Integrated National Financing Frameworks in Turkmenistan

Towards INFFs: Implementing sustainability-focused normative tools in Eastern Europe, Western Balkans, the Caucasus, and Central Asia

MAKSA T KES HIYEV
Development Coordination Officer - Partnerships and Development Finance
RCO Turkmenistan
INFF implementation in Turkmenistan. Commitments

The country’s commitment to achieving SDGs and the Addis-Ababa Action Agenda

- 85% alignment of national long-term development plans and programmes with the Agenda 2030

National long-term development programmes

- The National Programme for the Socio-Economic Development in 2022-2052
- Presidential Programme for the Socio-Economic Development in 2022-2028

UN, along with IFIs, to support the Government in:

- budget and tax systems
- accounting and financial reporting
- Environmental, Social, and Governance (ESG) reporting
- digital systems and digital services, e-tax
- securities
- statistical reporting modernization
- improvements in legislation

Government’s Commitments at SDG Summit

- “Resource mobilization at the national level will remain a major source for financing sustainable development in Turkmenistan”
- “Government will use the findings of the development finance assessment to develop and implement a roadmap for the INFF”
- “A modern banking system, developed capital market, comprehensive insurance services, strong and efficient public finance planning and management system, all operating together under an INFF, based on data and evidence, will support the transition to a green, diversified and sustainable economy”
- “The government of Turkmenistan will strengthen partnerships with all stakeholders, particularly private businesses, to achieve SDGs by 2030”
INFF implementation in Turkmenistan. Key highlights


2021: Establishment of the Joint UN-Government Experts’ Group on SDG financing (focus on INFF)

2022: Development Finance Assessment (DFA) in Turkmenistan conducted.

2023: Release of Voluntary National Review of SDGs implementation in Turkmenistan with a Chapter on SDG Financing, including a firm commitment to implement INFF. Inclusion of DFA recommendations to VNR.

2024: upcoming INFF Financing Strategy development and continued Assessments and Diagnostics stage; development of the UNCT joint programme proposal “Improvement of Public Finance Management systems to enhance SDG financing in Turkmenistan”
National mechanism for the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals in Turkmenistan

**National Working Group on SDG Implementation in Turkmenistan**
representatives of ministries and departments at the level of deputy ministers (PD No. 438 of 11/17/2017)

**Ministry of Finance and Economy**
- Chairman of the National Working Group on SDG implementation in Turkmenistan
- Coordinator of activities for the implementation of the SDGs in Turkmenistan
- SDGs integrator into National Development Plans

**Ministries and agencies, municipalities of Turkmenistan**
- Integrating SDGs into sectoral development plans
- Responsible for the implementation of activities to implement the SDGs
- Providing reports, explanatory notes and proposals

**UN Resident Coordinator’s Office**
Coordination of assistance to the implementation of the SDGs by the UN

**UN Country Team**
Support to realization of SDGs in Turkmenistan via 2021-2025

**UN agencies and organizations**
- UNCT members, residents and non-residents
- Wider UN agencies and organizations, non-members of the UNCT

**Joint Expert Group on SDG financing**
- studying the experience of countries in financing the SDGs
- development of proposals to expand financing of SDGs in Turkmenistan
- promoting the implementation of the INFF in Turkmenistan

**UNSDCF**
Country-level Multipartner trust fund to finance SDGs
Better coordination of donor funding, focus on national development priorities

**State budget**
**Public institutions**
**Banks**
**Private sector**
**FDI**
**Grants/ODA**
**External borrow.**
**Blended finance**

**Platform for consultations with Civil Society Organizations**

**Partnership Platform with the Private Sector**

**1. State statistics committee**
- data collection and analysis
- reporting and explanations
- guidelines
- some major reports

**2. Ministries and agencies, municipalities of Turkmenistan**
- collection and submission of departmental reports

**MONITORING AND REPORTING**

**FINANCING**

**IMPLEMENTATION**

**MONITORING AND REPORTING**
- MICS 2016, 2019, 2023
- VNR 2019
- SDG MTR
- VNR 2023
- Surveys on SDG 1.1.1 and 5.4.1
- Census 2022
INFF implementation in Turkmenistan. JEG on SDG Financing

