



Asian Development Bank & Turkmenistan

FACT SHEET

Table 1. Turkmenistan: Development Indicators

Non-MDG	
Population in millions	6.94 (2008)
Annual population growth rate (%)	1.9 (2006–2008)
Adult literacy rate (%)	99.5 (2007)
Percent of population in urban areas	48.2 (2007)
MDG	
Percent of population living on less than \$1.25 a day	24.8 (1998)
Percent of population living below the national poverty line	29.9 (1998)
Under-5 mortality rate per 1,000 live births	50 (2007)
Percent of population using an improved drinking water source	...

... = data not available, MDG = Millennium Development Goal.

Sources: ADB, 2009. *Basic Statistics 2009*. Manila.
UNESCO, 2009. Institute for Statistics Data Centre.
World Bank, 2009. World Development Indicators Online.

Official data indicates growth in Turkmenistan has been relatively robust in recent years, supported by higher gas prices renegotiated with the Russian Federation, and an expansion in gas exports. However, while the oil and gas industry has supported the economy, the cotton crop has experienced shortfalls for a number of years.

In the medium term, the country will remain dependent on exports of energy products, which heavily influence state revenues. In order to diversify its export base and achieve more broad-based and sustainable economic growth, the Government has taken measures to reform the foreign exchange system, education, health, information and technology, and social protection sectors to make them more efficient and effective. The Government is also trying to further open up the economy to external investors. Reforms are needed in the areas of private sector participation, and transparent management of the oil and gas fund.

Relationship with ADB

Turkmenistan became a member of the Asian Development Bank (ADB) in August 2000 but, as of the end of 2008, it has yet to receive country program funding as consultations are still ongoing on the development priorities of the Government, and ADB's potential role and assistance in programs and projects. It is classified as a Group C country, making it eligible for funding from ordinary capital resources (OCR).

Government officials have attended a number of ADB seminars and workshops, including the Senior Official's Meeting on the Central Asia Regional Economic Cooperation (CAREC) Program. CAREC is an increasingly important grouping, and ADB welcomes Turkmenistan's active participation in regional cooperation activities. A seminar was also organized in Ashgabat for senior officials from key government ministries, and ADB staff attended to share ADB's country strategy and assistance modalities.

Impact of Assistance

ADB has funded a number of technical assistance projects in the country, including a feasibility study of a road project and a statistical survey on household living standards. Turkmenistan is included in two ongoing regional technical assistance projects covering environmental protection and land management. ADB is coordinating the Turkmenistan–Afghanistan–Pakistan–India Gas Pipeline Project, which will help transmit Turkmenistan's natural gas to neighboring countries.

A small-scale technical assistance (SSTA) project for seminars on ADB operational policies and procedures was approved in August 2001 and was completed in February 2007. A follow-up SSTA (Phase 2) was approved in January 2007 and is under implementation.

Future Directions

The formulation of a Country Partnership Strategy for Turkmenistan is planned. The last ADB Interim Operational Strategy for Turkmenistan was prepared in 2002.

Operational Challenges

The Interim Operational Strategy (IOS), endorsed by ADB's Board of Directors in June 2002, has three strategic objectives:

- enhance human and social development;
- promote sustainable economic growth; and
- promote regional economic cooperation.

To achieve these objectives, the IOS focuses on the following areas:

- securing the provision of improved basic services for the population;
- maintaining and upgrading the human resource base;
- capacity building to improve public sector management;
- improving production efficiency and related policies in agriculture; and
- ensuring better environment management.

The IOS envisions 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 exists for potential lending. The commencement of lending operations will be based on the fulfillment of specific conditions, including government commitment to any reforms required to realize the full benefits of the investment.

Cofinancing and Procurement

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 grants, official loans, or credit enhancement products.

Table 2. Turkmenistan: Economic Indicators, 2004–2008

Economic Indicator	2004	2005	2006	2007	2008
Per capita GNI, Atlas method (\$)
GDP growth (% change per year)	14.7	13.0	11.4	11.6	10.5
CPI (% change per year)	5.9	10.7	8.2	6.3	8.9
Unemployment rate (%)	4.2
Fiscal balance (% of GDP)	0.4	0.8	5.5	3.9	4.3
Export growth (% change per year)	11.2	28.3	44.7	27.4	30.6
Import growth (% change per year)	22.1	-6.4	-13.2	47.8	50.8
Current account balance (% of GDP)	0.6	5.1	16.3	16.1	33.4
External debt (% of GNI)	22.6	14.0	9.0	5.9	...

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

Sources: ADB. 2009. *Asian Development Outlook 2009*. Manila. ADB staff estimates.

As of year-end 2008, there has been no direct value-added cofinancing in Turkmenistan.

As of 31 December 2008, 10,330 consultant contracts were awarded under ADB loan projects worth \$4.17 billion, of which one contract was awarded to consultants from Turkmenistan worth \$0.05 million.

From 1 January 1985 to 31 December 2008, 18,104 consultant contracts were awarded under ADB technical assistance projects worth \$2.33 billion, of which eight contracts were awarded to consultants from Turkmenistan worth \$0.09 million.

Table 3. Cumulative Nonsovereign Operations Portfolio Distribution by Top Countries, 1983–2008^{a,b}

Country	No. of Projects	Total ADB Approvals (\$ million)
India	37	2,268
People's Republic of China	21	1,694
Indonesia	15	879
Philippines	28	768
Pakistan	27	721
Kazakhstan	5	550
Thailand	10	319
Viet Nam	8	305
Sri Lanka	13	280
Bangladesh	8	242
Afghanistan	6	208
Lao People's Democratic Republic	1	100
Other DMCs	13	87
Azerbaijan	4	66
Nepal	4	59
Regional	36	930

DMC = developing member country.

^a Includes nonsovereign projects processed by the Private Sector Operations Department and various regional operations departments of ADB. Regional operations departments started nonsovereign operations in 2007.

^b Net of facilities cancelled in full before signing.

Source: Private Sector Operations Department.

Table 4. Turkmenistan: Top individual consultants involved in ADB technical assistance projects, 1 January 2004–31 December 2008

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Individual Consultants from Turkmenistan [*]	9	0.15

* Consultant may have one or more contracts within the period covered.

Table 5. ADB Assistance to DMCs, 2007–2008^a

	2007 (\$ million)	2008 (\$ million)	Change (%)
Lending	9,965.59	10,494.27	5.3
ADF Sovereign	1,892.84	1,789.56	(5.5)
OCR Sovereign	7,347.48	6,924.48	(5.8)
OCR Nonsovereign	725.27	1,780.23	145.5
Public Sector	10.00	300.00	2,900.0
Private Sector	715.27	1,480.23	106.9
Equity Investments	79.75	123.08	54.3
Grants	672.71	811.37	20.6
Technical Assistance	252.84	274.50	8.6

ADF = Asian Development Fund, OCR = ordinary capital resources.

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

About Turkmenistan and ADB

Turkmenistan is the 26th largest shareholder in ADB among its regional members. Overall, Turkmenistan is the 34th largest shareholder.

ADB Membership

Joined	2000
Shares held	8,958 (0.25%)
Votes	22,190 (0.50%)

Ashok K. Lahiri is the Executive Director and **Md. Aminul Islam Bhuiyan** is the Alternate Executive Director representing Turkmenistan on the ADB Board of Directors.

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 2008, lending volume was \$10.49 billion (86 projects), with TA at \$274.5 million (299 projects) and grant-financed projects at \$811.4 million (49 projects). This also generated \$1.65 billion in direct value-added cofinancing from financing partnerships operations. Over the last 5 years (2004–2008), ADB's annual lending volume averaged \$7.70 billion, with TA averaging \$231.5 million and grant-financed projects \$655.1 million. As of 31 December 2008, the cumulative totals were \$143.53 billion in loans for 2,147 projects in 41 countries, \$4.08 billion for 263 grant projects, and \$3.55 billion for 6,599 TA projects.

Contacts

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444
information@adb.org

Central Bank of Turkmenistan

36, Bitarap Turkmenistan Street
Ashgabat, 744000, Turkmenistan
Tel +993 12 381027
Fax +993 12 510812; 357251

Useful ADB websites

Asian Development Bank
www.adb.org

Country website

www.adb.org/turkmenistan

Asian Development Outlook

www.adb.org/Documents/Books/ADO/2009/TKM.pdf

Annual Report

www.adb.org/Documents/reports/annual_report/2008/

Depository Libraries

www.adb.org/Publications/Depositories/tur.asp