



**PROJECT DOCUMENT**  
**TURKMENISTAN**

**Project Title:** Assistance in the implementation of a pilot electronic data interchange system in Turkmenistan

**Project Number:**

**Implementing Partner:** United Nations Development Programme in Turkmenistan

**Start Date:** 1 March 2023 **End date:** 31 December 2025

**PAC Meeting date:**

**Brief Description**

*The purpose of this project between UNDP and the Agency "Turkmenaragatnashyk" of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan is to strengthen the institutional capacity of the Agency through the introduction of digital solutions in the work of the Agency in the provision of public services to citizens and assistance in the implementation of a pilot electronic data interchange system.*

<b>Contributing UNSDCF Outcome 1:</b> By 2025, people have access to more effective, innovative, and transparent public administration based upon the rule of law, human and labour rights, gender equality and quality data	<b>Total resources required:</b>	<b>2,488,861 USD</b>	
	<b>Total resources allocated:</b>	<b>Government of Turkmenistan:</b>	<b>2,488,861 USD</b>

<p><b>Indicative CPD Output 1.2:</b> State institutions have improved public administration system with electronic government systems and digital public services for the population with special focus on services for vulnerable groups.</p>			
<p><b>Gender marker:</b> GEN1</p>		<p><b>UNDP contribution:</b></p>	

Agreed by (signatures):

<p><b>Agency "Turkmenaragatnashyk" of the Transport and Communications Agency under the Cabinet of Ministers Turkmenistan</b></p>	<p><b>United Nations Development Program</b></p>
<p>Khadzhimurat Khudaiguliyev, Chairman of the Agency "Turkmenaragatnashyk"</p> 	<p>Narine Sahakyan, United Nations Development Programme Resident Representative</p> 
<p><b>Date:</b> 27.02.2023</p>	<p><b>Date:</b> 27.02.2023</p>

---

## I. DESCRIPTION OF THE SITUATION

The government of Turkmenistan has firmly chosen the course for the digital transformation of the country and the transition to a digital economy. In this regard, on November 30, 2018, the Concept for the Development of the Digital Economy of Turkmenistan and the State Program for the Development of the Digital Economy of Turkmenistan for 2021-2025 was adopted and approved on February 12, 2021. In accordance with this program, it is planned to gradually introduce the principles of the digital economy in accordance with the Action Plan for the development of the digital economy of Turkmenistan, including introduction of Electronic Data Interchange system (hereinafter EDI) in Turkmenistan (paragraph 12). The responsible body is the Agency "Turkmenaragatnashyk" of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan (hereinafter referred to as the Agency).

The United Nations Development Program in Turkmenistan (hereinafter UNDP), as a long-term and reliable partner of the Government of Turkmenistan since 1993, offered its assistance in resolving this strategic issue. UNDP is ready to bring to Turkmenistan positive international experience accumulated in the region and the world. In total, in 2021, UNDP helped 82 countries implement digital solutions in response to the COVID-19 pandemic.

UNDP in Turkmenistan has a particular interest in the digital transformation of public services, as this fully correlates with the UNDP Digital Strategy for 2022-2025. In line with this strategy, UNDP seeks to stay ahead of the ever-changing digital reality in order to accelerate progress towards the achievement of the Sustainable Development Goals (SDGs). Digital public goods, which countries can use for citizen identification, data exchange and electronic payments, are also a condition for preventing corruption.

Considering the foregoing, in March 2022, the Agency signed a Memorandum of Understanding with UNDP as a confirmation of interest in cooperation in the field of digital transformation of the public services sector, which determined the principles, contours and format of interaction between the Parties.

Digital transformation is not simply the automation and optimization of a number of processes in the performance of government functions to provide services to the population and businesses, but the rethinking of the role of government agencies and the transition to the "State as a Service" paradigm, and the subsequent introduction of information and communication technologies (ICT) and modern systems to fundamentally improve the quality of public administration as a whole.

Commitment to **long-term political commitment** is the main factor in the successful digital transformation of the state. Digitalization is a long-term process that must be

---

viewed only in progressive progression and cannot be expected to produce sustainable results in a short period of time, e.g. 2-3 years. After the implementation of key initiatives for the implementation of e-government, such as, for example, NIN (Citizen Identification Number) and the EDI System, it should take 5-7 years before they become a normal part of citizens' lives and you can see the positive effect, including in terms of improving the efficiency of budget funds, reducing corruption and increasing the level of trust of citizens in the state.

Organic growth of the portfolio of public services for the population and businesses will take years, the same applies to the level of use of services by citizens. Cooperation with international experts, consultants and developers must be as long-term to ensure continuity of leadership methods and strategic approach, as well as improvement of technical skills of employees of authorized bodies.

A culture of open communication between the public and the private and public sectors is the second important component of successful digitalization. The intentions of the state must be clearly stated and communicated to all stakeholders, since the digital society exists in both the public and private sectors. The challenge is to create a work culture and interaction based on trust that accepts mistakes and encourages aspirations for further improvements. An environment where mistakes are not tolerated and therefore innovation is stifled is detrimental to the digital transformation of public service delivery.

There are examples of successful levels of digitalization of the state and society around the world. Estonia is one of the clearest examples of this process. But, despite this, there is no ready-made solution that can be simply transferred to a new territory. Digital transformation is a specific reform, which each country must implement for itself, considering its interaction culture, of relations between citizens and the state, the level of digital maturity of society and state bodies, the availability of financial opportunities and infrastructure. These processes are impossible to implement without errors and a willingness to accept these errors and learn from them is crucial.

Last, but not least, is the constant building of human capacity for a successful digital transformation. The government must work closely with international organizations, the private and educational sectors to bring educational programs closer to the current challenges facing the country. There needs to be a process of constant exchange of expertise between the public and private sector. If programmers, cybersecurity specialists, lawyers and other digital transformation experts get the understanding that they can make a real contribution to the country progress and are provided with a competitive working environment, they are more likely to consider working in the public sector as a regular part of their career trajectory.

---

This joint project is an important and strategic partnership between UNDP and the Agency.

---

## II. STRATEGY

To implement the project, the United Nations Development Program will follow the Agile philosophy while developing and implementing EDI system and building the digital capacity of the National Partner, which implies the following principles:

- ***People and interaction are more important than processes and tools.*** The fact that communication and interpersonal relationships are more important than strict processes is the cornerstone of Agile project management. Agile recommends a personalized approach to project management where teams focus on constant communication.
- **A working product is more important than comprehensive documentation.** Good product documentation is essential, but to manage data, reports, and status updates, flexible software solutions are preferred over traditional documentation.
- **Cooperation with the customer is more important than agreeing on the terms of the contract.** Agile teams prefer regular status updates and feedback on how the project is progressing. Long approvals harm the quality and speed of project execution.
- **Being ready for change is more important than sticking to the original plan.** This principle best characterizes Agile project management. Agile teams are responsive to changing requirements and successfully adapt to new conditions and challenges.

Successful implementation of this project requires delegating the maximum level of authority to the direct executors of the project, especially from and within the Agency, simplification of bureaucratic procedures and decision-making mechanisms. And, of course, the support of the Government of Turkmenistan is an absolute prerequisite for the successful implementation of the project.

It is proposed to meet the project council at least once every 6 months to make decisions on necessary changes in tasks and budgets.

The strategy will be supported by the analysis of practices and legislation used, which is essential to maintain continuous progress and achieve all goals.

---

## **Implementation of EDI and Strengthening of the institutional capacity of the National Partner**

In-depth localization of knowledge and experience in maintaining this system is required to ensure the continued operation of this system. The EDI system based on the X-Road platform should have the potential for unlimited scalability and have no limitations in terms of the number of connected organizations and information systems, the number of connected services and equipment. If there are any limitations, these X-road operating conditions as well as "best practices" based on international experience in operating and scaling the X-road system shall be communicated to the Project Board.

### **The implementation of the SIEI system is based on 3 principles:**

- Using an accessible and mature platform to quickly create a data exchange system (X-Road is used in such countries as Estonia, Finland, Iceland, and others).
- Further customization of the platform to the needs and realities of the client country, allowing to get an idea of its suitability and then either develop it further or replace it with something more suitable.
- Use well-defined application programming interfaces (APIs) to hide the complexities of implementing individual datasets, allowing them to be improved as capabilities grow without hindering progress in other parts of the system.

### **The project consists of the following components:**

*1.1 Preparatory activities for the successful implementation of the EDI system based on the X-Road platform. At this stage the following main activities are carried out:*

1.1.1 Preparation of the terms of reference for the implementation of the EDI system (EDI system will consist of Interagency Electronic Data Interchange system and Interagency Document Workflow system) based on the X-Road solution. This task will be carried out with the active participation of the International Lead Technical Expert of the project. The expert will be responsible for the technical side of the project and the construction of a coherent and well-functioning system.

The Terms of Reference will focus on developing the local technical workforce in the public and private sector, in addition to achieving the technical goal of deploying a complete X-Road system.

1.1.2 The Lead International Technical Expert will support the project for the full duration of the project. The expert will also be responsible for developing and training

---

local technical and management staff to successfully transfer the knowledge and experience needed to keep the system up and running in the future.

1.1.3 Study the international experience in building Interagency Electronic Data Interchange and Interagency Document Workflow systems. The study of international experience will be carried out through the organization of seminars and visits to two countries. It is proposed to visit countries with a high-level digitalization of public administration, for example Estonia, as well as countries with more similar to Turkmenistan public administration system. The choice of this country will consider the level of digital maturity and Internet penetration, infrastructure development and features of the culture of interaction according to the basic principles of information exchange in G2G (government agencies between themselves), G2B (state and business), G2C (state and citizen), for instance Kyrgyzstan, Azerbaijan, Kazakhstan, Moldova.

