

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Turkmenistan: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	0.45	-	0.45

- = nil.

Note: Grants and technical assistance include ADB-administered cofinancing.

ADB operations in Turkmenistan focus on enhancements to the country's transport and energy sectors, with infrastructure projects fostering regional cooperation.

Turkmenistan: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	1	0.23	0.18
Energy	1	0.23	0.18
Finance	1	0.50	0.39
Public Sector Management	3	0.57	0.44
Transport	3	125.50	98.81
Total	9	127.02	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of approvals.

^d Numbers may not sum precisely because of rounding.

TURKMENISTAN

The Asian Development Bank (ADB) began working with Turkmenistan in 2000, and has since been helping to diversify the country's export markets and increase its regional connectivity.

Given Turkmenistan's vast energy resources and strategic location, ADB operations focus on enhancements to the country's transport and energy sectors, with infrastructure projects fostering regional cooperation. ADB has also provided expert advice through a technical assistance grant to facilitate the long-term export of power to Afghanistan.

The country operations business plan (COBP), 2018 for Turkmenistan outlines lending of \$800 million for 2017–2018 to help develop the country's transport and transit potential, promote the exporting of energy, and advance private sector operations.

ADB has approved \$125 million in lending to Turkmenistan. Since 2010, Turkmenistan has also benefited from regional technical assistance projects under the Central Asia Regional

Economic Cooperation (CAREC) Program.

Cumulative disbursements to Turkmenistan for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$116.2 million.

ADB-SUPPORTED PROJECTS AND PROGRAMS

The partnership between ADB and Turkmenistan is largely based around various regional initiatives under the CAREC Program.

Through a loan of \$125 million, ADB supported the North–South Railway Project—288 kilometers of railway between Chilmammet and Buzhun. The project was not only instrumental in



establishing a transport link along which to move regional freight, but also led to the economic development of local areas adjacent to the route.

ADB provided a technical assistance grant of \$1.3 million for the [Regional Power Interconnection Project](#). This assistance facilitated dialogue between the country's energy authorities and their counterparts in Afghanistan, resulting in a power purchase and sales agreement that represents a fivefold increase in electricity exports from Turkmenistan to Afghanistan.

ADB has worked closely with the Government of Turkmenistan on the [Turkmenistan–Afghanistan–Pakistan–India \(TAPI\) Natural Gas Pipeline Project](#), also acting as a transaction advisor for the project. Following the incorporation of TAPI Pipeline Company, the state-owned Turkmengaz corporation was selected to lead the pipeline consortium. The consortium will finance, build, own, and operate the 1,800-kilometer natural gas pipeline, which is intended to become a bridge to stability and prosperity in the region.

Recognizing its role in the economic transformation of Turkmenistan, ADB remains focused on assisting the country's finance sector. The government's priority is to achieve greater breadth and depth in financial intermediation, especially in regard to private sector activities. Through regional technical assistance projects, ADB supported a series of workshops

to help Turkmenistan develop national capacities for innovative financial and bank products, risk management, and microfinance.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. Additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and [commercial cofinancing](#) such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#).

PARTNERSHIPS

ADB works to best coordinate development finance in Turkmenistan by maintaining strong partnerships, seeking to liaise with key players wherever and whenever possible. When identifying and preparing projects and programs in the country, ADB also strives to create opportunities for external institutions to become involved as cofinanciers.

Beside government entities, such partners include civil society organizations, private sector stakeholders, and other multilateral and bilateral development institutions.

The bulk of these partnerships take place under the CAREC Program, which is a joint endeavor of six partners: ADB, the European Bank for Reconstruction and Development, the International Monetary Fund, the Islamic Development Bank, the United Nations Development Programme, and the World Bank.

Workshops on trade logistics and sanitary modernization were held in Turkmenistan as a direct result of the country's participation in the CAREC Program.