Permanent members:
• Ministry of Finance and Economy,
• Ministry of Foreign Affairs
• Ministry of Labour and Social Protection
• Ministry of Trade and Foreign Economic Relations
• State Committee on Statistics
• Central Bank
• State Bank for Foreign Economic Activity of Turkmenistan.
• United Nations Country Team and UN Resident Coordinator’s Office

Members by invitation:
• government entities
• UN entities and affiliated organizations
• International Financial Institutions
• international organizations
• academia

Objectives and key features:
• A special platform dedicated to dialogue and advocacy, capacity building, and information sharing
• So far 9 meetings convened in the form of coordination events, workshops, consultations, and training
• The biennial work plan of the group serves as a roadmap. Current focus – capacity building and policy dialogue. INFF approach at the center.
• The vision of the government and the UN toward INFF implementation are aligned. Both consider existing policies, regulations, and tools as a starting point to build on. Nothing to be done from scratch.
• Instead of a linear approach, which starts from the INFF inception phase through the assessments and diagnostics, to financing strategy, etc., the UN and government are implementing INFF elements from different stages in parallel/simultaneously, where appropriate
Existing management and coordination mechanisms:
National SDG Working Group
Joint Expert Group on SDG Financing
UNSDCF Steering Committee and Results Groups
Developmen Partners Coordination Group and its thematic group “Sustainable Economy and Finance”
Responsible departments of the Ministry of Finance and Economy and other ministries and departments

Existing monitoring and review elements:
Voluntary National Review of SDG Implementation
SDGs implementation Midterm Review
SDG Database; MICS Survey
UNSDCF Midterm Review
Statistical yearbook and sectoral data
World Bank and IMF databases
Annual reports of departments of the financial, economic and banking sectors

Available assessments:
UNDP Development Finance Assessment
Operational plan for the introduction of quality one-year pre-school education in Turkmenistan (UNICEF 2018)
CCA Financing Landscape Analysis
IMF on Article IV consultations
IMF report “Fiscal Policy and Development: Human, Social and Physical Investments to Achieve the SDGs”

Existing elements of financial strategy:
National long-term programs and strategies for socio-economic development
Budget Code, Law on State. budget, State budget (annual and medium-term*)
Main directions of the unified state monetary policy
Development Finance Assessment (preliminary report)
INFF in support of Public-private partnerships and infrastructure development in Turkmenistan

Legal framework:

- Law of Turkmenistan “On Trust Management of State Property”, 2021
- Strategy for Management and Reform of State-owned enterprises in Turkmenistan for 2021-2025

![Diagram](image)
Further plans to implement INFF in Turkmenistan: 2024 and onwards

• Identifying INFF institutional home and its empowerment
• Finalizing Inception and [first round of] Assessment and Diagnostics stages – mappings, analyses, etc.
• Finalizing the INFF Roadmap with prepopulated actions, advocating for its formal endorsement
• Developing costings for Joint Programmes on SDG acceleration areas prioritized through CCA process and policy dialogues as high-impact initiatives for the INFF Financing Strategy. Start from piloting Transformative Education -TES Costing Model
• Formulating major elements of INFF Financing Strategy, exploring country examples and lessons learned so far
• Ensuring the major players are aligned and on board by continuous policy dialogue with major stakeholders
• Keeping the momentum with capacity building and coordination meetings
• Keeping the existing synergy and complementarity within UNCT and with development partners
Bottlenecks

- Lack of disaggregated data, especially in finance.
- Traditional decision-making architecture
- Need for Government-IFIs close collaboration
- PFM reforms to be implemented in one attempt/package rather than sporadic and in pieces
- Lack of donor funding. Policies, planning, and practices are to be aligned with the country’s upper-middle-income country status
- Lack of capacity to fully implement SDG Financing and INFF-related activities
Lessons learned

• Government buy-in and UN advocacy built on political commitments
• Long-term vision and sustainable approach
• Clear division of roles and understanding of each partner’s comparative advantage
• Alignment of the approach to the country context. Understanding of various stakeholder’s limitations.
• Nothing is done from scratch, many elements are already in place
• Capacity building and awareness raising are two crucial entry points
• Experience from other countries – pioneers at certain elements of INFF
THANK YOU!

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