*1.2 Implementation of the X-road platform, providing technical capabilities for the operation of the EDI system. This phase involves the following major activities (the scope of work will be determined in accordance with the terms of reference based on the results of activity 1.1.1):*

1.2.1 The X-Road software, consisting of a central server and trust servers (trust services), is installed in the production, testing and development environments.

1.2.2 Trust services are installed to support the necessary solutions (in particular, a certification center). For the initial phase of the project, a self-signed trust model is implemented, centered around the EDI system operator.

1.2.3 The deployed software is configured according to Turkmenistan's needs and works with established trust services.

1.2.4 Technical requirements for hardware, both for the EDI system itself and for other organizations that will connect to the EDI system are prepared. Descriptions of the software interfaces for connecting the information systems of data providers and recipients will be prepared. These works will be carried out taking into account the budgets, deadlines and other needs of the national partner, the level of competence of specialists available in the local labor market, as well as the peculiarities of telecommunications infrastructure and national legislation.

**This project does NOT imply the purchase of hardware for the operation of EDI system (server or client parts); however, the purchase of hardware can be made at the request of the national partner, subject to the availability of funds and the relevant decision of the project board.**

1.2.5 Technical trainings are provided on X-Road operation, security and development so that local professionals can support the installed infrastructure. These trainings include both theoretical sessions on X-Road architecture and implementation as well as hands-on sessions on implementing X-Road services, deploying X-Road from scratch, responding to cyber threats, etc.

---

1.2.6 The X-Road software, consisting of a central server and trust servers, is deployed in production, test and development environments.

1.2.7 The deployed software is configured according to the needs of Turkmenistan and works with established trust services.

1.2.8 Technical trainings on X-Road operation, security, and development are conducted so that local technicians can support the installed infrastructure. These trainings include both theoretical sessions on X-Road architecture and implementation, and practical sessions on implementing X-Road services, deploying X-Road from scratch, responding to cyber threats, etc.

*1.3 Implementation of the Pilot Interagency Document Workflow system (hereinafter referred to as IDWS) based on X-Road to integrate 10 electronic document management systems (hereinafter referred to as EDMS) as per EDMS readiness (the scope of work will be determined in accordance with the terms of reference based on the results of measure 1.1.1). At this stage, the main activities listed below are carried out:*

1.3.1 Necessary recommendations and technical requirements for document management systems (hardware and software) of organizations to be connected at the pilot stage of the project are prepared.

1.3.2 Launch of the pilot IDWS system with the connection of 10 departmental document management systems. Systems will be connected as they are ready to be connected.

*1.4 Defining the organizational structure and training of employees of the EDI system Operator. At this stage, organizational needs will be identified, and resources allocated for the operation of the EDI system. Determining these needs and allocating resources is critical, as it will allow strategic choices to be made about the future of the EDI system after the practical operation period. The following activities are carried out during this phase:*

1.4.1 Organizational design of the EDI system Operator, including its internal and external structure (i.e., how the EDI system Operator is structured and how this structure fits into the broader government structure of the Government of Turkmenistan).

1.4.2 The human resource management strategy of the EDI system Operator shall be designed to be able to obtain, develop and retain the competencies required for the sustainable operation of the EDI system. Since the required competencies are not likely to be readily available, this strategy must include a significant training, talent search and development component.

1.4.3 Employees of the EDI system Operator are trained primarily in non-technical competencies because they play a vital role in the ability to lead the operation of the EDI system and acquire the necessary technical competencies for going forward. Competencies developed in this area include, but are not limited to, aspects such as service and product management, professional community development of communications within and outside the team, technology strategy, and technology

---

procurement. In addition, specific cybersecurity training is provided, focusing on areas such as incident detection and response, cybersecurity strategy, and legal aspects of cybersecurity.

*1.5 Analysis of system integration and architecture, with a focus on the implementation of a pilot project consisting of real-world examples of how to take advantage of the deployed EDI system infrastructure. Knowledge transfer is woven directly into the day-to-day work of the operator, with a Lead International Technical Expert leading the operator's work with the support of local experts, passing on the required guidance to the local team. The following activities are required:*

1.5.1 Identification and analysis of the individual business processes of the pilot project, defining the "as is" and "as will be" situation.

1.5.2 Analysis of the legal and organizational environment of these business processes.

1.5.3 Development of functional, technical, organizational, and legal system architectures underlying future situations.

The project will contribute to the implementation of the results of the 2021-2025 Framework Programme of Cooperation in Sustainable Development between Turkmenistan and the United Nations and the 2021-2025 Country Programme of Cooperation Document between Turkmenistan and UNDP. 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 16 "Promote peaceful and open societies for sustainable development, provide access to justice for all and build effective, accountable and participatory institutions at all levels.

In addition, the implementation of the project will contribute to the National Program of Social and Economic Development of Turkmenistan for 2022-2052, the Program of the President of Turkmenistan on Social and Economic Development for 2022-2028, the Program of Development of Foreign Economic Activity of Turkmenistan for 2020-2025, as well as the State Program of Development of Digital Economy of Turkmenistan for 2021-2025.

---

### **III. RESULTS AND PARTNERSHIPS**

#### ***Expected results***

The EDI system based on the X-Road platform is deployed, the work of the EDI system operator is organized and the technical architecture of the main registries are developed.

1.1 Lead International Technical Expert is hired and Terms of Reference for implementation of the EDI system based on the X-Road solution is prepared.

---

1.1.1 International experience in the deployment of the EDI systems is studied.

1.2 Pilot EDI system, based on X-Road is deployed, adapted and implemented, including necessary components of the system such as a central server, trust server and other necessary subsystems.

Necessary technical trainings for the National Partner employees have been conducted.

1.3 Pilot Interagency Document Workflow system, based on X-Road, deployed, including interconnection of up to 10 electronic document workflow systems as per their readiness.

Necessary technical trainings for National Partner team are conducted.

1.4 The organizational structure of the EDI Operator is defined, a list of necessary trainings is compiled and trainings are conducted for National Partner team.

*\*If desired by the Government of Turkmenistan, UNDP can act as a Trusted Adviser to this organization for the first 5 years. Duties and terms of reference for this advisor can be negotiated further.*

1.5 An analysis of the architecture of the EDI system, with a focus on the implementation of the pilot project, describing all the necessary business processes has been carried out. Connection of pilot information systems as they are ready.

### ***Resources needed to achieve the expected results***

Given the nature of the project, the main resources required to achieve the expected results will consist of payments to experts and consultants who will provide analytical and technical support to the project, data acquisition, travel expenses, costs of meetings and events, study visits and contractual services to support the detail of the project.

The Terms of Reference for the project will be prepared by the Lead International Technical Expert in line with the financial allocation defined in the project document and will be made available at the project steering committee meeting.

### ***Partnerships***

During the implementation of the project, UNDP and the National Partner will closely cooperate with the following ministries and departments of Turkmenistan:

- Agency for Transport and Communications under the Cabinet of Ministers of Turkmenistan.
  - Ministry of Internal Affairs of Turkmenistan.
  - Ministry of Finance and Economy of Turkmenistan.
-

- Ministry of Justice of Turkmenistan; Ministry of Finance and Economy of Turkmenistan.
- Ministry of Justice of Turkmenistan.
- The State Statistics Committee of Turkmenistan.
- Other ministries and departments of Turkmenistan.

Also, the project activities, **in agreement with the National Partner**, will be coordinated with other international organizations that operate in Turkmenistan in the area of digital transformation of the public sector.

### *Risks and Assumptions*

#### *Expectations:*

- Commitment of the leadership of the National Partner and other involved ministries and sectoral departments to the implementation of the Project.
- Timely procurement of appropriate equipment, ICT infrastructure and software, and hiring of experts to carry out the Project.
- Effective coordination of all Parties in the implementation of the Project.

#### *Risks:*

Among the risks that may affect the achievement of the objectives of this Project, the most significant are:

- Lack of decisions and actions on the part of the National Partner and other involved ministries, sectoral departments, on key administrative, operational and legislative recommendations arising from the Project.
- Delays in the procurement of required hardware, software and services, or procurement of hardware and software that does not meet minimum specifications, and delays in hiring national and international experts.
- Lack of qualified technical and other specialists in the local market, and insufficient pace of training of national personnel.

### *Stakeholder Participation*

Engaging local and national stakeholders is a **critical** part of building institutional memory for new approaches to the digitalization of public services.

The main stakeholders of the project are:

- Agency for Transport and Communications under the Cabinet of Ministers of Turkmenistan.
-

- Ministry of Internal Affairs of Turkmenistan.
- Ministry of Finance and Economy of Turkmenistan.
- Ministry of Justice of Turkmenistan; Ministry of Finance and Economy of Turkmenistan.
- Ministry of Justice of Turkmenistan.
- The State Statistics Committee of Turkmenistan.
- Other ministries and departments of Turkmenistan.

### ***Knowledge Management***

The knowledge and experience gained by the project beneficiaries as a result of the project activities should be translated into real actions for the digital transformation of the public service sector in Turkmenistan, both the National Partner and other ministries and departments of Turkmenistan.

As a result of the implementation of the project, the accumulated experience will be summarized, as well as relevant recommendations will be developed for dissemination among all ministries and departments of Turkmenistan.

### ***Sustainable development and scaling***

The sustainability of the results after the completion of the Project, taking into account the content of the Project, partnerships and the implementation of project activities, is ensured by joint activities to implement the results of project activities in certain areas through:

- Interest and well-coordinated activities of the structures involved.
- State support at the highest possible level (dissemination of information about the results of the Project at meetings and thematic events among employees of ministries, departments, public associations, websites of project partners) and budget financing.
- The fastest possible adaptation of legal documents governing digital transformation, in accordance with the recommendations developed as a result of the project and the promotion of digital transformation of public services to the population.

---

## **IV. PROJECT MANAGEMENT**

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

To ensure the efficiency and effectiveness of the project, several approaches were used, in particular:

---

- The logic of both the project as a whole and its individual components is built on the principles of result-oriented management. Project implementation management mechanisms, including resource provision, monitoring, and evaluation, are consistent with the expected results at all levels of the project and form a single holistic structure.
- Key results of the project are strengthening the institutional capacity of the National Partner through digitalization processes and increasing the capacity of the National Partner's employees in the provision of public services to the population.
- The project products (hardware and software, recommendations, draft regulations) are not only a part of the system of project activities but should also be in demand for further use in the development of digitalization of public services. The activities of the project will be synchronized with the relevant state programs and national development strategies implemented during the project realization period and their results.

As part of the implementation of activities, the project will cooperate with other programs and projects of UNDP and other UN agencies.

### ***Project Management***

Project management will be carried out by personnel from the project office located in Ashgabat. Agency "Turkmenaragatnashyk" of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan will act as a national partner of the Project.

Project management system consists of three levels:

- Strategic Management.
- Operational management and coordination.
- Monitoring and evaluation system (Section VI of the Project Document).

The Project will be implemented in accordance with the UNDP direct implementation method (DIM) according to UNDP rules and procedures.

For this Project, in addition to the Project team, the UNDP Country Office Programme Officers: Head of UNDP Programme Department and Programme Specialist on Governance, Economic Diversification and Inclusive Growth will be responsible for the operational supervision of the Project implementation and ensuring the Project's linkages with other similar initiatives and projects. In addition to the Programme Officers, the UNDP Country Office will also provide administrative services. UNDP Turkmenistan will oversee and manage the overall budget of the Project, monitor the implementation of the Project, and be responsible for the timely reporting to the donor.

---

In addition, UNDP will support coordination and networking with other active initiatives and organizations in the country.



## V. RESULTS FRAMEWORK

<p><b>Expected Outcome as stated in the Sustainable Development Cooperation Framework between Turkmenistan and the United Nations for 2021-2025.</b></p> <p><b>Outcome 1:</b> By 2025, the people of Turkmenistan have access to a more effective, innovative, and transparent system of government based on the rule of law, respect for human rights, gender equality, and labor rights, and on quality data</p>
<p><b>Outcome indicators as stated in the 2021-2025 Country Program Results and Recourses Framework, including baseline and targets:</b></p> <p><b>Output 1.2:</b> Government agencies have improved public administration through e-government systems and digital services to the public, with a focus on providing services to vulnerable groups.</p> <p>Baseline: to be determined Target: at least 5 additional government institutions (2025) Data source: Project implementation reports, national partner reports</p>
<p><b>Applicable Output(s) from the UNDP Strategic Plan:</b> Accelerating structural transformation for sustainable development</p>
<p><b>Project title and Project number:</b> Assistance in the implementation of a pilot electronic data interchange system in Turkmenistan</p>

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>1</sup>	DATA SOURCE	Baseline <i>August 2022</i>	Targets			Data collection methods and risks
				Year 1	Year 2	Year 3	
				<p><b>Result 1:</b> Consultation and support for the development and implementation of the pilot project of EDI system (EDI system will consist of Interagency Electronic Data Interchange system and Interagency Document Workflow system), and the organization of the EDI system operator.</p>	<p>1.1 The terms of reference for the implementation of the EDI system based on the X-Road solution have been prepared.</p>	<p>Lead International Technical Adviser</p>	
<p>1.1.1 International experience in building systems of interdepartmental electronic interaction and systems of interdepartmental document management was studied</p>	<p>Number of National Partner employees who participated in a study visit to study successful foreign experience</p>	0	8	0	0	0	<p>Project Implementation Reports</p>

<sup>1</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>1</sup>	DATA SOURCE	Baseline <i>August 2022</i>	Targets			Data collection methods and risks
				Year 1	Year 2	Year 3	
				1.2 A pilot EDI system based on X-Road has been deployed, adapted and implemented, including such necessary system components as a central server, trust server and other necessary subsystems	Pilot EDI system	0	
1.3 A pilot system of SIDM based on X-Road is deployed and implemented, including connection to electronic document management systems, in the amount of 10 systems, as they are ready	Number of connected Document Workflow systems	0	0	5	5	Project Implementation Reports Interagency Document Workflow system acceptance report	
1.4 The organizational structure of the EDI system Operator is determined, a list was	EDI system operator structure	0	0	1	0	Project Implementation Reports	

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>1</sup>	DATA SOURCE	Baseline <i>August 2022</i>	Targets			Data collection methods and risks
				Year 1	Year 2	Year 3	
				compiled and trainings were conducted on the necessary competencies for employees			
1.5 An analysis of the architecture of the EDI system is carried out with a focus on the implementation of a pilot project, with a description of all the necessary business processes	Analysis of the SIEI Architecture	0	0	1	0	Project Implementation Reports Description of the SIEI system architecture	

## VI. MONITORING AND EVALUATION

According to UNDP rules and procedures, project implementation will be monitored in accordance with the following monitoring and evaluation plans:

### MONITORING PLAN

Monitoring activities	Purpose	Frequency	Expected action	Partners (when performed jointly)	Expenses (if any)
<b>Track progress</b>	Progress data against the results indicators in the Results and Resources Framework will be collected and analyzed to assess project progress against agreed objectives	At least quarterly	If the progress of implementation is slower than planned, the project management will address this issue	National Partner  UNDP	
<b>Control and manage risks</b>	Identify specific risks that may threaten the achievement of planned results. Identify and monitor risk management activities using the risk log. This includes measures and monitoring plans that might be required in accordance with the UNDP social and environmental standards. The audit will be conducted in accordance with the UNDP Audit Policy for Financial Risk Management.	At least twice a year	Risks are identified by the project management and measures are taken to manage the risk. A risk log is maintained at all times to track identified risks and actions taken.	National Partner  UNDP	
<b>Learn</b>	Knowledge, best practices and lessons learned will be collected regularly, as	At least annually	Relevant lessons are learned by the project	National Partner	

				team and used to make management decisions.	UNDP	
<b>Project quality assurance</b>	well as actively drawn from other projects and other partners and integrated into the project. Project quality will be assessed against the UNDP quality standards to identify project strengths and weaknesses and to make management decisions to improve the project.	Once every two years		The strengths and weaknesses of the project will be analyzed by the project management and used to justify decisions aimed at improving the effectiveness of the project.	National Partner UNDP	
<b>Review and make adjustments</b>	Internal analysis of data and factual information following the results of all monitoring activities for decision making.	At least annually		Performance, risks, lessons learned and quality data will be discussed by the project board and used to make adjustments to the project.	National Partner UNDP	
<b>Project report</b>	A progress report will be presented to the PSC and key stakeholders. The report will consist of project progress data showing results achieved against predefined annual objectives at the task level, an annual summary of the project quality rating, an updated risk log with mitigation measures, and any evaluation or review reports prepared during the reporting period.	Annually and by the end of the project (final report)			National Partner UNDP	

<p><b>Project Review (Project Steering Committee (PSC))</b></p>	<p>The Project Management Mechanism (i.e. the PSC) will conduct regular reviews of the project to evaluate its performance and review the multi-year work plan to ensure that the budget is realistic over the life of the project. In the final year of project implementation, the PSC should conduct a final review of the project to capture lessons learned and discuss opportunities for expanding and generalizing the project results and lessons learned with the appropriate audience.</p>	<p>At least annually</p>	<p>PSC should discuss any quality issues or slower-than-expected progress, and management actions should be agreed to address the issues identified.</p>	<p>National Partner  UNDP</p>	
---	--	--------------------------	--	---------------------------------------	--













**This project does NOT imply the purchase of hardware for the operation of EDI system (server or client parts); however, the purchase of hardware can be made at the request of the national partner, subject to the availability of funds and the relevant decision of the project board.**



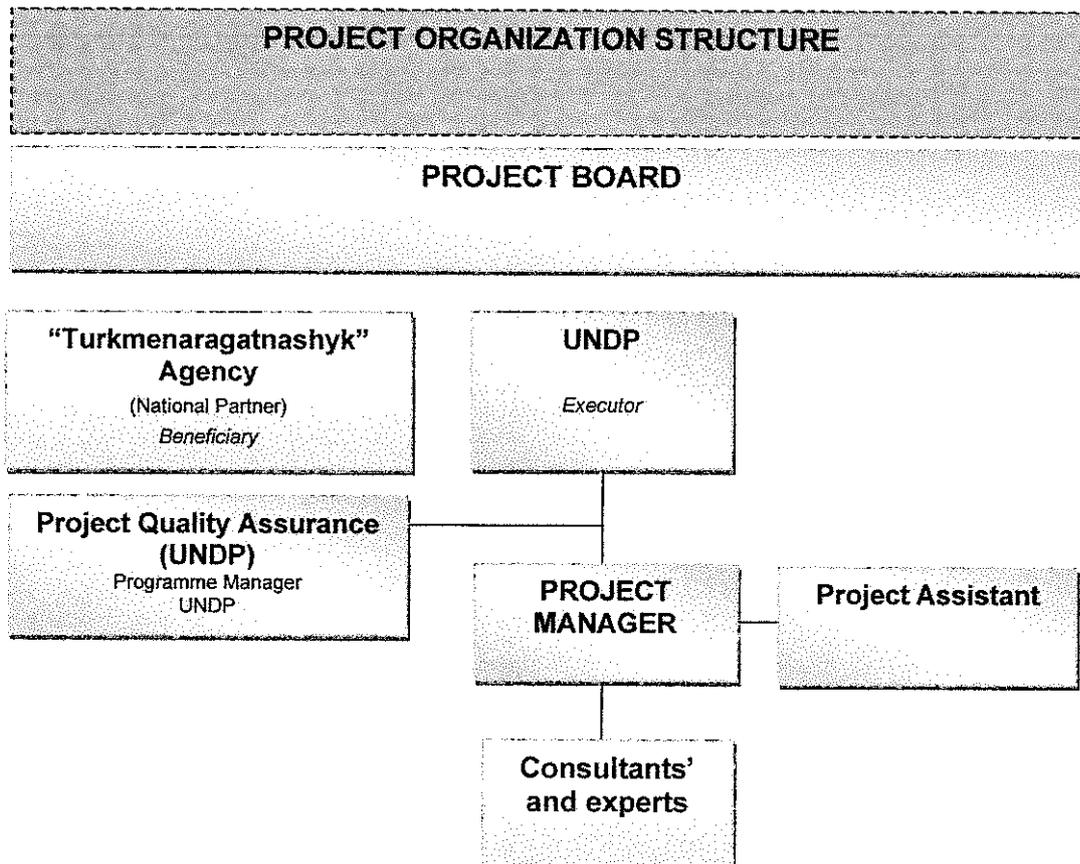
## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be implemented in accordance with the UNDP Direct Implementation Modality (DIM) in accordance with UNDP rules and procedures. The national partner is "Turkmenaragatnashyk" Agency of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan.

**Implementing Partner:** The Implementing Partner for this project is UNDP. UNDP, through the CO, is therefore responsible and accountable for executing and managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of UNDP resources. UNDP is responsible for:

- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial reports or the funding authorization and certificate of expenditures.

The management arrangements for this project are summarized in the chart below:



**Project Board:** The Project Board (PB) will provide overall guidance and quality assurance for the project, ensure adherence to the DIM guidelines, and ensure compliance with UNDP policies and procedures. The Project Board is responsible for making, by consensus, management decisions when guidance is required by the Project Manager. Project Board decisions will be made in accordance with standards that shall ensure management for development results, best value for money, fairness, integrity, transparency, and effective international competition. This accountability only extends to the execution of approved activities and budget resources under the project. The Project Board will meet at least once in a 6 month.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring that it remains within any specified constraints.
- Resolve project issues raised by the project manager.
- Provide guidance on new project risks and agree on possible countermeasures and controls to address specific risks.
- Coordinate the project manager's tolerances as necessary.
- Analyze project progress and provide guidance and recommendations to ensure that agreed upon deliverables are satisfactorily completed as planned.
- Evaluate the annual project implementation report, including the quality assessment rating report; Make recommendations on the work plan.
- Provide special guidance and recommendations in exceptional situations where the project manager's tolerances are exceeded, and
- Evaluate and decide whether to proceed with changes to the project by making appropriate changes.

The following roles should be part of the Project Board:

**Executive Manager:** The Executive Manager is the person who will chair the Project Board. This role can be filled by a representative of the National Partner State Cooperation Agency or the UNDP.

The Executive Manager is ultimately responsible for the project with the support of the beneficiary. The role of the project Executive Manager is to ensure that throughout the life cycle the project is focused on achieving its objectives and producing results that will contribute to the achievement of better results. The Executive Manager must ensure that the project provides best value for money by

---

providing a cost-effective approach to the project, balancing the requirements of the beneficiary and the supplier.

*The Executive Manager for this project is the UNDP.*

Specific responsibilities (within the above Project Board responsibilities):

- Ensure that there is an agreed-upon project organizational structure and logical set of plans.
- Establish tolerances in the annual work plan and other plans as required by the Project Manager.
- Monitor and control project progress at the strategic level.
- Ensure that risks are tracked and mitigated as effectively as possible.
- Keeping relevant stakeholders informed of project progress.
- Organizing and chairing Project Board meetings.

**Beneficiary:** A beneficiary is an individual or a group of individuals representing the interests of those who will ultimately benefit from the project. The main function of the beneficiary on the Board is to ensure the implementation of the project results from the perspective of the project beneficiaries. The role of the beneficiary is performed by a representative of the government or civil society.

The beneficiary is responsible for validating the needs and monitoring that the solution meets those needs within the constraints of the project. The beneficiary role monitors progress against goals and quality criteria. This role may require more than one person to cover all beneficiary interests. For the sake of efficiency, the role should not be divided among too many people.

*The main beneficiary of this project will be the Agency "Turkmenaragatnashyk" of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan.*

Turkmenaragatnashyk Agency of the Agency of Transport and Communications under the Cabinet of Ministers of Turkmenistan will appoint a National Project Coordinator (NPC) to coordinate the project work with relevant national stakeholders and represent the beneficiary at Council meetings and other project activities.

Specific responsibilities of the Beneficiary (as part of the above Project Board responsibilities):

- Prioritizing and contributing to Beneficiary views on Project Board decisions about whether to implement recommendations for proposed changes.
  - Clarify that the Beneficiary's needs are accurate, complete, and unambiguous.
-

- The implementation of activities at all stages is monitored to ensure that they will meet the needs of the Beneficiary and progress toward that goal.
- The impact of potential changes is assessed from the beneficiary's perspective.
- Risks to beneficiaries are often monitored.

**Project Manager:** The Project Manager is authorized to manage the project on a day-to-day basis on behalf of the Project Board within the constraints set by the Project Board. The project manager is responsible for the day-to-day management and decision making of the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

- UNDP as the implementing partner shall appoint a project manager who shall be distinct from the representative of the implementing partner on the Project Board and who shall cooperate with and report to the Agency "Turkmenaragatnashyk" of the Transport and Communications Agency under the Cabinet of Ministers of Turkmenistan.
- Project Quality Assurance: UNDP has a three-tiered oversight, monitoring and quality assurance role funded through contributions of the implementing partner, with participation of UNDP staff in the country offices as well as at regional and headquarters levels. Project quality assurance should be completely independent of the project management function. The quality assurance role is supported by the Project Board and Project Management Team in its objective and independent oversight and monitoring functions. This role ensures that the appropriate phases of project management are managed and executed. The Project Board cannot delegate its quality assurance responsibilities to the project manager.

---

## IX. LEGAL CONTEXT

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

This project will be implemented by UNDP ("Implementing Partner") in accordance with its Financial Regulations and Rules, practices, procedures and financial governance to ensure best value for money, fairness, integrity, transparency, and effective international competition.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the

---

United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

---

## **X. RISK MANAGEMENT**

### **UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
  2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds 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>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
  3. 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>).
  4. UNDP as the Implementing Partner will: (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.
  5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
  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.
  7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
-

- a. Consistent with the Article III of the SBAA, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. 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;
    - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
  - b. 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 responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
  - c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, 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, each sub-party 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 activities, each sub-party, 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.
  - d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (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, sub-parties will and will require that their respective 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, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
  - (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties 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. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties 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 relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
- e. Each sub-party 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 relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
  - f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
  - g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It 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.
  - h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt
-

Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient 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).

- i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', 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 it to find a solution.
- j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

---

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- l. Each contract issued by the responsible party, subcontractor or sub-recipient 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 it shall cooperate with any and all investigations and post-payment audits.
- m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, 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.
- n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

### **Special Clauses.**

1. "Turkmenaragatnashyk" Agency, in accordance with the provisions of the Agreement between the Government of Turkmenistan and the United Nations Development Program on co-financing will provide contribution for the implementation of this project in the amount of 2,488,861 (two million four hundred eighty eight thousand eight hundred sixty one) US dollars, which will be transferred to the UNDP account as follows:

"Turkmenaragatnashyk" Agency, in accordance with the payment schedule below, will transfer a contribution in dollar equivalent in the amount of 2,488,861 (two million four hundred eighty eight thousand eight hundred sixty one) US dollars to Citibank N.A, 111 Wallstreet New York, NY 10043, account number 36349562 and details: SWIFT no.CITIUS33, ABA no. 021000089.

Payment Date:	Amount:
I. 20.03.2023	488,861 USD
II. 30.09.2023	2,000,000 USD

---

a. The above payment schedule is subject to the requirement that the Contribution be paid prior to the start of the scheduled activities. This schedule may be amended by mutual agreement in accordance with the progress of the project.

b. UNDP shall receive, administer and use the Project Contribution in accordance with its applicable UNDP rules, regulations, policies, procedures and directives, including but not limited to the Financial Rules issued by the UNDP Executive Board.

2. UNDP undertakes to provide "Turkmenaragatnashyk" Agency with reporting on the implementation of activities and the use of project funds in accordance with the Co-financing Agreement. All financial accounts and reports must be denominated in US dollars.

3. In the event that unforeseen increases in costs or liabilities are expected or have been realized (either due to inflationary factors, exchange rate fluctuations or unforeseen circumstances), then UNDP must promptly submit to the government additional cost estimates reflecting further funding that will be required. The government must take all possible measures to obtain the required additional funds.

4. All unspent funds of the Contribution remaining after the preparation of the final balance sheet will be used for the purchase of additional services and (or) equipment, in agreement with the Agency "Turkmenaragatnashyk". If the payments referred to above are not received in accordance with the payment schedule and additional deadlines during project implementation are not received from the Government or other sources, then UNDP may reduce, suspend or terminate assistance provided to the project under this project document.

5. All interest income relating to the contribution must be credited to the UNDP account and must be used in accordance with the established procedures of UNDP.

6. The following costs must be attributed to the contribution:

(a) 7% reimbursement of indirect costs (administrative costs) associated with the provision of general management support from UNDP headquarters and the country office.

(b) Direct costs (operating costs) of implementation support services provided by UNDP.

7. Ownership of equipment, materials and other property financed from the contributions shall remain with UNDP prior to delivery and installation of the equipment. Ownership of the equipment purchased with the funds from the

---

contribution will be transferred from UNDP to "Turkmenaragatnashyk" Agency upon completion of the installation of equipment in accordance with the rules and procedures of UNDP.

---