

# Asian Development Bank & Turkmenistan

## FACT SHEET

Table 1. Turkmenistan: Cumulative ADB Lending by Sector as of 31 December 2012<sup>a</sup>

Sector	Loans (no.)	Amount (\$ million)	% <sup>b</sup>
Transport and ICT	1	125.00	100.00
<b>Total</b>	<b>1</b>	<b>125.00</b>	<b>100.00</b>
<b>Total Disbursements</b>		<b>\$35.1 million</b>	

ICT = information and communication technology.

<sup>a</sup> Includes sovereign and nonsovereign loans.

### Partnerships

The Asian Development Bank (ADB) has been striving to enhance its development interventions in Turkmenistan since the country joined ADB in 2000.

The interim operational strategy—endorsed in 2002—guided ADB's initial operations in the country and envisioned that they be phased in, with the primary emphasis placed on diagnosing areas where an enabling policy environment and absorptive capacity existed for potential lending.

With its resident mission established in 2010 and the first \$125 million loan for the North–South Railway Project approved in 2011, ADB has successfully scaled up its contributions to a government development agenda that is conducive to inclusive and sustainable growth. These recent operations also attest to Turkmenistan's opening up to the international community and mainstreaming regional integration into its strategic development aspirations.

The partnership has been boosted with Turkmenistan joining the Central Asia Regional Economic Cooperation (CAREC) Program for which ADB acts as secretariat.

### Operational Challenges

The Government of Turkmenistan is determined to overhaul the country's policy and institutional frameworks, and make the country favorable to investment, innovation, and entrepreneurship.

Certain substantial successes have been achieved so far, including legislative enactments supporting small and medium-sized enterprises (SMEs), financial accounting and reporting, anti-money laundering, and foreign investment, to name a few. Nonetheless, more transformational efforts will be needed to fully implement newly enacted norms.

Further institutionalizing of results-based frameworks within the public sector would also contribute to the effectiveness of the development interventions, including those supported by multilateral and bilateral organizations.

## Future Directions

ADB's interventions for the foreseeable future are subject to the newly designed interim country partnership strategy (CPS).

The strategy will focus on (i) the development of transport and energy infrastructure enhancing regional connectivity; and (ii) policy and advisory, and capacity building technical assistance in areas ranging from clean energy to finance sector development. The CAREC agenda is one of the driving forces behind ADB's operations in the country.

## Context

The Program for Socio-Economic Development of Turkmenistan, 2012–2016 was adopted in early 2012. As an integral part of the National Strategy for Socio-Economic Development of Turkmenistan, 2011–2030, the program specifies the country's medium-term development targets, and aims to further strengthen the base for the formation of a growing, diversified, highly competitive, and technologically strong economy. Both the energy and transport sectors are high-priority areas in which large-scale public investments are envisaged over the program period.

According to the program, real gross domestic product (GDP) is projected to see robust growth in 2012–2016, with extractive and manufacturing industries expected to account for 55% of GDP by 2016, followed by services (22%), construction (14%), and agriculture (9%).

## ADB-Supported Projects and Programs

The North–South Railway Project is making it possible to capitalize on the country's huge transit potential. The project will eventually become an economic corridor, in line with the objective of improved competitiveness set out under the Strategic Framework for the CAREC Program, 2011–2020 (CAREC 2020). A 25-year ADB loan is financing the procurement of state-of-the-art railway equipment, and project management consultancy services.

The Afghanistan–Turkmenistan Regional Power Interconnection Project aims to quadruple electricity exports from Turkmenistan to Afghanistan by 2028. It is yet another step toward increasing regional energy trade, connecting energy-abundant Turkmenistan, Uzbekistan, and Tajikistan to Afghanistan and Pakistan. ADB is considering financing the construction of a new power plant in Turkmenistan to augment its export-oriented power generation capacity, while also financing transmission lines and substations in Afghanistan to enhance its absorption capacity.

Meanwhile, ADB also continues to support Turkmenistan's regional integration through policy, advisory, and capacity development regional technical assistance projects. Among these are the Turkmenistan–Afghanistan–Pakistan–India (TAPI) Natural Gas Pipeline Project, enhancing coordination of the CAREC program, promoting gender-inclusive growth in Central and West Asia developing member countries, and financial sector development in Central and West Asia.

Table 2. Turkmenistan: Development Indicators

Non-MDG	
Population in millions	5.32 [2012]
Annual population growth rate (%)	1.3 [2010–2012]
Adult literacy rate (%)	99.6 [2010]
Population in urban areas (%)	48.7 [2011]
MDG	
Population living on less than \$1.25 (PPP) a day (%)	24.8 [1998]
Population living below the national poverty line (%)	29.9 [1998]
Under-5 mortality rate per 1,000 live births	53 [2011]
Population using an improved drinking water source (%)	84 [2006]

MDG = Millennium Development Goal, PPP = purchasing power parity.

Sources: ADB. 2013. *Basic Statistics 2013*. Manila; United Nations Educational, Scientific and Cultural Organization (UNESCO). 2013. Institute for Statistics Data Centre; World Bank. 2013. World Development Indicators Online.

Table 3. Turkmenistan: Economic Indicators, 2008–2012

Economic Indicator	2008	2009	2010	2011	2012
Per capita GNI, Atlas method (\$)	3,030	3,570	4,070	4,800	...
GDP growth (% change per year)	14.7	6.1	9.2	14.7	11.1
CPI (% change per year)	14.5	(2.7)	4.4	5.3	5.3
Unemployment rate (%)	...	...	...	...	...
Fiscal balance (% of GDP)	10.0	7.0	2.0	3.6	6.0
Export growth (% change per year)	29.3	(24.1)	8.0	46.9	19.3
Import growth (% change per year)	41.9	50.5	(8.0)	28.8	24.4
Current account balance (% of GDP)	16.5	(14.7)	(10.6)	2.0	1.5
External debt (% of GNI)	4.1	2.7	11.4	8.4	...

( ) = negative, ... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2013. *Asian Development Outlook 2013*. Manila; ADB staff estimates; World Bank. 2013. World Development Indicators Online.

Table 4. Turkmenistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2011–2012

	Number of Ongoing Loans (as of 31 Dec 2012)	
	2011 (\$ million)	2012 (\$ million)
Contract Awards/Commitments <sup>a,b</sup>	2.6	114.2
Disbursements <sup>a</sup>	–	35.1
Number of Ongoing Grants (as of 31 Dec 2012) <sup>c</sup>		
	2011 (\$ million)	2012 (\$ million)
Contract Awards/Commitments <sup>a,b</sup>	–	–
Disbursements <sup>a</sup>	–	–
Projects at Risk (%)	–	–

– = nil.

Note: Totals may not add up because of rounding.

<sup>a</sup> Includes closed loans that had contract awards or disbursements during the year.

<sup>b</sup> Excludes policy-based lending/grants.

<sup>c</sup> Includes only Asian Development Fund and other ADB Special Funds.

## Cofinancing

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in the financing of ADB projects. The additional funds are provided in the form of official loans and grants, and commercial financing, such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program.

## Procurement

From 1 January 1966 to 31 December 2012, contractors and suppliers were involved in 185,090 contracts for ADB loan projects worth \$116.58 billion. During the same period, contractors and suppliers from Turkmenistan were involved in 14 contracts for ADB loan projects worth \$1.94 million.

From 1 January 1966 to 31 December 2012, consultants were involved in 11,990 contracts for ADB loan projects worth \$5.11 billion. During the same period, consultants from Turkmenistan were involved in one contract for ADB loan projects worth \$0.05 million.

From 1 January 1966 to 31 December 2012, consultants were involved in 26,546 contracts for ADB technical assistance projects worth \$3.1 billion. During the same period, consultants from Turkmenistan were involved in 12 contracts for ADB technical assistance projects worth \$0.14 million.

Table 5. Turkmenistan: Share of Procurement Contracts

Item	2011		2012		Cumulative (as of 31 Dec 2012)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.01	0.00	–	0.00	1.94	0.00
Consulting Services	0.02	0.00	0.02	0.00	0.19	0.00

– = nil, 0.00 = less than 0.01%.

Table 6. Turkmenistan: Top Consultants (Individual Consultants and Consulting Firm) Involved in ADB Technical Assistance Projects, 1 January 2008–31 December 2012

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Individual consultants	4	0.05

Table 7. ADB Assistance to Developing Member Countries, 2011–2012<sup>a</sup>

	2011 (\$ million)	2012 (\$ million)	Change (%)
Lending	12,605.46	11,717.58	(7.04)
ADF, Sovereign	1,954.85	2,315.85	18.47
OCR, Sovereign	9,050.61	8,294.89	(8.35)
OCR, Nonsovereign	1,600.00	1,106.84	(30.82)
Public Sector <sup>b</sup>	600.00	44.00	(92.67)
Private Sector <sup>c</sup>	1,000.00	1,062.84	6.28
Equity Investments	239.00	131.00	(45.19)
Guarantees	416.61	403.00	(3.27)
Grants <sup>d</sup>	844.14	969.77	14.88
Technical Assistance Grants	357.39	297.78	(16.68)

( ) = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Excludes terminated loans, grants, equity investments, and technical assistance grants.

<sup>b</sup> Includes nonsovereign public sector loan processed by regional departments and ADB's Private Sector Operations Department.

<sup>c</sup> Includes \$35 million investment in debt securities.

<sup>d</sup> Excludes grant cofinancing not administered by ADB.

## About Turkmenistan and ADB

### ADB Membership

Joined 2000

### Shareholding and Voting Power

Number of shares held:	26,874 (0.25% of total shares)
Votes:	66,478 (0.50% of total membership, 0.77% of total regional membership)
Overall capital subscription:	\$413.03 million
Paid-in capital subscription:	\$20.70 million

**Ashok K. Lahiri** is the Director and **Iqbal Mahmood** is the Alternate Director representing Turkmenistan on the ADB Board of Directors.

**Plamen Bozakov** is the ADB Resident Representative for Turkmenistan. The Turkmenistan Resident Mission (TKRM) was opened in 2010 to provide an operational link between ADB and the government, the private sector, and development partners. TKRM engages in policy dialogue and acts as a knowledge base on development issues in Turkmenistan.

The Turkmenistan government agency handling ADB affairs is the Central Bank of Turkmenistan.

### About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2012, lending volume was \$11.72 billion (110 projects), with TA at \$150.96 million (237 projects) and grant-financed projects at \$696.94 million (27 projects). In addition, \$8.3 billion was generated in direct value-added cofinancing in the form of official loans and grants and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2008 to 31 December 2012, ADB's annual lending volume averaged \$11.78 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$778.77 million and \$172.56 million in TA over the same period. As of 31 December 2012, the cumulative totals excluding cofinancing were \$191.47 billion in loans for 2,531 projects in 44 countries, \$5.67 billion in 287 grants, and \$3.44 billion in TA grants, including regional TA grants.

## Contacts

**Turkmenistan Resident Mission**  
Yimpash Business Center Building  
Turkmenbashi, 54 Office 401-A  
Ashgabat, Turkmenistan, 744013  
Tel/Fax +993 12 454984 or 86  
[www.adb.org/turkmenistan](http://www.adb.org/turkmenistan)

**ADB Headquarters**  
6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 632 4444  
Fax +63 2 636 2444

**Central Bank of Turkmenistan**  
36, Bitarap Turkmenistan Street  
744000 Ashgabat, Turkmenistan  
Tel +993 12 381027  
Fax +993 12 510812

**Useful ADB websites**  
Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)