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Endorsed by the Government of Turkmenistan in January 2020, ADB’s country operations business plan, 2020–2022 outlines a firm lending program worth $150 million, alongside $690 million in standby projects. These investments are intended to contribute to increased power and gas exports, better roads and transport infrastructure, and improved access to finance for export-oriented small and medium-sized enterprises.

Since 2010, Turkmenistan has also benefited from regional technical assistance projects under the Central Asia Regional Economic Cooperation (CAREC) Program.

ADB’s country partnership strategy for Turkmenistan aims to help the country reposition itself as a regional trade and transit hub and diversify its overseas markets.

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Since 2000, ADB has committed two loans ($625 million) and six technical assistance projects ($3.325 million grant) for Turkmenistan. Cumulative loan disbursements to Turkmenistan amount to $116.9 million. These were financed by regular ordinary capital resources.

**ADB-SUPPORTED PROJECTS AND PROGRAMS**

The partnership between ADB and Turkmenistan has largely revolved 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 (Ak Yol) and...
ADB worked closely with the government on the Turkmenistan–Afghanistan–Pakistan–India (TAPI) Natural Gas Pipeline Project. ADB’s role as the secretariat (from 2002) and the transaction advisor (from 2013 to 2016) contributed to project preparation and due diligence. Following the incorporation of TAPI Pipeline Company Limited, the project steering committee in 2015 selected the state-owned concern Turkmengaz to lead the pipeline consortium. This consortium will finance, build, own, and operate the 1,800-kilometer pipeline that is intended to become a bridge to stability and prosperity in Central and South Asia.

ADB also continues to finance various knowledge services and products for Turkmenistan, covering areas ranging from risk management in banking and microfinance to sanitary and phytosanitary measures for food safety.

**NONSOVEREIGN OPERATIONS**

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB’s own funds (in equity and direct loans) in 2019 amounted to $3.00 billion for 38 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2019, ADB mobilized $3.28 billion of long-term cofinancing and $3.69 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB’s own resources stood at $13.78 billion as of 31 December 2019.

**PARTNERSHIPS**

ADB and Turkmenistan have enjoyed 20 years of partnership. ADB remains firmly committed to helping the country achieve its development objectives and will continue to foster knowledge partnerships with the government, other development partners, and the private sector. The bank will also continue to support Turkmenistan in achieving the Sustainable Development Goals under the United Nations 2030 Agenda for Sustainable Development.

The bulk of partnerships take place under the CAREC Program, which is a joint endeavor of 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. Since Turkmenistan became a member of CAREC in 2010, ADB has promoted regional partnerships in transport, energy, trade, and economic corridor development. With the adoption of the CAREC 2030 Strategic Framework, cooperation will expand into new areas such as tourism, agriculture, water resources, human development, education, and health.

ADB’s support for Turkmenistan as the natural gas exporter in the regional TAPI project is a remarkable example of fostering regional prosperity and stability and improving energy security of the four participating countries.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s development partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Turkmenistan in 2018. Sovereign cofinancing commitments for Turkmenistan have amounted to $1.50 million for one technical assistance project.

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.

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 $12.38 billion in 2018 and $14.27 billion in 2019. Cumulative procurement since 1966 has been $194.28 billion covering 219,119 contracts.

In Turkmenistan, one contract worth $0.09 million has been 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 $706.15 million in 2018 and $745.02 million in 2019. Cumulative procurement since 1966 has been $13.4 billion covering 63,327 contracts.

In Turkmenistan, 29 contracts worth $2.47 million have been awarded to consultants since 2000.

OPERATIONAL CHALLENGES

Turkmenistan’s National Program of Socio-Economic Development for 2011–2030 accentuates the need to diversify the country’s economy through well-designed investments and effective policy reforms. ADB stands ready to help the government secure the necessary funding to support investment projects with long-term socioeconomic benefits.

In addition to financing, ADB’s knowledge and experience in supporting macroeconomic reforms in other countries will help Turkmenistan in its efforts to implement reform initiatives.

To maximize the benefits of external financing, ADB can help the government improve public financial management. Such assistance may include work to clearly articulate investment criteria and priorities for improving people’s welfare; guidance to implement feasibility studies assessing the technical, financial, and economic viability of government spending; and advice to refine the government’s own procurement rules and guidelines. ADB can also help the government improve the country’s investment climate, which is necessary to attract more foreign direct investment and mobilize Turkmenistan’s own private sector investments.

FUTURE DIRECTIONS

ADB’s country partnership strategy, 2017–2021 for Turkmenistan aims to help the country reposition itself as a regional trade and transit hub and diversify its overseas markets.

To achieve these bold development objectives, the country operations business plan, 2020–2022 keeps its focus on the major infrastructure sectors of transport and energy, while also funding support for small and medium-sized enterprises and the systemic diagnosis of improvements to the health sector. The plan embraces key priorities and outcomes stemming from ADB’s Strategy 2030, such as addressing poverty and reducing inequalities; tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; strengthening governance and institutional capacity; and fostering regional cooperation and integration.
ABOUT TURKMENISTAN AND ADB

ADB Membership
Joined 2000

Shareholding and Voting Power
Number of shares held: 26,874 (0.253% of total shares)
Votes: 65,988 (0.496% of total membership, 0.762% of total regional membership)
Overall capital subscription: $371.62 million
Paid-in capital subscription: $18.63 million

Sameer Kumar Khare is the Director and Bayrammuhammet Garayev is the Alternate Director representing Turkmenistan on the ADB Board of Directors.

Chang Ching Yu 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 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 68 members, 49 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 2019, lending volume was $20.47 billion (133 projects), with technical assistance at $237.31 million (252 projects) and grant-financed projects at $844.07 million (31 projects). In addition, $11.86 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade Finance Program. From 1 January 2015 to 31 December 2019, ADB’s annual lending volume averaged $17.41 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged $702.60 million and $202.27 million over the same period. As of 31 December 2019, the cumulative totals excluding cofinancing were $296.28 billion in loans for 3,221 projects in 44 countries, $10.23 billion in 409 grants, and $4.72 billion in technical assistance grants, including regional technical assistance grants.

Notes:
ADB welcomed Niue as its 68th member in March 2019.
Figures are estimated by ADB unless otherwise stated. “$” refers to United States dollars.
Data are updated as of 31 December 2019 unless otherwise indicated.

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