ADB, in its capacity as the secretariat for the TAPI project, assisted the government to host TAPI ministerial meetings, providing a forum for important decisions to be made about the project. As the transaction advisor, ADB facilitated the signing of the key shareholder and investment agreements between Turkmenistan, Afghanistan, Pakistan, and India.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Turkmenistan: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

	2015 (\$ million)		2016 (\$ million)	
	Amount	% of Total	Amount	% of Total
No. of Ongoing Loans (as of 31 Dec 2016)			1	
Contract Awards/Commitments ^{a,b}	–	–	–	–
Disbursements ^a	6.32		21.31	
No. of Ongoing Grants (as of 31 Dec 2016)			–	
Contract Awards/Commitments ^{a,b}	–	–	–	–
Disbursements ^{a,c}	–	–	–	–
Actual Problem Projects (%) (as of 31 Dec 2016)			–	

– = nil.

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

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

Turkmenistan: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	–	–	–	–	0.09	0.00
Consulting Services	0.02	0.00	0.03	0.01	2.59	0.02
Total Procurement	0.02	0.00	0.03	0.00	2.68	0.00

– = nil, 0.00 = less than \$50,000.

Top 5 Consultants from Turkmenistan Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2012–31 December 2016

Consultant	Contract Amount (\$ million)
Individual Consultants	0.12
Total	0.12

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.09 billion in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In Turkmenistan, one contract worth \$0.09 million were awarded to contractors and suppliers since 2000.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In Turkmenistan, 22 contracts worth \$2.59 million were awarded to consultants since 2000.

OPERATIONAL CHALLENGES

To diversify the country's economic base and expand exports, the Government of Turkmenistan has been launching large-scale projects in the energy, transport, communication, and manufacturing sectors. These measures require careful project selection and accurate monitoring of public investment projects. Priority needs to be given to economically productive projects, while continuing to allocate adequate resources to social infrastructure. This is especially important given the prominent share of public funds in the country's overall investment flows. Stronger institutional arrangements to govern and inform public budgeting need to be further supported by improved public sector

statistics. A more definitive fiscal framework, with increased budget transparency and accountability, would help to link spending decisions to the country's absorptive capacity, leading to more effective use of resources.

FUTURE DIRECTIONS

The COBP, 2018 for Turkmenistan places emphasis on the major infrastructure sectors of transport and energy, and on the finance sector. ADB will also support projects to promote private sector development, knowledge sharing, and capacity building. The COBP embraces the key drivers of change and desired outcomes as defined by ADB in its [Midterm Review of Strategy 2020](#).

The lending program for Turkmenistan in 2017–2018 totals \$800 million and targets projects in rail corridor development and power generation and transmission. The program includes a financial intermediation loan to encourage private sector participation in the economy.

The nonlending program in Turkmenistan is expected to be driven by lending targets and involve technical assistance grants to assess the bankability of projects. ADB also plans to fund the preparation of a new country partnership strategy for Turkmenistan, which will usher in the next cycle of ADB–Turkmenistan collaboration.





ABOUT TURKMENISTAN AND ADB

ADB Membership

Joined 2000

Shareholding and Voting Power

Number of shares held:	26,874 (0.253% of total shares)
Votes:	66,481 (0.501% of total membership, 0.769% of total regional membership)
Overall capital subscription:	\$361.28 million
Paid-in capital subscription:	\$18.11 million

Kshatrapati Shivaji is the Director and **Mahbub Ahmed** is the Alternate Director representing Turkmenistan on the ADB Board of Directors.

Cevdet Deniz is the ADB Country Director for Turkmenistan. The Turkmenistan Resident Mission was opened in 2010 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting 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. In 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

Turkmenistan Resident Mission

54, Saparmurat Turkmenbashi Avenue
Yimpash Business Center Building
Office 401-A
Ashgabat 744013, Turkmenistan
Tel +993 12 454984
Fax +993 12 454986
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 Avenue
Ashgabat 744000, Turkmenistan
Tel +993 12 381027
Fax +993 12 920812

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

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics