenistan	in Turkmenistan
<b>Date:</b>	<b>Date:</b>