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Turkmenistan: Recent Developments and U.S. Interests

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Summary

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparmurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses.

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. A new constitution approved in 2008 reaffirmed Turkmenistan as a "secular democracy" with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. An early legislative election was held in December 2008. International observers assessed the election as not free and fair. The next *Mejlis* election is scheduled for December 2013. According to some observers, the Berdimuhamedow government has retained many authoritarian features of the previous regime, and the human rights situation has deteriorated after an initial improvement at the time of the political succession.

A presidential election was held on February 12, 2012. The National Revival Movement, a civic association headed by the president, nominated incumbent President Berdimuhamedow as its candidate. In January 2012, the CEC registered eight candidates. All of Berdimuhamedow's challengers were ministerial officials or state plant managers. Based on an inadequate legal and political framework to ensure a pluralistic election, the Organization for Security and Cooperation in Europe (OSCE) decided not to send a fully-staffed monitoring mission, although a smaller number of observers issued a report with recommendations for electoral reforms. The CEC announced that Berdimuhamedow won over 97% of the vote and that turnout was over 96%.

A legislative election is scheduled for December 15, 2013. For the first time, a newly created Party of Industrialists and Entrepreneurs, a pro-government party, has been permitted to field some candidates. The OSCE decided once more not to send a fully-staffed monitoring mission on the grounds that legal and human rights conditions remain inadequate, but will send a small team to issue a remediation report.

In Congressional testimony in late July 2012, Assistant Secretary of State Robert Blake praised Turkmenistan for providing some humanitarian aid to Afghanistan and for constructing or planning rail and energy links to the country, including the prospective Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. He stated that such projects illustrate that Turkmenistan has the potential to be a leader in regional economic development. At the same time, he cautioned that to reach this potential, Turkmenistan must address its human rights problems. He reported that the United States would continue to offer assistance to help Turkmenistan democratize and respect human rights. Cumulative U.S. assistance to Turkmenistan has amounted to \$351.55 million over the period FY1992-FY2010 (all agencies and programs). U.S. foreign assistance amounted to \$11.01 million in FY2011, \$9.2 million in FY2012, and an estimated \$6.02 million in FY2013. The Administration has requested \$6.455 million for FY2014 (these amounts include "Function 150" foreign assistance programs and exclude Defense and Energy Department funding).

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Political Background

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparamurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses. The regime increasingly restricted contacts by citizens with the outside world.¹

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. Since then, Turkmenistan has "remain[ed] a mostly closed society [and] progress toward reforms has been sporadic," according to the State Department.² Freedom House, a nongovernmental organization (NGO), has ranked Turkmenistan among the "worst of the worst" countries in the world in terms of political and civil liberties, among such countries as North Korea, Sudan, and Uzbekistan (see below, human rights).³

There are only two legal political parties: the ruling Democratic Party of Turkmenistan (DPT), which changed its name from the Communist Party in late 1991; and the Party of Industrialists and Entrepreneurs (PIE), created in 2012. Exile political groups opposed to the regime have included those formed by former officials who have fled the country. Such groups have included the United Democratic Opposition, headed by former Foreign Minister Awdy Kulyyew (Kuliyev); the Watan Social-Political Movement, headed by former Deputy Chairman of the Central Bank

Basic Facts

Area and Population: Land area is 188,457 sq. mi.; slightly larger than California. The Kara Kum desert covers about 80% of land area. Population is 5.11 million (CIA, *The World Factbook*, mid-2013 est.).

Ethnicity: 85% are Turkmen, 5% are Uzbek, 4% are Russian, and others (*The World Factbook*, 2003 est.). Turkmen clans include the Tekke, Ersary, and Yomud. About 150,000 ethnic Turkmen reside elsewhere in the former Soviet Union, approximately 1.3 million in Iran, and over 900,000 in Afghanistan.

Gross Domestic Product: \$49.75 billion; per capita GDP is about \$8,900 (*The World Factbook*, 2012 est., purchasing power parity).

Political Leaders: *President and Prime Minister:* Gurbanguly Berdimuhamedow (also spelled Berdimukhamedov); *Chairman of the Mejlis (legislature):* Akja Nurberdiyewa; *Foreign Minister (and deputy prime minister):* Rasit Meredow; *Minister of Defense:* Begenc Gundogdyew.

Biography: Berdimuhamedow was born in 1957 in the Ashgabat Region. He graduated from the Turkmen Medical Institute in 1979 and undertook graduate work in Moscow. Until 1995, he was a junior member of the dentistry department, an associate professor, and the dean of the dentistry faculty of the Turkmen Medical Institute. In 1995-1997, he was an official in the Turkmen Ministry of Health and was minister 1997-2006. In 2001-2006, he also was a deputy prime minister. He was named acting president in December 2006, and was elected president in February 2007. He was reelected on February 12, 2012.

¹ For information on other Central Asian states, see CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*, by Jim Nichol.

² U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2013*, April 3, 2012.

³ *Freedom in the World 2013*, Freedom House, 2013, p. 6.

Annadurdy Hajyyew (Khadzhiyev); the Republican Party, headed by former Ambassador to Turkey Nurmuhmet Hanamow (Khanamov); and the Fatherland movement, founded by former Prime Minister Hudayberdi Orazow (Orazov). The latter three leaders received life sentences in absentia on charges of instigating an alleged coup attempt in 2002. Former Foreign Minister Boris Orazowic Syhmyradow (Shikhmuradov) founded the People's Democratic Movement of Turkmenistan in 2001 and was imprisoned for life on coup charges a year later. The Turkmen government has not revealed whether he is still alive. In 2003, the Turkmenistan Helsinki Foundation was established in Bulgaria, and in 2006, activist Farid Tukhbatullin founded the Turkmen Human Rights Initiative in Austria. Only the latter three organizations reportedly are still active.

The morning of Niyazov's reported death from a heart attack on December 21, 2006, the government proclaimed that Berdimuhamedow, then the deputy prime minister and health minister, would serve as acting president. The existing constitution had called for the speaker to fill this role, but he was quickly arrested and later sentenced to seven years in prison on charges viewed as dubious by many observers.

A 2,500-member People's Council (*Halk Maslahaty* or HM), a constitutional body with supreme executive and legislative powers (consisting of the president, ministers, *Mejlis* legislators, and others) convened on December 26 and changed the constitution to legitimize Berdimuhamedow's position as acting president. The HM also approved an electoral law and announced that the next presidential election would be held on February 11, 2007. The HM designated six candidates for the presidential election, one from each region, all of whom were government officials. Exiled politicians were banned from participation. Reportedly, nearly 99% of 2.6 million voters turned out, and 89.23% endorsed acting President Berdimuhamedow.

A needs assessment mission from the Organization for Security and Cooperation in Europe (OSCE) visited during the campaign. It praised some provisions of a new presidential election law, such as those permitting multiple candidacies and access by electoral observers, but criticized others, including those permitting only citizens approved by the legislature and who had served as state officials to run. A small OSCE delegation on election day reportedly was not allowed to view vote-counting. According to the U.S. State Department, the election "represent[ed] a modest step toward political electoral change that could help create the conditions in the future for free, fair, open and truly competitive elections."⁴

In his inaugural address on February 14, 2007, Berdimuhamedow pledged to continue to provide free natural gas, salt, water, and electricity and subsidized bread, gasoline, and housing to the populace, and to uphold the foreign policy of the previous government. Berdimuhamedow was acclaimed head of the HM in late March 2007, thus assuming all the top posts held by the late Niyazov. Berdimuhamedow has removed some of Niyazov's statues from Ashgabat and other symbols of Niyazov's cult of personality, but Niyazov's spiritual guide, the *Ruhnama*, remains required reading in the schools. Berdimuhamedow appears to be the subject of an emerging cult of personality, which includes a monument built in part to glorify his proclamation of a "new revival era" for Turkmenistan.

⁴ Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), February 12, 2007, Doc. No. CEP-950160. U.S. Department of State. *Daily Press Briefing*, February 15, 2007.

A constitutional commission unveiled a draft constitution in July 2008 that after public debate was approved by the HM in September 2008. The new constitution reaffirmed Turkmenistan as a “secular democracy” with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. The constitution abolished the HM and divided its powers between the *Mejlis* and the president. It enlarged the *Mejlis* from 65 to 125 members.

An early legislative election was held in December 2008. An OSCE pre-election needs assessment mission stated that “a lack of distinction between civil society organizations, the party, and the State,” had resulted in only government-approved candidates running for seats, so that a democratic election was not possible.⁵ At least two approved candidates ran in each district, but campaigning was muted and noncontroversial. There was no campaign finance legislation that would uphold independent financing other than that provided by the state. The Turkmen Central Electoral Commission (CEC) stated that besides the DPT, some other approved civil society groups had nominated candidates. However, although independent citizens’ groups were able by law to meet and nominate candidates, at least two such efforts reportedly were quashed by security officials. The CEC reported that almost 94% of the electorate voted, but some observers reported a light turnout. President Berdimuhamedow hailed the election as advancing Turkmen democracy.⁶ There reportedly were some members of approved civil society groups elected besides members of the DPT. In operation, the *Mejlis* routinely has supported presidential decrees and has displayed little legislative initiative.

After being initially abolished as part of the 2008 constitutional reforms, a consultative Council of Elders was reaffirmed late in the year, and held a session under President Berdimuhamedow in March 2009. In February 2010, Berdimuhamedow called for the creation of a multi-party system, and in April 2010 he ordered the legislature to consider a law creating such a system. In the meantime, he called for the creation of a Farmers’ Party as an alternative to the ruling Democratic Party of Turkmenistan (DPT).⁷ This party was never set up, however. In local elections held in December 2010, only the Democratic Party and approved civil society groups were permitted to field candidates. In January 2011, he urged the legislature to pass a law to facilitate the formation of new political parties (see below).

At a military parade in October 2010, troops proclaimed President Berdimuhamedow the “Arkadag” (protector) of the country. In early October 2011, the Council of Elders recommended that the president be named the “hero of Turkmenistan,” and the *Mejlis* voted for the “Golden Moon” medal and the hero title later in the month.

A new presidential election law was adopted in May 2011 that was problematic in ensuring a free and fair election, according to the OSCE. Problems included hurdles to candidate registration, restrictions on freedom of expression that limited campaigning, and an inadequate process for complaints and appeals.⁸

⁵ OSCE, ODIHR, *Turkmenistan, Early Parliamentary Elections: OSCE/ODIHR Needs Assessment Mission Report*, October 20, 2008.

⁶ *CEDR*, December 19, 2008, Doc. No. CEP-950107.

⁷ *CEDR*, May 15, 2010, Doc. No. CEP-950126.

⁸ OSCE, ODIHR, *Republic Of Turkmenistan Presidential Election, 12 February 2012: Needs Assessment Mission Report*, January 3, 2012.

In October 2011, the Turkmen Central Electoral Commission (CEC) announced that a presidential election would be held on February 12, 2012. During the last two weeks of December 2011, initiative groups nominated candidates for president and gathered 10,000 signatures in a majority of the country's districts in order to gain registration of their candidates. The National Revival Movement, a civic association headed by the president, nominated President Berdimuhamedow as its candidate. In January 2012, the CEC registered eight candidates. All of Berdimuhamedow's challengers were ministerial officials or state plant managers. Based on an inadequate legal and political framework to ensure a pluralistic election, the OSCE decided not to formally monitor the election. The CEC announced that Berdimuhamedow won over 97% of the vote and that turnout was over 96%.

In January 2012, the legislature approved a Law on Political Parties that set forth procedures for establishing new political parties. In May 2012, the Union of Industrialists and Entrepreneurs announced that it intended to form a party, and it held a founding congress in August 2012 to form the Party of Industrialists and Entrepreneurs (PIE). The platform of the new party is virtually the same as that of the DPT and is regarded as a pro-government party by most observers. In a by-election to fill vacant legislative seats in June 2013, the head of the new party, Ovezmammed Mammedov, became the first member of a party other than the DPT to be elected to the legislature. In August 2013, President Berdimuhamedow stepped down as chairman of the DPT, stating that the head of state should be nonpartisan.

A legislative election is planned for December 15, 2013. President Berdimuhamedow has hailed the election as marking progress in democratization, since for the first time voters will be able to choose between the candidates of two political parties. According to the CEC, 283 candidates were registered, including 99 candidates from the DPT; 21 candidates from the Party of Industrialists and Entrepreneurs; 89 candidates from the Trade Union Association; 37 candidates from the Women's Union; 22 candidates from the Magtymguly Youth Organization; and 15 candidates from the citizen initiative groups. There remains no campaign finance legislation that would uphold independent financing other than that provided by the state. The OSCE sent a needs assessment mission, but decided that the legal and human rights situation did not merit sending a full-scale monitoring mission, although a small assessment mission will issue a report with recommendations for Turkmenistan to follow to improve electoral conditions in the future.⁹ Perhaps connected to the election, President Berdimuhamedow in July 2013 decreed a 10% boost in public wages, pensions, and student stipends beginning in 2014.

Human Rights

The Turkmen government's human rights record has worsened in recent years, after initial improvements following the death of former President Niyazov, according to Human Rights Watch (HRW), an NGO. It reports that in 2012, Turkmenistan continued to be "one of the world's most repressive countries. The country is virtually closed to independent scrutiny, media and religious freedoms are subject to draconian restrictions, and human rights defenders and other activists face the constant threat of government reprisal. The government continues to use imprisonment as a tool for political retaliation."¹⁰

⁹ OSCE, Office for Democratic Institutions and Human Rights, *Turkmenistan, Parliamentary Elections, 15 December 2013: OSCE/ODIHR Needs Assessment Mission Report*, September 12, 2013.

¹⁰ *World Report 2013*, Human Rights Watch, January 2013.

According to the State Department's *Country Reports on Human Rights Practices*, the most significant human rights problems in Turkmenistan in 2012 were arbitrary arrest and torture, as well as restrictions on freedoms of speech, press, assembly, and movement. Other continuing human rights problems included interference in the practice of religion, denial of due process, arbitrary interference with privacy, home, and correspondence, and trafficking in persons. Security officials tortured and beat detainees and dissidents to extract confessions. However, the government partially fulfilled the 2011 recommendations of the U.N. Committee against Torture by revising the criminal code in August 2012 to define torture and specify criminal penalties for officials who torture detainees. Also, a government-controlled Institute for Democracy and Human Rights, established in 1996, sometimes played an ombudsman's role in resolving citizens' human rights-related petitions during the year.

Reports of arbitrary arrests and detentions were numerous. Authorities frequently singled out members of nongovernmental organizations (NGOs) suspected of interacting with foreigners, members of religious groups, ethnic minorities, and dissidents for harassment and arrest. The judiciary was subordinate to the president, who had sole authority to appoint and dismiss virtually all judges. Due process for defendants often was violated, including the presumption of innocence, a public trial, access to accusatory material, the right to call witnesses, and the right to a defense attorney. Family members of detainees often were fired from work or expelled from school. There was no jury system. Some observers claimed that there were political prisoners, although the exact number was uncertain, including because some prisoners, such as former Foreign Minister Boris Shikhmuradov, have not been heard from for years.

The government did not respect freedom of speech. The government financed the publication of almost all print media. The importation of foreign print media was banned. It censored newspapers and prohibited the reporting of opposition political views or criticism of the president. Cases of surveillance and harassment of journalists were reported. The government also controlled radio and local television, but many citizens had access to foreign television and radio broadcasts via satellite dishes. Authorities forbade academic debate and research on subjects viewed as politically sensitive, such as comparative law, history, ethnic relations, and theology. They restricted public access to much government information on the grounds that it was a state secret or they otherwise manipulated economic and financial data released to the public.

The government restricted freedom of assembly by refusing to grant permits for public meetings and demonstrations. It also restricted freedom of association by limiting the registration and operation of NGOs, with the result that few of the 101 registered NGOs were viewed by many observers as independent. Barriers to registration and operation included requirements that founders of associations be citizens and that authorities be permitted to monitor planned activities. The rights of international travel and emigration were constrained. Officials reportedly often engaged in corrupt practices with impunity.¹¹

The State Department's *Trafficking in Persons Report 2012* reports that Turkmenistan was a source, and to a lesser extent, destination, country for forced labor and sex trafficking. The Turkmen government did not fully comply with the minimum standards for the elimination of trafficking, but was making significant efforts to do so, according to the State Department. The Turkmen government made some progress in convicting traffickers and training police, judges,

¹¹ U.S. Department of State. *Country Reports on Human Rights Practices for 2012*, April 19, 2013. The report did not assess whether human rights abuses had increased or decreased over the previous year.

and migration officials, but did not demonstrate increasing efforts to identify and protect victims, or develop a national anti-trafficking action plan, so the country remained for the second year on the “Tier 2 Watch List” (in 2011, such progress was viewed as meriting an upgrade from Turkmenistan’s 2010 designation as a “Tier 3” country, subject to possible sanctions). The State Department recommended that border guards and police be further trained to identify victims and refer them to protective services, rather than punishing them; that financial or in-kind aid be given to anti-trafficking organizations that provide victim services; that a trafficking awareness campaign be conducted; and that a national plan of action be formulated.¹²

The State Department’s *International Religious Freedom Report for 2012* avers that the Turkmen government continued to restrict the religious freedom of both registered and unregistered groups. Several religious groups remained unable to register. There were about 130 registered religious organizations or groups, the bulk of them Islamic. Others included Russian Orthodox, Roman Catholic, Bahai, Hare Krishna, and Protestant denominations. Those denied registration included Jehovah’s Witnesses, some Shia Islamic, and evangelical Christian denominations. A small group of about 300 Jews reportedly had no synagogues or rabbis and did not endeavor to register.

Government authorities at times disrupted meetings of unregistered religious groups and there were some reports of detention and imprisonment. A 2003 religion law required all religious organizations to register; restricted religious education, literature, and the training of clergy; and directed that religious groups report on aid received from foreign sources. The law also prohibited foreign missionary activity. A Council on Religious Affairs (CRA)—composed of government-appointed Sunni Muslim imams, the head of the Russian Orthodox Church, and government bureaucrats—reports to the president and exercises control over the hiring, promotion, and removal of Sunni Muslim clergy, as well as religious publications and activities. Although there is not a state religion, the government funds the construction of mosques, approves the appointment of all senior Muslim clerics, and requires senior clerics to report regularly to the CRA. Unregistered religious groups and unregistered branches of religious groups cannot conduct religious activities, establish places of worship, gather and disseminate religious materials, or proselytize. Unregistered religious activity is punished as an administrative offense. The publication of religious literature is prohibited by decree, and the CRA rarely approves the importation of religious literature. Only a few Qurans exist in the Turkmen language. The government does not offer alternative civilian service for conscientious objectors. In contrast to previous years, courts in 2012 issued fines and suspended sentences to the majority of Jehovah’s Witnesses who refused military service, rather than imprisoning them. The *Annual Report* of the U.S. Commission on International Religious Freedom has called since 2000 for the State Department to list Turkmenistan as a “Country of Particular Concern,” where severe violations of religious freedom could result in U.S. sanctions.¹³

New media legislation was signed into law in January 2013. As part of the new law, state-owned newspapers were reapportioned to supposedly more diverse owners—including the Cabinet of

¹² U.S. Department of State, *Trafficking in Persons Report 2013*, June 19, 2013. A country is designated as “Tier 3” if it does not meet the minimal standards in combating trafficking and is not making significant efforts to meet them. Standards encompass making progress in investigating and stringently prosecuting traffickers, including public officials; protecting victims of trafficking, including from retribution or hardship, and providing training to law enforcement and immigration officials on the treatment of victims; preventing trafficking, including through public information; and cooperating with other governments to investigate and prosecute trafficking.

¹³ U.S. Department of State, *International Religious Freedom Report for 2012*, May 20, 2013; *2013 Annual Report*, U.S. Commission on International Religious Freedom, *Annual Report 2013*, April 2013.

Ministers, the Magtymguly Youth Association, and the Ministry of Education—that actually are part of the government or are pro-government organizations.

In February 2013, journalists Annakurban Amanklychev and Sapardurdy Khadjiyev were released from prison upon completing their seven-year sentences on illegal firearms possession charges. They had been arrested while they worked as stringers for French and British news agencies and just after they had assisted in the production of a French documentary about living conditions in the country. In its latest *Freedom of the Press 2013*, Freedom House ranked Turkmenistan as the least free in the world, tied with North Korea. Amnesty International has reported that restrictions on media and harassment of journalists continued during 2013.¹⁴

During 2013, the U.N. Human Rights Council conducted a Universal Periodic Review of human rights practices in Turkmenistan. The Turkmen delegation argued that the country had made progress in enacting legislation protecting human rights, had reformed the prison system, had launched a program to improve social conditions, had improved living standards, had continued to provide housing, utilities, transportation, and communication subsidies to the population, and had increased its participation in international human rights forums. The U.S. delegation expressed concern over the excessive use of force by security forces, the mistreatment of journalists and religious and ethnic groups, the imprisonment of conscientious objectors, and restrictions on the freedoms of movement and religion. The Working Group made nearly 300 recommendations. Turkmenistan agreed to work toward implementing about half of the recommendations, but rejected calls to decriminalize same-sex relations, release prisoners of conscience, and liberalize the law on religion. Human Rights Watch called for Turkmenistan to protect freedom of expression in line with its pledges to the Working Group and to reconsider recommendations it had rejected, and concluded that “the [Turkmen] government’s continued failure to genuinely address serious concerns voiced during the Universal Periodic Review should drive the Human Rights Council to set up a country-specific monitoring mechanism.”¹⁵

Economic Conditions

In the face of the global economic downturn, in October 2008 President Berdimuhamedow decreed the establishment of a stabilization fund. Turkmenistan introduced a redenominated currency, the new *manat*, in January 2009. The decline of the Turkmen economy in 2009, including as a result of the fall-off in gas sales to Russia, necessitated transfers from the stabilization fund to support the budget. In May 2010, Berdimuhamedow unveiled a National Socio-Economic Development Program for 2011-2030 that aims to diversify the economy away from reliance on raw materials exports, including by developing textiles and other industries, as well as liquefied natural gas (LNG). He has launched a large-scale building program in Ashgabat and at the Avaza resort on the Caspian Sea.

The Economist Intelligence Unit (EIU) estimates that Turkmenistan’s gross domestic product (GDP) grew by around 7% in 2012, and that consumer price inflation was 8.5%. GDP was

¹⁴ *Turkmenistan: An “Era of Happiness” or More of the Same Repression?* Amnesty International, December 12, 2013.

¹⁵ U.N. General Assembly, Human Rights Council, *Report of the Working Group on the Universal Periodic Review: Turkmenistan*, A/HRC/24/3, July 5, 2013; *Outcome of the Universal Periodic Review: Turkmenistan*, A/HRC/DEC/24/101, October 21, 2013; HRW, *U.N. Human Rights Council: Adoption of the Outcome of the UPR of Turkmenistan, HRC 24th Session: Statement Delivered Under Item 6*, September 18, 2013.

boosted by increased gas exports to China and Iran, now Turkmenistan's main export customers (see below). The EIU estimates that GDP may grow by about 8% in 2013, due to increases in gas exports to China, consumer purchases, public spending, and construction.¹⁶ Turkmenistan reported that trade turnover with China was \$9 billion in 2012, amounting to about one-quarter of all Turkmen trade. Official economic statistics from Turkmenistan are judged to be problematic by many observers, although the country has pledged to fully implement International Financial Reporting Standards by 2014.

Over one-half of Turkmenistan's GDP is derived from energy production, about one-third from services, and slightly more than one-tenth from agriculture, although the latter sector employs nearly half of the country's workforce. State ownership continues in the oil and gas industry, electrical power generation, and the textile, construction, transport, and communications sectors. These sectors account for about 75% of GDP. In late 2012, a program of privatization of state-owned enterprises was announced, but in October 2013, President Berdimuhamedow stated that given the "pleasing" increase in GDP during the year, privatization would not be accelerated, in order to protect social services.

In mid-November 2013, Turkmenistan's Mejlis unanimously approved a state budget for 2014 that included projected revenues of about \$33 billion and expenditures of \$34.3 billion. There also is extra-budgetary government spending not subject to legislative scrutiny. Public investment in capital projects, such as expansion of the Avaza seaside resort, and increases in government pay contributed to the planned deficit, which will be covered through transfers from the state's Stabilization Fund, created in 2008 from surplus energy revenues. The International Monetary Fund has warned that budget deficits in future years could compromise long-term fiscal sustainability.¹⁷

According to some widely varying unofficial estimates, about one-quarter to one-third of the population lives in poverty and up to two-thirds are unemployed. Up to half a million or more Turkmen may be labor migrants in Turkey or Russia, leaving an employed domestic labor force of about one million. The *World Factbook* reports that Turkmenistan's "overall prospects in the near future are discouraging because of endemic corruption, a poor educational system, government misuse of oil and gas revenues, and Ashgabat's reluctance to adopt market-oriented reforms." The International Crisis Group, an NGO, similarly warned in 2011 that in Turkmenistan, "the façade of reform and prosperity conceals a deep corrosion of human and physical infrastructure. Education is paralyzed... healthcare is ... unable to grapple with the true extent of existing problems... the [electrical] energy and transportation sectors have nothing to show but a declining level of service."¹⁸

¹⁶ *Country Report: Turkmenistan*, Economist Intelligence Unit, November 2013. See also International Monetary Fund (IMF), *World Economic and Financial Surveys, World Economic Outlook Database, By Country-Level Data*, October 2013, at <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/index.aspx>.

¹⁷ IMF, *Statement at the Conclusion of an IMF Staff Visit to Turkmenistan*, Press Release No. 13/442, November 11, 2013; *Statement by Masood Ahmed, Director of the IMF Middle East and Central Asia Department at the Conclusion of his Visit to Turkmenistan*, Press Release No. 13/422, November 1, 2013; *IMF Executive Board Concludes 2013 Article IV Consultation with Turkmenistan*, Press Release No. 13/301, August 6, 2013.

¹⁸ U.S. Central Intelligence Agency, *The World Factbook*, at <https://www.cia.gov/library/publications/the-world-factbook/geos/tx.html>; CEDR, October 9, 2013, Doc. No. CEL-51926718; *Central Asia: Decay And Decline*, International Crisis Group, Asia Report No. 201, February 3, 2011.

The State Department reported in early 2013 that “U.S. firms have identified widespread government corruption, usually in the form of bribe requests, as an obstacle to investment and business throughout all economic sectors and regions.” In contrast to official corruption, however, violent criminal organizations that extort money from businesses are largely nonexistent in Turkmenistan, the State Department claims.¹⁹ The United States and Turkmenistan do not have a bilateral investment treaty. U.S. trade with Turkmenistan is miniscule, amounting to \$92 million in exports in 2012, including machinery, engines, and oilfield equipment, and \$90.4 million in imports, mostly fuel oil. For the first nine months of 2013, the United States exported \$190 million and imported \$24.8 million.²⁰

Since 2009, President Berdimuhamedow has sponsored annual conferences to encourage more foreign direct investment (FDI) in Turkmenistan. The U.N. Conference on Trade and Development (UNCTAD) has estimated that average annual inflows of FDI from 2009-2012 have been about \$3.7 billion, with the bulk invested in the energy sector.²¹ Only one foreign firm has been permitted to invest outside this sector, in cellular communications, but has faced repeated government challenges. Some joint ventures have been permitted, with the government owning a majority of shares. Reportedly, China and Turkey are among the largest investors in Turkmenistan. According to the State Department, U.S. FDI is not prominent. Nine oil and gas production sharing consortiums are managed by British, Italian, Austrian, Malaysian, Canadian, UAE, Danish, German, and Russian firms. The State Department also reports that “tight state control of the economy, the slow pace of economic reform, and a restrictive visa regime have hindered the creation of an attractive foreign investment climate.”²² The 2013 “Index of Economic Freedom,” formulated by the Heritage Foundation and the *Wall Street Journal*, ranks Turkmenistan 169th out of 177 countries, among those having “repressed” levels of investment and monetary freedoms (Turkmenistan’s score is judged to have slightly declined since 2012).²³

Turkmenistan continues to construct a massive lake that it claims will recycle irrigation water and ameliorate the regional climate, but which critics condemn as likely to siphon water from the Amu Darya River and to become concentrated with salts and pesticides.

Energy

Turkmenistan’s proven natural gas reserves—618 trillion cubic feet—are among the highest in the world, according to British Petroleum (BP) data. Its oil reserves are notable but not among the world’s largest. Overall, Turkmen gas exports rose in 2012 to 1.45 tcf, buoyed by Chinese purchases. About 141,000 barrels per day of crude oil and oil products are exported.²⁴ Some of this oil is exported by pipeline to Russia and other oil is barged across the Caspian to the Baku-Tbilisi-Ceyhan (BTC) pipeline. The main destinations for oil and gas include China, the United Arab Emirates, and Italy.

¹⁹ U.S. Department of State, *Turkmenistan: 2013 Investment Climate Statement*, January 15, 2013.

²⁰ U.S. Department of Commerce, Census Bureau, *Trade in Goods with Turkmenistan*, at <http://www.census.gov/foreign-trade/balance/c4643.html>.

²¹ UNCTAD, *World Investment Report 2013*, 2013, p. 81.

²² U.S. Embassy, Ashgabat, Turkmenistan, *2013 Investment Climate Statement: Turkmenistan*, January 15, 2013.

²³ “Turkmenistan Economy: Facts, Data, and Analysis,” 2013 Index of Economic Freedom, The Heritage Foundation, at <http://www.heritage.org/index/country/turkmenistan>.

²⁴ *BP Statistical Review of World Energy*, British Petroleum, June 2013; *CIA World Factbook*, 2012 estimates of oil exports.

At the time it gained independence at the end of 1991, Turkmenistan largely was dependent on Russian energy export routes, and gas and oil production were held back by aging infrastructure, inadequate investment, and poor management. In 1993, Russia halted Turkmen gas exports to Western markets through its pipelines, diverting Turkmen gas to other Eurasian states that had trouble paying for the gas. In 1997, Russia cut off these shipments because of transit fee arrears and as leverage to obtain Turkmenistan's agreement to terms offered by Russia's state-owned gas firm Gazprom.

The late President Niyazov signed a 25-year accord with then-President Putin in 2003 on supplying Russia up to 211.9 billion cubic feet (bcf) of gas in 2004 (about 12% of production at that time), rising up to 2.83 trillion cubic feet (tcf) in 2009-2028 (perhaps amounting to the bulk of anticipated production). Turkmenistan halted gas shipments to Russia at the end of 2004 in an attempt to get a higher gas price but settled for all-cash rather than partial barter payments. Turkmenistan and Russia continued to clash in subsequent years over gas prices and finally agreed in late 2007 that gas prices based on "market principles" would be established in 2009. Turkmenistan, Kazakhstan, and Russia signed accords in May and December 2007 on building a new gas pipeline that was planned to carry 353 bcf of Turkmen and 353 bcf of Kazakh gas to Russia. However, the Turkmen government appeared to have reservations about building another pipeline to Russia, and the project has not been carried out.

On the night of April 8-9, 2009, a section of a gas pipeline from Turkmenistan to Russia exploded, halting Turkmen gas shipments. Russia claimed that it had notified Turkmenistan that it was reducing its gas imports because European demand for gas had declined, but Turkmenistan denied that it had been properly informed.²⁵ After extended talks, visiting former Russian President Dmitriy Medvedev and President Berdimuhamedow agreed on December 22, 2009, that Turkmen gas exports to Russia would be resumed, and that the existing supply contract would be altered to reduce Turkmen gas exports to up to 1 tcf per year and to increase the price paid for the gas. Turkmenistan announced on January 9, 2010, that some gas exports to Russia had resumed. The incident appeared to further validate Turkmenistan's policy of diversifying its gas export routes.

In 2010, Russia's Gazprom gas firm purchased only 371 bcf of Turkmen gas, a sharp drop-off from past purchases. Unfortunately, Turkmen gas exports to Iran and China were not compensatory. Overall Turkmen gas exports fell in 2010 to about 865 bcf, down from 1.7 tcf in 2008, before the Russian gas cutoff.²⁶ In 2012, according to BP, Russia purchased about 350 bcf of Turkmen gas.

Alternative Routes to Iran

Seeking alternatives to pipeline routes through Russia, in December 1997 Turkmenistan opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile gas pipeline linkage to Iran. In mid-2009, Turkmenistan reportedly agreed to increase gas supplies to up to 706 bcf per year.²⁷ In January 2010, a second gas pipeline to Iran was completed—from a field

²⁵ Open Source Center. *OSC Feature*, April 14, 2009, Doc. No. FEA-844966; *CEDR*, April 14, 2009, Doc. No. CEP-950339; *ITAR-TASS*, April 3, 2009; Sergey Blagov, "Turkmenistan: Ashgabat Wonders Whether Russia Still Has Deep Pockets," *Eurasia Insight*, March 26, 2009.

²⁶ "Turkmen Gas Could Find Chinese Outlet," *Central Asia Online*, March 26, 2011.

²⁷ *Iran: Daily Report*, January 21, 2008, Doc. No. IAP-11017; January 24, 2008, Doc. No. IAP-950014; April 26, 2008, Doc. No. IAP-950049; and May 6, 2008, Doc. No. IAP-950052.; *CEDR*, July 12, 2009, Doc. No. CEP-950097.

that until April 2009 had supplied gas to Russia (see below)—to more than double Turkmenistan’s export capacity to Iran. According to BP, Turkmenistan exported about 318 bcf of gas to Iran in 2012, slightly down from about 360 bcf in 2011.

In May 2013, Kazakhstan and Turkmenistan opened a rail line from Ozen in Kazakhstan to Etrek in Turkmenistan, with plans to link to the Iranian rail network.

Alternative Routes to China

As another alternative to pipelines through Russia, in April 2006, Turkmenistan and China signed a framework agreement calling for Chinese investment in developing gas fields in Turkmenistan and in building a gas pipeline with a capacity of about 1.4 tcf per year through Uzbekistan and Kazakhstan to China. All three Central Asian states planned to send gas through this pipeline sooner or later to China. Construction of the first phase of the pipeline began in August 2007 and gas began to be delivered through the pipeline to Xinjiang and beyond in December 2009. In November 2011, President Berdimuhamedow visited China and pledged eventually to raise gas exports to the country to 2.3 tcf per year, and in June 2012, Turkmenistan’s Turkmengaz and China’s National Petroleum Corp (CNPC) signed a framework agreement to increase Turkmenistan’s exports to this level when new gas fields are developed. In 2012, Turkmenistan provided about 752 bcf of gas to China, according to BP.

During a visit to Turkmenistan in early September 2013, Chinese President Xi Jinping announced that the two sides had agreed to boost Turkmen gas exports to China to nearly 2.3 tcf by 2020 through a new pipeline that would augment the China-Central Asia pipeline system (through two existing pipelines and a third under construction; the fourth new pipeline will have a different route through Uzbekistan, Tajikistan, and Kyrgyzstan). During his visit, President Xi Jinping inaugurated the opening of gas processing facilities at the Galkynysh gasfield, built with the assistance of CNPC, and China agreed to provide financing for the further development of the Galkynysh gasfield. Turkmenistan currently is China’s largest foreign gas supplier, accounting just over one-half of Chinese gas imports, according to BP.

Alternative Trans-Caspian Route

Perhaps in an additional attempt to diversify gas export routes, Berdimuhamedow first signaled in 2007 that Turkmenistan was interested in building a trans-Caspian gas pipeline. Turkmenistan signed a memorandum of understanding in April 2008 with the EU to supply 353.1 bcf of gas per year starting in 2009, presumably through a trans-Caspian pipeline that might at first link to the SCP and later to the proposed Nabucco pipeline. President Berdimuhamedow asserted in March 2011 that “Turkmenistan intends to promote cooperation in the fuel and energy sector with European countries . . . through construction of Trans-Caspian gas pipelines.”²⁸ Russia and Iran remain opposed to trans-Caspian pipelines, ostensibly on the grounds that they could pose environmental hazards to the littoral states.

In September 2011, the Council of the European Union approved opening talks with Azerbaijan and Turkmenistan to facilitate an accord on building a trans-Caspian gas pipeline. Such a link would provide added gas to ensure adequate supplies for the planned Nabucco pipeline. Hailing

²⁸ “President’s Welcoming Address,” *Turkmenistan: The Golden Age*, March 3, 2011, at http://www.turkmenistan.gov.tm/_en/?idr=4&id=110303a.

the decision, EU Energy Commissioner Günther Oettinger stated that “Europe is now speaking with one voice. The trans-Caspian pipeline is a major project in the Southern Corridor to bring new sources of gas to Europe. We have the intention of achieving this as soon as possible.”²⁹ The Russian Foreign Ministry denounced the plans for the talks, and claimed that the Caspian Sea littoral states had agreed in a declaration issued in October 2007 that decisions regarding the Sea would be adopted by consensus among all the littoral states (Russia itself has violated this provision by agreeing with Kazakhstan and with Azerbaijan on oil and gas field development). It also claimed that the proposed pipeline was different from existing sub-sea pipelines in posing an environmental threat.

In June 2012, Azerbaijani border forces turned back a Turkmen ship carrying out seismic work in or near the area of the disputed and undeveloped offshore Serder/Kyapaz oil and gas field. Two other disputed fields have been developed by Azerbaijan. Each side lodged diplomatic protests against the other. The heightened tensions over the disputed field appeared to set back plans to build a trans-Caspian pipeline that could supply gas for the planned Trans-Anatolian Pipeline (TAP) to Europe, according to the EIU. In November 2013, however, EU sources reportedly stated that negotiations on building the pipeline were nearing completion, prompting new protests from Russian officials about possible environmental damage.

Turkmenistan began barging oil for transit through the Baku-Tbilisi-Ceyhan (BTC) oil pipeline in mid-2010. The oil is purchased in Turkmenistan from the United Arab Emirates’ Dragon Oil by Azerbaijan’s Socar state oil firm and transported on Turkmen tankers. According to the Azerbaijan State Statistics Committee, Turkmenistan shipped about 10 million barrels of oil through the pipeline during the latter months of 2010, 15.4 million barrels of oil through the pipeline in 2011, 22.7 million barrels in 2012, and 11.7 million barrels during the first six months of 2013.

Alternative South Asia Routes

Berdimuhamedow also revived Niyazov’s proposal to build a gas pipeline through Afghanistan to Pakistan and India (termed the Turkmenistan-Afghanistan-Pakistan-India or TAPI pipeline). In December 2010, the presidents of Turkmenistan, Pakistan, and Afghanistan and the prime minister of India signed a framework accord on building the TAPI pipeline. In May 2012, Turkmenistan signed sales and purchase agreements with India and Pakistan to supply up to 1.2 tcf of gas per year via the prospective TAPI pipeline. U.S. State Department spokesperson Victoria Nuland hailed the signing as “a perfect example of energy diversification, energy integration, done right. We are very strong supporters of the TAPI pipeline.... We consider it a very positive step forward and sort of a key example of what we’re seeking with our New Silk Road Initiative, which aims at regional integration to lift all boats and create prosperity across the region.”³⁰ A sales and purchase accord with Afghanistan was signed in July 2013. In mid-November 2013, Turkmenistan’s Turkmengaz state-owned gas firm, Afghanistan’s state-owned gas firm, Pakistan’s Interstate Gas Systems, India’s Gali energy firm, and the Asian Development Bank (ADB) signed an agreement that the ADB would seek other firms to form a consortium to build TAPI. According to some observers, added impetuses to Turkmenistan’s plans to diversify

²⁹ European Commission, *Press release: EU Starts Negotiations on Caspian Pipeline to Bring Gas to Europe*, September 12, 2011.

³⁰ U.S. Department of State, *Daily Press Briefing*, May 23, 2012.

gas exports to Iran and South Asia are expected economic slowdowns in coming years in Russia and China.

In June 2013, Turkmenistan started construction of a rail line from the town of Atamurat to the town of Akina in Afghanistan, where it eventually will join sections to the Afghanistan-Pakistan border. Tajikistan also plans to link to this rail line. The railway will permit Turkmen oil shipments to Afghanistan and Tajikistan that bypass transit through Uzbekistan, which has raised bureaucratic obstacles complicating shipments.

Foreign Policy and Defense

Turkmenistan's "neutral" foreign policy is enshrined in its constitution, and the U.N. General Assembly in 1995 recognized Turkmenistan's neutrality. Berdimuhamedow has eschewed joining political or military alliances and has pursued good relations with both East and West. Turkmenistan has pursued close ties with both Iran and Turkey. In addition to trade ties with Iran, Turkmenistan is also interested in cultural ties with the approximately 1.3 million Turkmen residing in Iran. Iran's then-President Mahmoud Ahmadinejad visited Turkmenistan in March 2012, and the two countries pledged closer ties, despite urging from the United States that the Central Asian states limit contacts with Iran. In August 2013, President Berdimuhamedow attended the inauguration of Iranian President-elect Hasan Ruhani, and while there, both voiced hopes that energy and other relations would continue to improve.

Turkmenistan has regarded Russia as a "key strategic partner," but has seemingly resisted Russian influence on some matters. In 1992, the two states signed a Friendship and Cooperation Treaty containing security provisions. Although Turkmenistan joined the post-Soviet Commonwealth of Independent States (CIS), it did not sign the Collective Security Treaty and refused to sign other CIS agreements viewed as violating its sovereignty and neutrality.

Turkmenistan's relations with China have been good. In 2006, the two countries signed agreements on building a gas pipeline that opened in late 2009. Also in 2009, the two countries set up an intergovernmental committee to enhance cooperation on trade, energy, security, and culture. In September 2013, visiting Chinese President Xi Jinping and President Berdimuhamedow signed a Joint Declaration on Establishing a Strategic Partnership. The declaration pledges cooperation in combating the "three evil forces" of terrorism, extremism, and separatism, and mentions law enforcement cooperation, but does not contain explicit security guarantees. In mid-November 2013, visiting Chinese Defense Minister Chang Wanquan and Turkmen Defense Minister Gundogdyew pledged enhanced military training and other cooperation as part of the strategic partnership.

Long periods of tension have typified Turkmenistan's relations with Azerbaijan and Uzbekistan. Azerbaijan and Turkmenistan have rival claims to some Caspian Sea oil and gas fields, but eventually might reach agreement on a possible trans-Caspian gas pipeline advocated by the European Union. Turkmenistan and Uzbekistan long have vied for regional influence and argued over water sharing, although relations have improved in recent years. In 2002, the Turkmen government accused Uzbek officials of conspiring to overthrow it. Uzbekistan also objected to the treatment of ethnic Uzbeks in Turkmenistan under the previous president. Marking improved relations, in October 2012, visiting President Karimov and President Berdimuhamedow discussed boosting trade and other cooperation. They also called for region-wide talks before Tajikistan and Kyrgyzstan build dams that could affect water-sharing. In November 2013, visiting President

Berdimuhamedow and President Karimov issued a joint statement calling for strengthening mutual ties. President Berdimuhamedow termed the ties a strategic partnership, and hailed existing security cooperation to combat terrorism and drug trafficking. Both leaders stressed the importance of constructing roads and railways and otherwise facilitating transport between the two countries and beyond to Iran, Turkey, and the Persian Gulf. They also reiterated a call for agreement among the riparian states before water and energy projects are launched. In recent months, both Kazakhstan and Tajikistan have worked more with Turkmenistan than with Uzbekistan on developing southern transport routes.

Turkmenistan hosts the Regional U.N. Center for Preventive Diplomacy in Central Asia (UNRCCA). In late 2011, the participants approved a joint plan for implementing the U.N. Counter Terrorism strategy.

Turkmenistan's armed forces number about 22,000, including 18,500 ground, 3,000 air, and about 500 naval/coast guard forces. The army has about 700 tanks, 2,000 vehicles, and 560 artillery pieces, the air force has slightly more than 100 combat capable aircraft and helicopters, and the naval force has 10 patrol boats (including a former U.S. Coast Guard vessel).³¹ During 2011, Turkmenistan purchased four missile boats from Russia and Turkey. Other forces include police and security troops, a presidential guard, and border troops. In late 1999, Russia's 1,000 border troops in Turkmenistan pulled out at Turkmenistan's request (some "special border troops" reportedly remain), and by 2002, Turkmenistan had replaced its officer corps with ethnic Turkmen. In 1994, Turkmenistan became the first Central Asian state to join NATO's Partnership for Peace (PFP). Turkmen officers have participated in or observed several PFP exercises. In January 2009, a new defense doctrine was released that calls for Turkmenistan to be able to provide for its own national security. Turkmenistan reportedly is actively purchasing military equipment in accordance with the new doctrine. The military remains conscript-based, and alternative service is not permitted. According to some reports, hazing, theft, corruption, drug addiction, and drug trafficking are major problems.

In August 2009, President Berdimuhamedow decreed that the navy/coast guard base of Turkmenbasy would be upgraded and coastal radars and ships would be purchased "to fight effectively against smugglers, terrorists and any other forces who try to illegally use our state sea border or create an unstable situation."³² One report claims that the Turkmen navy may now be the second-largest in the Caspian Sea in terms of firepower, behind Russia's.³³

U.S. Policy

In Congressional testimony in late July 2012, Assistant Secretary of State Robert Blake praised Turkmenistan for providing some humanitarian aid to Afghanistan and for constructing or planning rail and energy links to the country, including the prospective Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. He stated that such projects illustrate that Turkmenistan has the potential to be "a leader in the economic prosperity of the region." At the same time, he cautioned that to reach this potential, Turkmenistan must address its human rights

³¹ International Institute of Strategic Studies. *The Military Balance*, March 14, 2013.

³² Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), August 31, 2009, Doc. No. CEP-950194.

³³ Joshua Kucera, "Turkmenistan: Ashgabat Quietly Builds Up Caspian Military Might," *Eurasianet*, July 5, 2012.

problems. He reported that the United States would continue to offer assistance to help Turkmenistan democratize and respect human rights.³⁴

In 2010, the Obama Administration launched annual bilateral consultations (ABCs) with all the Central Asian states. The first U.S.-Turkmenistan ABC was held in Ashgabat in June 2010. Hailing the beginning of the annual meetings, Assistant Secretary of State Robert Blake stated that they “represent a new beginning to the relationship between the United States and Turkmenistan. We believe that today marks a new chapter in initiating an important dialog on all aspects of the bilateral relationship.” He stressed that “the United States is committed to working with Turkmenistan in the development of strong, prosperous ties between our two countries and to developing Turkmenistan into an independent country that is founded on the rule of law. We hope to do this within the context of a constructive relationship based on the principles of mutual respect and mutual trust.” He later reported that the talks had included

our common concerns about stability in Afghanistan and what we both can do to contribute to progress in that important country. We also talked about opportunities for further cooperation in the economic and energy sectors, including efforts to expand U.S. trade and investment and efforts to assist Turkmenistan with economic development and diversification.... we also talked about joint efforts to combat the spread of terrorism and narcotics. We talked about cooperation in humanitarian affairs, including educational and cultural matters, as well as a good discussion on human rights issues. An important dimension of our visit was the opportunity to meet with civil society leaders.³⁵

The second annual ABC was held in February 2011 in Ashgabat, led on the U.S. side by Assistant Secretary Blake. The third ABC was held on March 22-23, 2012, in Washington, D.C., with the Turkmen delegation being headed by Foreign Minister Rasit Meredow. The State Department reported that the consultations focused on increasing economic and trade relations (including in the energy sector), developing social and cultural ties, ensuring the protection of human rights, and enhancing regional security (including in Afghanistan). The delegation met with Secretary Clinton, Assistant Secretary Blake, and then-Special Envoy for Eurasian Energy Richard Morningstar. They also met with Deputy National Security Advisor Denis McDonough, who reportedly stressed the increasingly important role of Turkmenistan in ensuring stability in Central Asia and in enhancing stabilization efforts in Afghanistan. Besides talks with these officials, the delegation met with several U.S. business representatives to urge them to invest in Turkmenistan, including Chevron, Exxon Mobil, Caterpillar, ConocoPhillips, Case New Holland, Bell Helicopter, and Boeing. The representatives of U.S. energy companies reportedly expressed their willingness to assist Turkmenistan to diversify its export routes.

An account of a 2013 ABC has not been reported, but Ashgabat hosted the 8th U.S.-Central Asia Trade and Investment Framework Agreement (TIFA) Council Meeting in mid-November 2013.

³⁴ U.S. House of Representatives, House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Engagement in Central Asia, *Testimony by Robert Blake, Assistant Secretary, Bureau of Central and South Asian Affairs, U.S. Department of State*, July 24, 2012. In testimony in early 2011, Assistant Secretary Blake had stated that “Turkmenistan is a country of growing importance to the United States.” See House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Policy toward Europe and Eurasia, *Testimony of Robert O. Blake, Jr.*, March 10, 2011.

³⁵ U.S. Department of State. *Remarks at the Opening Session of Inaugural U.S.-Turkmenistan Annual Bilateral Consultations*, June 14, 2010; *Press Conference*, July 15, 2010; *Assistant Secretary Blake’s Participation in the U.S.-Turkmenistan Business Council*, June 16, 2010.

The TIFA working groups on customs, energy trade, and women's economic empowerment held sessions, as well as the bilateral working groups.

Turkmenistan has been included in the Secretary of State's "New Silk Road Vision," first mentioned in mid-2011, which supports efforts to bolster economic integration and transit links in Central Asia and beyond. Turkmenistan also is a participant in the Administration's Central Asia Counter-Narcotics Initiative, launched in mid-2011. According to the latest joint State and Defense Department report on training, 36 students were trained under the Department of Defense's Section 1004 Counter-Drug Assistance program in 2012 (see also below).

Among recent security-related visits, in late March 2012, the Commander of the U.S. Central Command (USCENTCOM), James Mattis, traveled to Turkmenistan and met with President Berdimuhamedow. Reportedly, General Mattis told the President that the United States considered Turkmenistan a responsible and reliable partner, and they discussed joint efforts to combat drug trafficking, terrorism, and organized crime, and Turkmenistan's contributions to stabilization in Afghanistan.³⁶ Among other security visits, U.S. Secretary of the Navy Ray Mabus visited Ashgabat on July 11-12, 2012, as part of a tour of Central and South Asia. He met with Defense Minister Gundogdyew and other officials to discuss partnership, maritime security, and regional stability.

Cumulative U.S. assistance to Turkmenistan has amounted to \$351.57 million over the period FY1992-FY2010 (all agencies and programs). See **Table 1** and **Table 2**. In FY2010, the Administration boosted aid to Turkmenistan to support it as a "frontline state" in counter-terrorism operations in Afghanistan, but since then, overall foreign assistance has declined. U.S. foreign assistance amounted to \$11.01 million in FY2011, \$9.2 million in FY2012, and an estimated \$6.02 million in FY2013. The Administration has requested \$6.455 million for FY2014. The figures for FY2011-FY2014 cover aid now included in the Economic Support Fund, as well as through such programs as Food for Peace, Foreign Military Financing (FMF), Global Health and Child Survival, International Military Education and Training (IMET), International Narcotics Control and Law Enforcement (INCLE), and Nonproliferation, Antiterrorism, Demining and Related Programs (NADR). According to the joint training report issued by the Defense and State Departments, 28 Turkmen students received counter-terrorism course training in 2012, four students were involved in IMET courses, 10 students attended courses at regional centers in Mongolia, Germany, and the United States for training on transnational threats and border security, and 36 students received counter-narcotics training (mentioned above).³⁷

Although the Administration does not present priorities for FY2014 assistance, it states that \$1.9 million will be allocated to improve transparency in governing institutions, increase citizen participation, support legal reforms to foster civil society, and build capacity for civil society organizations. About \$900,000 is planned for boosting English language skills to facilitate broader education and employment. Other economic support is planned to further Turkmenistan's efforts to join the World Trade Organization, ensure implementation of International Financial Reporting Standards, improve livestock, boost veterinary care, and develop better fruit and vegetable supply chains. The Administration has requested \$1.82 million in peace and security

³⁶ CEDR, April 2, 2012, Doc. No. CEP-964026.

³⁷ U.S. Department of State and Department of Defense, *Foreign Military Training, Fiscal Years 2012 and 2013, Joint Report to Congress*, Volume 1, 2013.

funding, including for FMF (\$685,000); IMET (\$300,000); INCLE (\$500,000); and NADR (\$330,000).³⁸

Contributions to Counter-Terrorism and Counter-Narcotics

Immediately after the terrorist attacks on the United States on September 11, 2001, the Turkmen foreign ministry stated that Turkmenistan's policy of neutrality and its friendship with the Taliban precluded cooperation in a U.S.-led military campaign. After Russia's then-President Vladimir Putin acceded to an expanded U.S. military presence in Central Asia, however, former Turkmen President Saparamurad Niyazov on September 24, 2001, gave his consent for ground transport and over flights to deliver humanitarian aid to support U.S.-led anti-terrorism efforts in Afghanistan because "evil must be punished." Turkmenistan also permitted refueling privileges for humanitarian flights and reportedly has sold and transported jet fuel and other goods by truck and rail to Afghanistan. Land transport reportedly was ramped down in recent years. In February 2009, however, President Berdimuhamedow agreed that the country would again facilitate the land transit of humanitarian cargoes to Afghanistan. The Defense Logistics Agency reported that in FY2012, \$821 million of purchases were made in Turkmenistan for military operations in Afghanistan, probably mostly for fuel acquisition, according to some observers. In general, the U.S. military's use of the Northern Distribution Network of land routes through Central Asia has declined in recent months due to the increase of shipments through Pakistan and fees and other barriers to shipments imposed by Uzbekistan.³⁹

According to the State Department's *Country Reports on Terrorism*, there was significant political will in Turkmenistan during 2012 to improve the capacity of law enforcement agencies to counter terrorism, ensure border security, and detect terrorist financing. In 2012, the Financial Action Task Force released Turkmenistan from its compliance monitoring process in recognition of its significant progress in combating terrorist financing. Corruption, however, sometimes hampered effective law enforcement. State Border Service officers demonstrated significantly improved professionalism during the year, and the Turkmen government opened several new frontier garrisons on its borders with Iran and Afghanistan.

The Ministry of Finance launched cooperation with advisors from the U.S. Treasury Department's Office of Technical Assistance (OTA) under a bilateral agreement signed in December 2011. As part of this initiative, OTA advisors trained Ministry of Finance officials in financial analytical techniques, customs and financial investigative techniques, detecting and investigating financial crimes, money laundering, and combating terrorist financing.⁴⁰

Turkmenistan is a transshipment route for Afghan opiates destined for Turkish, Russian, European, and Chinese markets, either directly or through Iran. It is not, however, a major

³⁸ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2014*, May 17, 2013.

³⁹ Deirdre Tynan, "Turkmenistan for US Logistics," *Eurasianet*, July 10, 2009; Joshua Kucera, "Turkmenistan Big Beneficiary of Pentagon Money, While Uzbekistan Lags," *Eurasianet*, December 5, 2012.

⁴⁰ U.S. Department of State, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism 2012*, May 30, 2013.

producer or source country for illegal drugs. According to the U.N. Office on Drugs and Crime (UNODC), about one-quarter of the opiates produced in Afghanistan traverse Central Asia. Regional drug seizures have declined in recent years, which may be somewhat correlated with declines in production in Afghanistan. However, drug usage has been stable or increased in Russia and Central Asia, so it is uncertain whether there is declining regional trafficking, according to the UNODC.⁴¹

According to the State Department's *International Narcotics Control Strategy Report*, the Turkmen government directs the bulk of its law enforcement resources and manpower towards stopping the flow of drugs either directly from Afghanistan or via Iran. Counternarcotics efforts continue to be a government policy priority. In August 2012, the State Counter Narcotics Service of Turkmenistan SCNS was renamed the State Service of Turkmenistan for the Protection and Security of a Healthy Society. Most seizures appear to be of raw opium (although heroin trafficking for local consumption is increasing, according to some reports). The government has conducted public awareness efforts to discourage illegal drug use. Law enforcement officials' low salaries foster an environment in which corruption occurs. Allegations persist that law enforcement officials are directly linked to the drug trade. The Turkmen government's efforts to provide drug seizure reports seem to indicate a desire for enhanced cooperation with international donors.

The government adopted a law governing the treatment of persons suffering from alcoholism or drug addiction in March 2012. The new law reduced the period of compulsory treatment from one-two years to six months. The Ministry of Health operates six drug treatment clinics and one out-patient facility for drug addicts in Ashgabat, as well as a Psychological and Narcological Hospital in each province. Addicts can receive free detoxification treatment at these clinics without revealing their identity. Heroin users were reported to constitute the bulk of registered addicts.

In March 2012, the U.S. Drug Enforcement Administration's Central Asia Regional Training Team (CARTT; resident in Almaty, Kazakhstan) organized two, one-week advanced drug enforcement seminars for three dozen counter-narcotics officers in Turkmenistan. In August 2012, a U.S.-Turkmenistan letter of agreement on narcotics control and law enforcement assistance was modified to provide an additional \$250,000 to improve a counter-narcotics training facility. The U.S. government plans to expand CARTT activities in Turkmenistan and in general focus on supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and the exchange of drug-related intelligence. The U.S. government will also encourage the Government of Turkmenistan to intensify long-term demand reduction efforts and to continue partnership with international organizations such as UNODC and regional bodies such as the Central Asian Regional Information and Coordination Center.⁴²

⁴¹ UNODC, *World Drug Report 2013*, May 2013, p. 33.

⁴² U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2013 International Narcotics Control Strategy Report*, March 5, 2013; *CEDR*, October 15, 2013, Doc. No. CEL-43355669.

Table I. U.S. Budgeted Assistance to Turkmenistan by Objective and Year, FY1992-FY2001

(millions of current dollars)

| Objective | FY1992 | FY1993 | FY1994 | FY1995 | FY1996 | FY1997 | FY1998 | FY1999 | FY2000 | FY2001 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Economic Growth | 0.21 | 0.08 | 6.14 | 2.75 | 0.73 | 1.63 | 2.94 | 4.54 | 1.32 | 1.28 |
| Governing Justly & Democratically | 0.2 | 1.74 | 3.53 | 2.44 | 1.91 | 1.8 | 2.17 | 4.08 | 2.42 | 2.88 |
| Investing in People | 0.15 | 1.31 | 2.24 | 1.14 | 2.49 | 1.97 | 1.76 | 3.53 | 2.79 | 2.16 |
| Peace & Security | 0.0 | 0.0 | 0.05 | 0.12 | 0.21 | 0.86 | 1.58 | 1.9 | 2.58 | 1.87 |
| Humanitarian | 14.15 | 54.15 | 10.42 | 15.38 | 20.0 | 0.0 | 0.49 | 1.9 | 1.8 | 4.07 |
| Cross-Cutting & Program Support | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.32 |
| Total | 14.71 | 57.28 | 22.38 | 21.83 | 25.34 | 6.26 | 8.94 | 15.94 | 10.91 | 12.57 |

Source: Derived from U.S. Department of State, Office of the Coordinator for Europe and Eurasia.

Notes: Includes all agencies and accounts. Some rounding has occurred.

Table 2. US Budgeted Assistance to Turkmenistan by Objective and Year, FY2002-FY2010 (and Totals, FY1992-FY2010)

(millions of current dollars)

| Objective | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 | Total (FY1992- FY2010) |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------------------|
| Economic Growth | 1.37 | 1.24 | 1.2 | 1.45 | 0.83 | 1.55 | 1.25 | 1.45 | 2.93 | 34.86 |
| Governing Justly & Democratically | 5.57 | 4.74 | 4.3 | 4.89 | 4.0 | 6.04 | 5.63 | 5.06 | 5.45 | 68.85 |
| Investing in People | 2.2 | 3.04 | 3.4 | 3.42 | 3.17 | 6.08 | 3.7 | 4.34 | 5.11 | 54.00 |
| Peace & Security | 7.73 | 1.16 | 0.97 | 8.98 | 2.17 | 5.72 | 5.9 | 8.71 | 13.01 | 63.51 |
| Humanitarian | 0.58 | 0.5 | 0.18 | 0.0 | 0.0 | 0.0 | 0.0 | 0.02 | 0.0 | 123.63 |
| Cross-Cutting & Program Support | 1.5 | 0.3 | 0.37 | 0.2 | 0.28 | 0.45 | 0.36 | 1.19 | 1.76 | 6.72 |
| Total | 18.93 | 10.98 | 10.42 | 18.94 | 10.44 | 19.84 | 16.83 | 20.78 | 28.26 | 351.57 |

Source: Derived from U.S. Department of State, Office of the Coordinator for Europe and Eurasia.

Notes: Includes all agencies and accounts. Some rounding has occurred.

Figure I. Map of Turkmenistan



Source: CIA World Factbook.

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