



Asian Development Bank & Turkmenistan

FACT SHEET

Table 1. Turkmenistan: 2011 Loan, Technical Assistance, and Grant Approvals (\$ million)

Loans				
Sovereign	Nonsovereign	Technical		Total
		Assistance	Grants	
125.00	–	–	–	125.00

– = nil.

Table 2. Turkmenistan: Cumulative ADB Lending by Sector as of 31 December 2011^a

Sector	Loans	Amount	% ^b
	(no.)	(\$ million)	
Transport and ICT	1	125.00	100.00
Total	1	125.00	100.00
Total Disbursements			–

ICT = information and communication technology.

^a Includes sovereign and nonsovereign loans.

^b Total may not add up because of rounding.

Partnerships

The Asian Development Bank (ADB) has partnered with the Government of Turkmenistan since 2000 and is currently designing a new country partnership strategy to reflect enhanced cooperation and collaboration.

Operational Challenges

The interim operational strategy, endorsed by ADB's Board of Directors in June 2002, aims to deal with challenges in human and social development, sustainable economic growth, and regional economic cooperation.

Strategy has focused on securing improved basic services for the population, maintaining and upgrading the human resource base, building capacity to improve public sector management, improving production efficiency and related policies in agriculture, and ensuring better environment management.

The interim operational strategy has envisioned building up ADB operations in a phased manner, initially focusing on nonlending activities and economic and sector analyses in areas where a suitable policy environment and absorptive capacity existed for potential lending.

Future Directions

A new interim country partnership strategy, expected to be endorsed in the first half of 2012, will set the frameworks and parameters for ADB lending to Turkmenistan. It will accentuate 2012–2013 operational priorities in areas where ADB is comparatively strong—especially infrastructure development toward regional integration. Capacity building programs and development of key sector strategies will be incorporated into the country partnership strategy and the country operations business plan.

Since Turkmenistan joined the Central Asia Regional Economic Cooperation Program in 2010, the priorities have been to help the country integrate with regional economies, markets, and regional supply chains; and to exploit economies of scale from expanded markets.

Context

According to official data, gross domestic product growth reached 14.7% in 2011 up from 9.2% in 2010. A rebound in hydrocarbon exports was a major factor spurring growth and this, in turn, contributed to an estimated 48% increase in budgetary revenues.

The country's external debt, while currently at the benign level of up to 20% of the gross domestic product, has been on an upward trend since 2009, reflecting borrowings mostly from bilateral sources, directed mainly toward the hydrocarbon sector. To effectively manage hydrocarbon revenues and curb inflation, the government continues to save a certain part of its fiscal resources via two vehicles—the Stabilization Fund and the Foreign Exchange Reserve Fund. The government has also been taking measures to enhance competition in the product market by encouraging more private sector participation.

Reform efforts at enterprise and banking sector restructuring remain high on the agenda, as do regulation of the financial sector and institutional and legal transformations in areas of macroeconomic management, access to credit, and corporate governance.

ADB-Supported Projects and Programs

ADB operations in Turkmenistan have been small in scale, but are steadily growing.

In March 2011, ADB's Board of Directors approved Turkmenistan's first loan, for the North–South Railway Project. ADB has contributed through project preparation technical assistance and an ordinary capital resources loan of \$125 million.

To assist the government with due diligence on the Afghanistan–Turkmenistan Regional Power Interconnection Project (which costs an estimated \$350 million for Turkmenistan), ADB approved a \$1.3 million project preparation technical assistance in September 2011.

Table 3. Turkmenistan: Development Indicators

Non-MDG	
Population in millions	5.25 [2011]
Annual population growth rate (%)	1.4 [2009–2011]
Adult literacy rate (%)	99.6 [2009]
Percent of population in urban areas	49.5 [2010]
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	56 [2010]
Population using an improved drinking water source (%)	84 [2005]

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

Sources: ADB. 2012. *Basic Statistics 2012*. Manila; United Nations Educational, Scientific and Cultural Organization (UNESCO). 2012. Institute for Statistics Data Centre; World Bank. 2012. World Development Indicators Online.

Table 4. Turkmenistan: Economic Indicators, 2007–2011

Economic Indicator	2007	2008	2009	2010	2011
Per capita GNI, Atlas method (\$)	2,270	3,030	3,460	3,790	...
GDP growth (% change per year)	11.1	14.7	6.1	9.2	9.9
CPI (% change per year)	6.3	14.5	(2.7)	4.4	6.1
Unemployment rate (%)
Fiscal balance (% of GDP)	3.9	10.0	7.6	2.3	0.5
Export growth (% change per year)	26.7	29.5	(22.8)	8.4	44.7
Import growth (% change per year)	36.1	59.2	44.9	(3.5)	23.9
Current account balance (% of GDP)	15.5	16.5	(16.0)	(11.7)	(2.9)
External debt (% of GNI)	5.7	3.6	2.6	11.5	...

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

Sources: ADB. 2012. *Asian Development Outlook 2012*. Manila; ADB staff estimates; World Bank. 2012. World Development Indicators Online.

Table 5. Turkmenistan: Portfolio Performance Quality Indicators for Sovereign Lending, 2010–2011

	Number of Ongoing Loans (as of 31 Dec 2011)	
	2010 (\$ million)	2011 (\$ million)
Contract Awards/Commitments ^{a,b}	–	2.6
Disbursements ^a	–	–
Number of Ongoing Grants (as of 31 Dec 2011) ^c		
	2010 (\$ million)	2011 (\$ million)
Contract Awards/Commitments ^{a,b}	–	–
Disbursements ^a	–	–
Projects at Risk (%)		0.0

– = nil.

Note: Totals may not add up because of rounding.

^a Includes closed loans that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only ADF and other ADB Special Funds.

Cofinancing

Cofinancing operations enable ADB's financing partners, government 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 cofinancing, such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under the ADB's Trade Finance Program.

Procurement

From 1 January 1968 to 31 December 2011, contractors and suppliers were involved in 197,338 contracts for ADB loan projects worth \$109.78 billion. During the same period, contractors and suppliers from Turkmenistan were involved in 24 contracts for ADB loan projects worth \$1.94 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 12,179 contracts for ADB loan projects worth \$4.81 billion. During the same period, consultants from Turkmenistan were involved in one contract for ADB loan projects worth \$0.05 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 24,484 contracts for ADB technical assistance projects worth \$3.42 billion. During the same period, consultants from Turkmenistan were involved in ten contracts for ADB technical assistance projects worth \$0.23 million.

Table 6. Turkmenistan: Share of Procurement Contracts

Item	2010		2011		Cumulative (as of 31 Dec 2011)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	–	–	0.01	0.00	1.94	0.00
Consulting Services	–	–	0.02	0.00	0.27	0.00

– = nil, 0.00 = less than 0.01%.

Table 7. Turkmenistan: Top Consulting Firms Involved in ADB Loan Projects, 1 January 2007–31 December 2011

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Yolsu Engineering Services Ltd., Co.	1	1.04
Temelsu Int'l Engineering Services Inc.	1	0.92

Table 8. Turkmenistan: Top Consultants (Individual Consultants and Consulting Firm) Involved in ADB Technical Assistance Projects, 1 January 2007–31 December 2011

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Turkmenyertaslama	1	0.08
Individual consultants	3	0.06

Table 9. ADB Assistance to Developing Member Countries, 2010–2011^a

	2010 (\$ million)	2011 (\$ million)	Change (%)
Lending	11,444.53	12,605.46	10.14
ADF, Sovereign	2,212.57	1,954.85	(11.65)
OCR, Sovereign	8,196.96	9,050.61	10.41
OCR, Nonsovereign	1,035.00	1,600.00	54.59
Public Sector	–	600.00	
Private Sector	1,035.00	1,000.00	(3.38)
Equity Investments	235.00	239.00	1.70
Grants ^b	1,052.86	844.14	(19.82)
Technical Assistance Grants	325.00	359.39	10.58

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

^a Excludes terminated loans, equity investments, technical assistance, and grants.

^b 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:	66,364 (0.50% of total membership, 0.77% of total regional membership)
Overall capital subscription:	\$412.59 million
Paid-in capital subscription:	\$20.68 million

Ashok K. Lahiri is the Executive Director and **Bounleua Sinxayvolavong** is the Alternate Executive 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 2011, lending volume was \$12.61 billion (104 projects), with TA at \$148 million (212 projects) and grant-financed projects at \$614 million (23 projects). In addition, \$7.7 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 2007 to 31 December 2011, ADB's annual lending volume averaged \$11.34 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$755.3 million and \$175.0 million in TA over the same period. As of 31 December 2011, the cumulative totals excluding cofinancing were \$179.7 billion in loans for 2,423 projects in 42 countries, \$5.0 billion in 186 grants, and \$3.3 billion in TA grants, including regional TA grants.

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Useful ADB websites
Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports