







RWI Index Questionnaire: Turkmenistan 2012

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5.3	Legal Framework and Practice	N/A	

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Indicator	Score
4.1.1	Context

4.1.1 Context

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A B C

References:

There isn't any public information related to the establishment of such Fund. However, some information appears episodically, which states that there is such body in place (see Crude Accountability report on Turkmenistan).

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D E

References:

no Fund (officially)

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Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B **C**

References:

no info

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D **E**

References:

N/A

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D **E**

References:

N/A

4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D **E**

References:

N/A

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: A B C D **E**

References:
N/A

4.2.2.056b: Are the audited financial reports published?

Score: A B **C**

References:
N/A

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Indicator	Score
4.3.1 Legal Framework and Practice	N/A

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B **C**

References:

N/A

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D **E**

References:

N/A

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B **C**

References:

N/A

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D **E**

References:

N/A

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?

Score: A B **C**

References:

N/A

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B **C**

References:

N/A

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Indicator	Score
5.1.1	Context

5.1.1 Context

5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C **D** E

Comments:

No reported practice on government transfers to sub-national governments based on extractive resources. In the public budget of Turkmenistan for 2009, there is a rule of % transfers from the Central government to regional governments (velayat), but this is based on administrative methods, not on extractive resources.

References:

Public budget of Turkmenistan

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B **C**

Comments:

Sub-national authorities do not have any right to participate in mineral resources sharing. All of revenues are collected in the central budget and after that, part of them are transferred to the sub national (velayat) level.

References:

public budget

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Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B **C**

Comments:

no formula

References:

public budget

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

public budget

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D **E**

References:

public budget

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

N/A

5.2.1.069: Do sub-national governments publish information on transfers received from central governments?

Score: A B **C**

Comments:

The public budget indicates the volume of transfers to the subnational level. This information is available but sub national authorities (velayat) do not publish this information.

References:

public budget

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Indicator	Score
5.3.1 Legal Framework and Practice	N/A

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

Comments:

There is no legislative base for this sharing.

References:

public budget

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

References:

public budget

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Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C D E

Comments:

The only publicly available document is the Law on Hydrocarbon, which was adopted in 1996, updated in 2008.

The Constitution guarantees national ownership of the ground and mineral resources (общенародная собственность).

There is no private property right on the ground.

References:

Law on Hydrocarbons (2008). <http://www.turkmenistanembassy.org/turkmen/business/business.html>

Статья 4. Право собственности на Углеводородные ресурсы

1. Углеводородные ресурсы в их естественном состоянии в недрах территории Туркменистана являются исключительной собственностью Туркменистана.

2. Правомочиями по владению, пользованию и распоряжению Углеводородными ресурсами обладает Кабинет Министров (Правительство) Туркменистана.

3. Управление Углеводородными ресурсами и их использование в пределах полномочий, установленных настоящим Законом, осуществляет Агентство.

The Turkmenistan Constitution

<http://www.turkmenistanembassy.org/turkmen/business/consta.html>

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score: A B C D E

Comments:

This Agency was established in 2007 as a government entity under the Cabinet of Ministers. Later it became an Agency under the President, with unlimited power.

References:

The State Agency for the Management and Use of Hydrocarbon Resources under the President of Turkmenistan has an unlimited right to grant licenses (permission).

Crude Accountability Report on Turkmenistan

http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf p.17

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

Comments:

There are a number of foreign companies working in the extractive sector in Turkmenistan (mostly not IOC, but small ones) and some others are waiting to start work (under negotiation progress). Formally, licensing is open for all companies, but in practice the President chooses.

References:

Interview with some personnel from foreign companies in Ashgabat (anonymous sources), April 2012.

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

References:

Interview with representatives from Burren Energy and Chevron representatives in Ashgabat.

Peer Review Comments:

Turkmen government officials on numerous occasions have publicly announced Turkmenistan's state policy of not awarding Production Sharing Agreements for onshore hydrocarbon development, with the only exception being China National Petroleum Company's PSA at Bagtyyarlyk, awarded in 2006. The State Agency for Management and Use of Hydrocarbon Resources under the President of Turkmenistan has awarded Production Sharing Agreements for offshore development.

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

Comments:

The State Agency of Hydrocarbon under the President of Turkmenistan has unlimited power. In practice the only body which has a right to negotiate with foreign companies is this Agency.

References:

The State Agency of Hydrocarbon under the President. Please refer to the following link for description of the Agency's powers:

http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf

Powers defined in the ammendments to the Law on Hydrocarbons 2011.

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Indicator	Score
1.2.006 Information on licensing process	0 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	0 
1.2 Access to information and legislation	17 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C **(D)** E

Comments:

This type of information is not published.

References:

Crude Accountability report:

http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C **(D)** E

References:

Crude Accountability report

http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B C **(D)** E

References:

Private meetings with representatives from foreign EI companies.

Crude Accountability report

http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: A B C

Comments:

No article refers to the EIAs.

References:

Law on Hydrocarbon (2008)

Peer Review Comments:

Some companies do conduct EIAs, but there is no prerequisite for an EIA prior to a contract or license award.

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?

Score: A B C D E

References:

There isn't any EIA requirement and when conducted, they are not published by the government.

Peer Review Comments:

Some companies do conduct EIAs, but they are not published by the State Agency or any other Turkmen authority.

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?

Score: A B C

References:

Interview with EBRD representative in Ashgabat

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?

Score: A B C D E

References:

No SIA is required, nor published.

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?**Score:** A B C D E**Comments:**

The Law on Hydrocarbon is publicly available, but it states general principles, without any detailed information.

References:

web site: www.ihs.com/news-2008/Turkmenistan-revises

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.**Score:** A B C D E**Comments:**

On one hand, Turkmenistan Constitution (Section 1, Article 4) provides that "legal acts of state bodies shall be published for general dissemination or shall be made public in another manner, with the exception of those containing state or other secrets protected by law."

On the other hand, the Law on Hydrocarbons (2008) Chapter 5, Article 30:1 states that "Ministries and other government bodies are obliged to keep confidential any information obtained by them in carrying out such monitoring and oversight."

Additionally, the Law on Hydrocarbons provides that there will be no disclosure of information on the hydrocarbons sector:

Law of Hydrocarbons- English: Chapter X: Terms and Conditions. Article 62: Confidentiality 1. None of the Parties to the Treaty shall publish, disclose or transfer to third parties any information deemed confidential and related to Petroleum Operations, without the prior written consent of the other parties to the contract. 2. Confidential information may be provided by legal advisers, accountants, other consultants, guarantors, lenders, subcontractors, companies on the carriage of goods subject to a prior written commitment of such persons to disclose information received.

Law on Hydrocarbons- Russian: ГЛАВА V. Проведение Нефтяных работ. Статья 30. Министерства и другие органы государственного управления осуществляют соответствующий государственный контроль и надзор в пределах их компетенции, установленной законодательством Туркменистана. Государственный контроль за проведением Нефтяных работ. Министерства и другие органы государственного управления обязаны обеспечивать конфиденциальность любой информации, полученной ими при осуществлении такого контроля и надзора.

ГЛАВА X. Правовые условия Статья 62. Конфиденциальность информации 1. Ни одна из Сторон договора не вправе публиковать, разглашать или передавать третьей стороне какую-либо информацию, считающуюся конфиденциальной и имеющую отношение к Нефтяным работам, без предварительного письменного согласия другой Стороны договора. 2. Конфиденциальная информация может быть предоставлена юристам, бухгалтерам, другим консультантам, гарантам, кредиторам, Субподрядчикам, компаниям по перевозке грузов при условии предварительного письменного обязательства этих Лиц о неразглашении полученной информации.

To Note: Petroleum Law of Turkmenistan (1996): Article 60. Confidentiality of information: Neither party has the right to publish, disclose or transfer any information, which is considered confidential and is related to Petroleum Operations, to a third party, without prior written consent of the other Contracting Party. Confidential information may be supplied to legal counsels, accountants, other consultants, underwriters, lenders, subcontractors, shipping companies, subject to a prior written undertaking from such persons not to disclose the information received."

While the Law on Hydrocarbons is a more recent legal document, there is no information saying that is

a replacement of the Petroleum Law of Turkmenistan. Therefore, both laws seem to be active.

References:


Law on Hydrocarbon and Constitution - there are rules obliging confidentiality in the hydrocarbons sector.

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Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	17 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

The State Agency on Hydrocarbon under the President of Turkmenistan awards licenses, which is formally independent from SOC. But in the reality this agency manages SOC activity as well.

References:

The State Agency on Hydrocarbon.

Peer Review Comments:

The State Agency for Management and Use of Hydrocarbons under the President of Turkmenistan is separate from the state-owned companies, such as Turkmengaz and Turkmenneft, which come under the authority of the Ministry of Oil and Gas. The Ministry is subordinate to the Deputy Prime Minister for Oil and Gas, and the State Agency Head is -- at the time of this survey -- also simultaneously ranked as a Deputy Prime Minister. The State Agency is responsible for managing all foreign companies active in Turkmenistan's hydrocarbon sector, while the Ministry of Oil and Gas regulates the activities of state-owned companies.

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

Comments:

In practice the licensing system is neither open nor competitive. The President has a tendency to prefer Chinese companies to western ones.

References:

- Interview with Burren Energy, Chevron and EBRD representatives in Ashgabat.
- Crude accountability report

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

References:

Burren Energy, Chevron representatives in Turkmenistan

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B C D E

Comments:

The legislative branch does not have any oversight control role in the country. All authority fully concentrates at the President level.

References:

The Majilis of Turkmenistan
Crude Accountability Report.

1.3.015: Is there a due process to appeal licensing decisions?

Score: A B C

References:

There is no due process to appeal decisions about the licensing process - the President has full power.

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: A B C

Comments:

Beneficial Ownership information is not publicly available and there is contradictory information related a real beneficiaries.

References:

Crude Accountability report

[www. crudeaccountability.org](http://www.crudeaccountability.org)

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Indicator	Score
2.1	Context 33 

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

Comments:

Government receives in-kind payments, like crude oil.

References:

Law on Hydrocarbon.

PSA contracts, which consider in-kind payment from the companies.

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

Comments:

Such kind of information is absolutely confidential for third parties.

References:

Private interviews with independent experts.

Peer Review Comments:

In some cases the government does sell hydrocarbons it produces to end users (China, Iran), but the contracts and pricing mechanism are completely confidential.

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

Most revenues from the extractive sector are collected by Turkmenqaz and Tirkmenneft, which are responsible for the relevant commodities. However, further movement of revenues are not publicly available. According to the Crude Accountability report, 80 % of export sells of oil and gas are not reported by the State Agency of Hydrocarbon.

References:

Crude Accountability report











(http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Private%20pocket_EN.pdf), face to face interview with foreign companies representatives in Turkmenistan

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Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	0 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	0 
2.2A	Quality of reports	0 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	7 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	4 
2.2B	Quality of reports	0 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	4 
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	0 
2.2C	Quality of reports	0 
2.2D.020	Does the Central Bank publish information on revenue generation?	N/A
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	N/A
2.2D	Quality of reports	N/A
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A
2.2E	Quality of reports	N/A
2.2	Public sector balance	0 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A B C **(D)** E

Comments:

No information available in this Ministry reports, publications or web.

References:

www.minfin.gov.tm

2.2A.020.b: Production volumes

Score: A B C D E

Comments:

information not available

References:

www.minfin.gov.tm

2.2A.020.c: Information on prices

Score: A B C D E

Comments:

not available

References:

www.minfin.gov.tm

2.2A.020.d: Value of resource exports

Score: A B C D E

Comments:

Information not available

References:

www.minfin.gov.tm

2.2A.020.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

No information available.

References:

www.minfin.gov.tm

2.2A.020.f: Production costs

Score: A B C D E

Comments:

Not available

References:

www.minfin.gov.tm

2.2A.020.g: Names of companies operating in country

Score: A B C D E

Comments:

No information.

References:

www.minfin.gov.tm

2.2A.020.h: Production data by company and/or block

Score: A B C D E

Comments:

Not available

References:

www.minfin.gov.tm

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

Not available

References:

www.minfin.gov.tm

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams value

Score: A B C D E

Comments:

Not available

References:

www.minfin.gov.tm

2.2A.020.j2: Government s share in PSC

Score: A B C D E

Comments:

Not available

References:www.minfin.gov.tm

2.2A.020.j3: RoyaltiesScore: A B C **(D)** E**Comments:**

Not available

References:www.minfin.gov.tm

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)Score: A B C **(D)** E**Comments:**

Not available

References:www.minfin.gov.tm

2.2A.020.j5: DividendsScore: A B C **(D)** E**Comments:**

not available

References:www.minfin.gov.tm

2.2A.020.j6: BonusesScore: A B C **(D)** E**Comments:**

Not available

References:www.minfin.gov.tm

2.2A.020.j7: License feesScore: A B C **(D)** E

Comments:

Not available

References:www.minfin.gov.tm

2.2A.020.j8: Acreage feesScore: A B C **(D)** E**Comments:**

Not available

References:www.minfin.gov.tm

2.2A.020.j9: Other (Explain in 'comments' box.)Score: A B C **(D)** E**Comments:**

Not available

References:www.minfin.gov.tm**Peer Review Comments:**

Turkmenistan suffers from a severe deficiency in human capital across multiple agencies, including the Ministry of Finance. The Ministry of Finance simply does not have enough qualified Turkmen financiers to calculate and disclose the indicators listed above.

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?Score: A B C **(D)** E**References:**www.minfin.gov.tm

2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?Score: A B C **(D)** E**Comments:**

No information available

References:

www.minfin.gov.tm

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: Reserves

Score: A B C D E

Comments:

There are no publicly available information about reserves. Some information can be heard during ceremonies or official events but they are never published.

Государственная товарно - сырьевая биржа. web site doesn't work.

References:

www.oilgas.gov.tm
www.exchange.gov.tm.

2.2B.020.b: Production volumes

Score: A B C D E

Comments:

No information on production in official reports. However, independent Azerbaijani agency called "Trend" regularly publishes information on production volumes.

References:

www.oilgas.gov.tm - no information

2.2B.020.c: Information on prices

Score: A B C D E

Comments:

No information about a price

References:

www.oilgas.gov.tm

2.2B.020.d: Value of resource exports

Score: A B C D E

Comments:

Not available

References:

www.oilgas.gov.tm

Peer Review Comments:

Turkmen hydrocarbon officials will on occasion comment about the volume of Turkmenistan's gas

exports in public speeches, but rarely if ever discuss the total monetary value of exports. Official publications containing such information are nonexistent.

2.2B.020.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

2.2B.020.f: Production costs

Score: A B C D E

Comments:

Not available

References:

www.oilgas.gov.tm

2.2B.020.g: Names of companies operating in country

Score: A B C D E

Comments:

No regular reports published but a list can be found on the Ministry's website.

References:

www.oilgas.gov.tm

2.2B.020.h: Production data by company and/or block

Score: A B C D E

Comments:

No regular reports

References:

www.oilgas.gov.tm

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

2.2B.020.j1: Production streams value

Score: A B C D E

Comments:

no regular reports

References:

www.oilgas.gov.tm

2.2B.020.j2: Government s share in PSC

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

2.2B.020.j3: Royalties

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

2.2B.020.j5: Dividends

Score: A B C D E

Comments:

not available

References:www.oilgas.gov.tm

2.2B.020.j6: Bonuses**Score:** A B C D E**Comments:**

not available

References:www.oilgas.gov.tm

2.2B.020.j7: License fees**Score:** A B C D E**Comments:**

no available

References:www.oilgas.gov.tm

2.2B.020.j8: Acreage fees**Score:** A B C D E**Comments:**

no available

References:www.oilgas.gov.tm

2.2B.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**Comments:**

no available

References:www.oilgas.gov.tm

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B C D E

Comments:
not available

References:
www.oilgas.gov.tm

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?

Score: A B C D E

Comments:
not published

References:
www.oilgas.gov.tm

2.2C.020 Does a Regulatory Agency publish information on revenue generation?

2.2C.020.a: Reserves

Score: A B C D E

Comments:
The Ministry of Oil and Gas and the State Agency for the Management and Use of Hydrocarbon Resources under the President of Turkmenistan share the same website. The same answers therefore apply to both agencies. No information is available.

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.b: Production volumes

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.c: Information on prices

Score: A B C D E

Comments:

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.d: Value of resource exportsScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.e: Estimates of investment in exploration and developmentScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.f: Production costsScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.g: Names of companies operating in countryScore: A B **(C)** D E**Comments:**

no regular reports published giving the list of companies operating in the country.

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.h: Production data by company and/or blockScore: A B C **(D)** E

Comments:

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenueScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams valueScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j2: Government s share in PSCScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j3: RoyaltiesScore: A B C **(D)** E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j5: Dividends

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j6: Bonuses

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j7: License fees

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j8: Acreage fees

Score: A B C D E

Comments:
not available

References:
http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**Comments:**

not available

References:http://www.oilgas.gov.tm/_gosagenstvo.html2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?**Score:** A B C D E**References:**http://www.oilgas.gov.tm/_gosagenstvo.html

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?**Score:** A B C D E**References:**http://www.oilgas.gov.tm/_gosagenstvo.html**Peer Review Comments:**

The State Agency and/or Ministry of Oil and Gas rarely publish any public periodicals. The majority of revenue generation information and production data comes from IOCs operating in Turkmenistan, or estimates by third-party observers and NGOs.

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: Reserves**Score:** A B C D E**Comments:**

The Central Bank does not publish any information on the extractive sector.

References:www.cbt.tm

2.2D.020.b: Production volumes**Score:** A B C D E

Comments:

not available

References:www.cbt.tm

2.2D.020.c: Information on pricesScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.d: Value of resource exportsScore: A B C D E**References:**www.cbt.tm

2.2D.020.e: Estimates of investment in exploration and developmentScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.f: Production costsScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.g: Names of companies operating in countryScore: A B C D E**Comments:**

not available

References:

www.cbt.tm

2.2D.020.h: Production data by company and/or block

Score: A B C D E

Comments:

not available

References:

www.cbt.tm

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

not available

References:

www.cbt.tm

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value

Score: A B C D E

Comments:

not available

References:

www.cbt.tm

2.2D.020.j2: Government s share in PSC

Score: A B C D E

Comments:

not available

References:

www.cbt.tm

2.2D.020.j3: Royalties

Score: A B C D E

Comments:

not available

References:www.cbt.tm

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)Score: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.j5: DividendsScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.j6: BonusesScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.j7: License feesScore: A B C D E**Comments:**

not available

References:www.cbt.tm

2.2D.020.j8: Acreage feesScore: A B C D E

Comments:

not available

References:

www.cbt.tm

2.2D.020.j9: Other (Explain in 'comments' box.)Score: A B C D E**References:**

www.cbt.tm

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?Score: A B C D E**References:**

www.cbt.tm

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?Score: A B C D E**References:**

www.cbt.tm

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: ReservesScore: A B C D E**References:**

no other agency

2.2E.020.b: Production volumesScore: A B C D E**References:**

no other agency

Peer Review Comments:

The sole consistent official Turkmen reporting on production volumes and exports comes in the form of ministerial briefs to President Berdimukhammedov during cabinet meetings. Since state-controlled media publishes the figures mentioned in these meetings, it is difficult for any third-party to confirm statistical validity.

2.2E.020.c: Information on prices

Score: A B C D E

References:

n/a

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

n/a

2.2E.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

n/a

2.2E.020.f: Production costs

Score: A B C D E

References:

n/a

2.2E.020.g: Names of companies operating in country

Score: A B C D E

References:

n/a

2.2E.020.h: Production data by company and/or block

Score: A B C D E

References:

n/a

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue**Score:** A B C D E**References:**

n/a

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams value**Score:** A B C D E**References:**

n/a

2.2E.020.j2: Government s share in PSC**Score:** A B C D E**References:**

n/a

2.2E.020.j3: Royalties**Score:** A B C D E**References:**

n/a

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C D E**References:**

n/a

2.2E.020.j5: Dividends**Score:** A B C D E**References:**

n/a

2.2E.020.j6: Bonuses**Score:** A B C D E**References:**

n/a

2.2E.020.j7: License fees**Score:** A B C D E**References:**

n/a

2.2E.020.j8: Acreage fees**Score:** A B C D E**References:**

n/a

2.2E.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

n/a

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**Score:** A B C D E**References:**

n/a

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?**Score:** A B C D E**References:**

n/a

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C **D** E

Comments:

no information published.

References:

www.minfin.gov.tm

Peer Review Comments:

Some information on Turkmenistan's overall fiscal balance is mentioned sporadically in cabinet meetings with President Berdimukhammedov.

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D **E**

Comments:

There is no fund officially.

References:

www.minfin.gov.tm

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: A **B** C

References:


www.turkmenistan.ru

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Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	5 

2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

References:

www.minfin.gov.tm;
private interview with foreign companies in Turkmenistan

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

Comments:

In practice, the financial transactions to the budget are not transparent and according to the Crude Accountability report on Turkmenistan there is well know corruption.

References:

www.minfin.gov.tm
www.crudeaccountability.org
private interviews

Peer Review Comments:

Crude Accountability reports: "During the Niyazov regime, untold millions of dollars of oil and gas revenues were tracked into the former president's personal bank accounts in the Deutsche Bank." It is unclear if this practice continues under Berdimukammedov.

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score: A B C

References:

www.globalwitness.org/library/its-gas-funny-business-turkmen-ukraine-gas-trade
private interviews

Peer Review Comments:

The only real check on corruption amongst senior hydrocarbon officials is President Berdimukhammedov's knowledge of any corrupt activities and, potentially, his disapproval of such activities.

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?

Score: A B C **(D)** E

Comments:

No legislative and practice requirement

References:

Private interview,
Crude Accountability report

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?

Score: A B C **(D)** E

References:

Interview with EBRD representative in Ashgabat

Peer Review Comments:

There is a Supreme Chamber of Control, and President Berdimukhammedov instructs the Chamber from time to time to conduct audits or investigations into use of resources. The results are not published but sometimes alluded to during Cabinet meetings, and are used as justification for reprimands, or staffing/organizational changes.

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?

Score: A B C **(D)** E

Comments:

Parliament is not independent from the President's unlimited power.

References:

interview with independent experts

2.3.032: Is this country an EITI candidate or compliant country?

Score: A B C **(D)** E

Comments:

There is a formal interest about joining the EITI, but not real intention to work on it.

References:

The researcher went to a meeting with government and companies representatives to discuss the possibility of Turkmenistan joining the EITI.

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Indicator	Score
3.1.1	Context 100 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

Comments:

"Turkmenneft" - SOC in the petroleum sector
 "Turkmengas" - SOC responsible for export of gas

See also IAE Country Analysis for Turkmenistan: <http://www.eia.gov/countries/cab.cfm?fips=TX>

References:

http://www.tacism.org/Ministries/Tm_Ministries.htm

Cabinet of Ministry of Turkmenistan structure

Peer Review Comments:

The above is accurate, but note that it is the State Agency which issues license awards and conducts PSA negotiations.

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

References:

www.oilgas.gov.tm

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A B C

Comments:

There are two SOC, responsible for oil and gas production and selling separately.

References:

http://www.tacism.org/Ministries/Tm_Ministries.htm

Turkmenneft
 Turkmengas

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?**Score:** A B **C****Comments:**

There is no information related to quasi -fiscal activities led by SOCs in Turkmenistan, as none of the legislative and official statements on the SOCs are publicly available.






References:

www.oilgas.gov.tm

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Indicator	Score
3.2.1 Comprehensive reports	0 
3.2.2.038 Does the SOC publish information on revenue generation?	4 
3.2.3.038.j Disaggregated Revenue Streams	0 
3.2.4 Quality of reports	0 
3.2.5.043 Audited reports	0 

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B C **(D)** E

Comments:

There isn't any practice to publish regular reports about SOC's operations in Turkmenistan. Neither "Turkmenneft" - SOC in the petroleum sector - nor "Turkmengas" - SOC responsible for export of gas - publish any reports. The following questions assess both SOCs.

References:

www.oilgas.gov.tm

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C **(D)** E

Comments:

The publications do not include any official information related to reserves, as this info is confidential. From BP annual review, independent newspapers abroad publish information related to reserves.

References:

www.oilgas.gov.tm

Peer Review Comments:

State-published statistics on Turkmenistan's reserves are available for purchase, possibly through the State Agency, for a high price and are expected to be kept confidential. Our sources tell us that these privately purchased Turkmen statistics on reserves are out of date and sometimes falsified or purposely left incomplete.

Reserves information pertaining to the 2008 and 2011 Gaffney, Cline and Associates audit of the Galkynysh (South Yoloten) field was disseminated publicly, with high/middle/low scenarios, and this has influenced media portrayals of Turkmenistan's reserves, as well as BP's estimate of Turkmenistan's total reserves in its 2012 Statistical Review.

3.2.2.038.b: Production volumes

Score: A B C **(D)** E

Comments:

SOC Turkmenistan does not have regular reporting practices. Sometimes official sources provide production info, but not in the reports.

References:

www.oilgas.gov.tm

3.2.2.038.c: Information on prices

Score: A B C **(D)** E

Comments:

No information related to prices.

References:

www.oilgas.gov.tm

3.2.2.038.d: Value of resource exports

Score: A B C **(D)** E

Comments:

No information

References:

www.oilgas.gov.tm

3.2.2.038.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

Comments:

no information

References:

www.oilgas.gov.tm

3.2.2.038.f: Production costs

Score: A B C **(D)** E

Comments:

no information on related costs

References:

www.oilgas.gov.tm

3.2.2.038.g: Names of companies operating in country

Score: A B **C** D E

Comments:

This is rare information in some SOC publications. The names of companies operating in Turkmenistan does not appear on the NOC's website.

References:

www.oilgas.gov.tm

3.2.2.038.h: Production data by company and/or block

Score: A B C **D** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.2.038.i: Quasi fiscal activities

Score: A B C **D** E

Comments:

no information

References:

www.oilgas.gov.tm

3.2.3.038.j Disaggregated Revenue Streams

3.2.3.038.j1: Production streams value

Score: A B C **D** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j2: Government s share in PSC

Score: A B C **(D)** E

Comments:

no publicly available information

References:

www.oilgas.gov.tm

3.2.3.038.j3: Royalties

Score: A B C **(D)** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j4: Special taxes

Score: A B C **(D)** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j5: Dividends

Score: A B C **(D)** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j6: Bonuses

Score: A B C **(D)** E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j7: License fees

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j8: Acreage fees

Score: A B C D E

Comments:

not available

References:

www.oilgas.gov.tm

3.2.3.038.j9: Other (Describe below)

Score: A B C D E

Comments:

No additional information is available

References:

www.oilgas.gov.tm

3.2.4 Quality of reports

3.2.4.039: Are the reports published by the state owned company understandable?

Score: A B C D E

References:

www.oilgas.gov.tm

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?

Score: A B C D E

References:

www.oilgas.gov.tm

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?

Score: A B C

Comments:

It is not known whether the SOC is involved in quasi-fiscal activities - nothing published.

References:

www.oilgas.gov.tm

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

Comments:

There are number of JV in oil&gas sector, but no information related to shares and equity is published.

References:

www.oilgas.gov.tm

3.2.5.043 Audited reports**3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?**

Score: A B C D E

Comments:

no practice on audit

References:

www.oilgas.gov.tm

Peer Review Comments:

Gaffney, Cline & Associates (GCA) has a retainer with Turkmengaz, and may conduct some internal review and auditing of Turkmengaz's financial position. Such audits are not mandated or required, however, and GCA functions primarily as an adviser to Turkmengaz, not an independent financial regulator of Turkmengaz.

The State Chamber of Control conducts audits at the request of the president and recently completed a review of the hydrocarbon sector, which by implication includes some sort of auditing of the SOCs.

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

Comments:

no available


References:

www.oilgas.gov.tm

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Indicator	Score
3.3.1 Legal Framework and Practice	0 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

References:

www.oilgas.gov.tm

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

References:

www.oilgas.gov.tm

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

References:

www.oilgas.gov.tm

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

References:

www.oilgas.gov.tm

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?

Score: A B C

Comments:

The SOC does not have a Board of Directors.

References:

www.oilgas.gov.tm

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?

Score: A B **C**

References:

www.oilgas.gov.tm

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