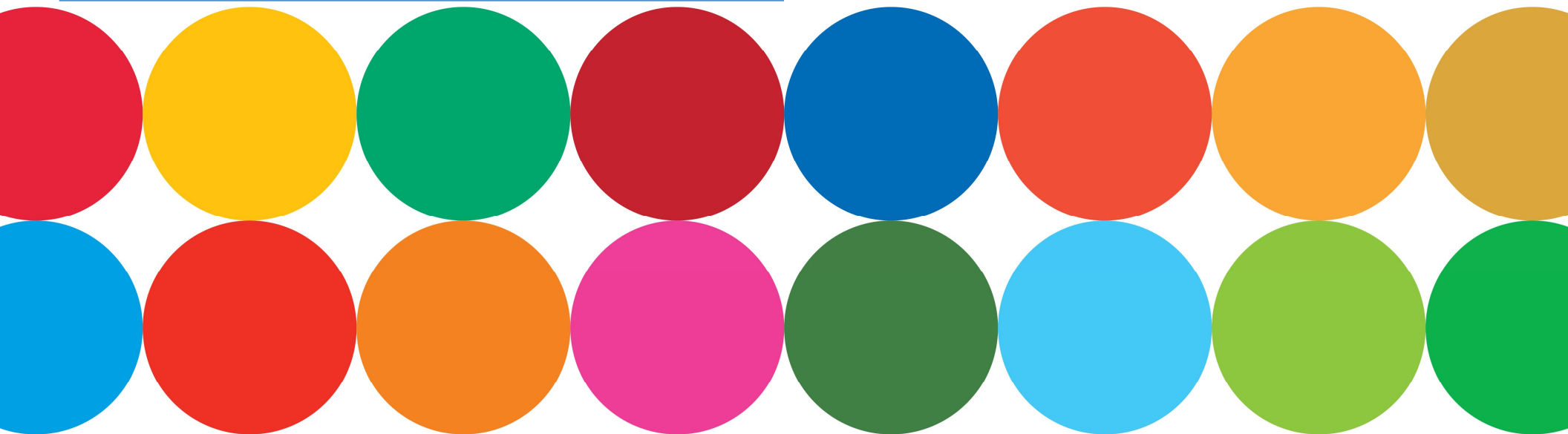

Integrated National Financing Frameworks in Turkmenistan

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

MAKSAT KESHIYEV

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

2020: Ashgabat hosted an International Seminar “Financing SDG implementation: the Role of Integrated National Financing Frameworks”

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

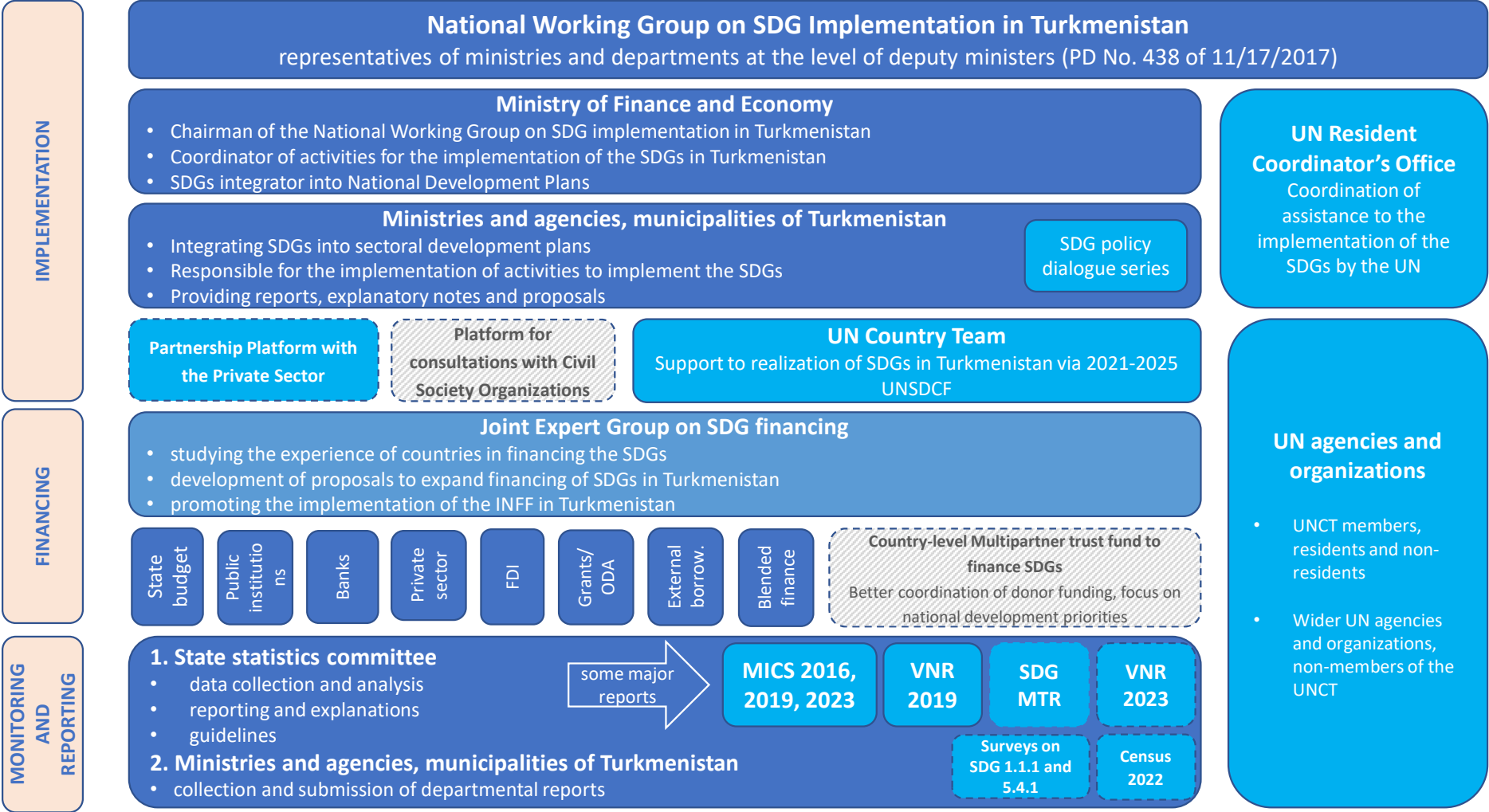
2022: Development Finance Assessment (DFA) in Turkmenistan conducted.

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



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

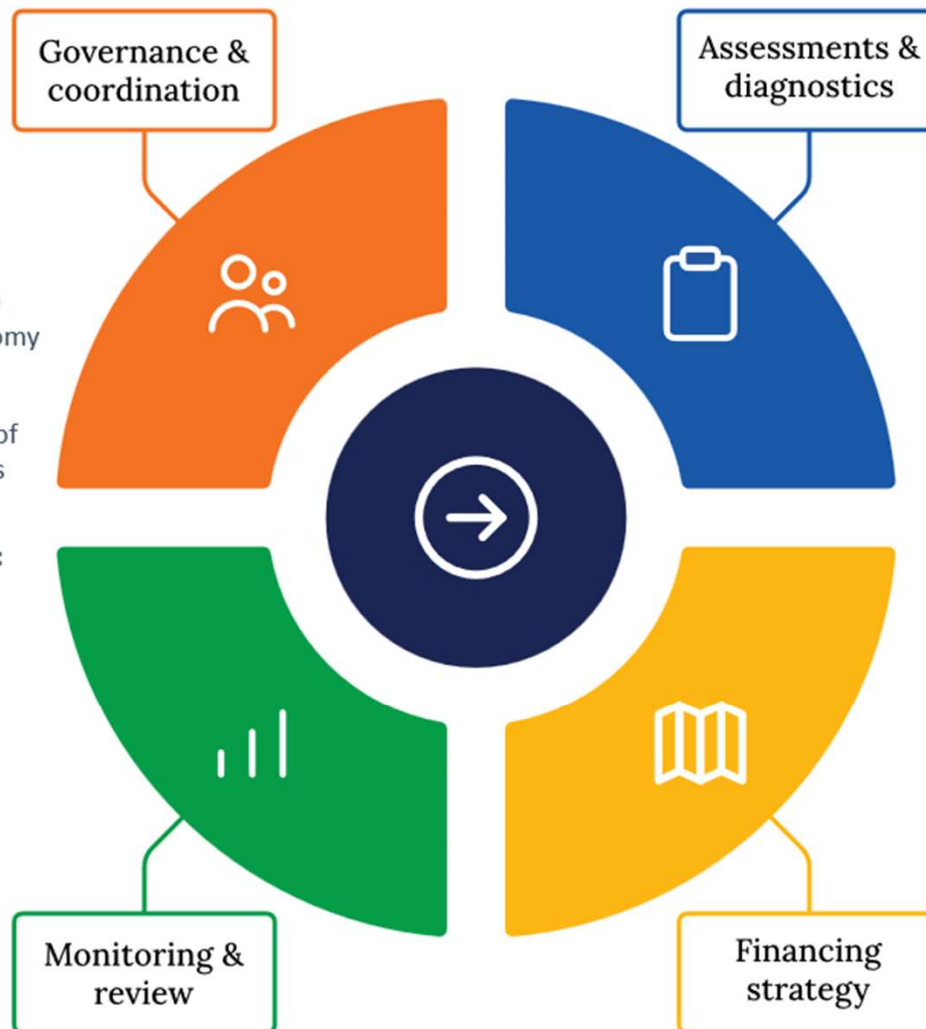


Existing management and coordination mechanisms:

- National SDG Working Group
- Joint Expert Group on SDG Financing
- UNSDCF Steering Committee and Results Groups
- Development 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 Public-Private Partnership”, 2021
- Law of Turkmenistan “On Trust Management of State Property”, 2021
- Strategy for Management and Reform of State-owned enterprises in Turkmenistan for 2021-2025

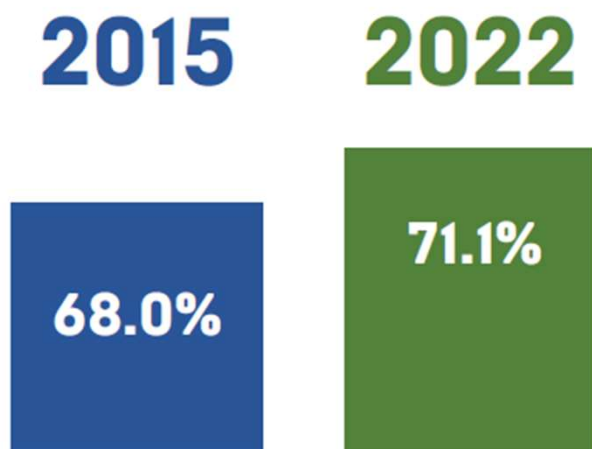


Figure 58. The share of the non-state sector in GDP (excluding fuel and energy complex), %⁶⁶

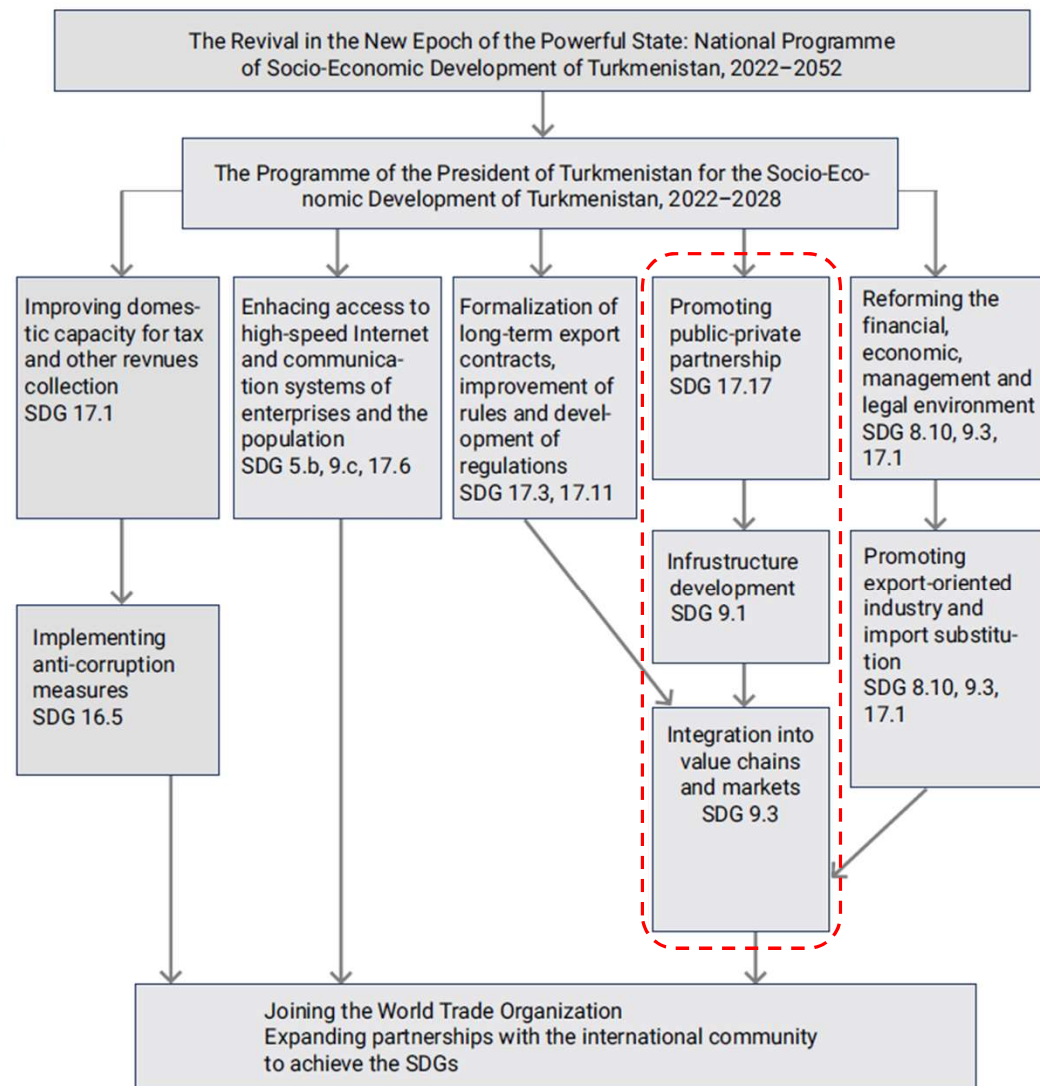


Figure 55. Correlation between of SDG 17 “Partnership for the Goals” and other SDGs and policy documents of Turkmenistan

Further plans to implement INFF in Turkmenistan: 2024 and onwards

- Identifying INFF **institutional home**, pushing for 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. Keeping the **policy dialogue** with the Ministry of Finance and Economy, Central Bank, Statistics Committee
- Keeping the momentum with **capacity building and coordination** meetings
- Keeping the existing **synergy and complementarity** within UNCT and with development partners



Bottlenecks

- Strong vertical decision-making architecture: line ministries/departments have to get clearance for any changes/innovations
- Lack of government-IFIs collaboration
- Low quality/absence of disaggregated data, especially in finance, not publicly available. UN keeps advocating for data transparency
- PFM reforms postponed. The government shows signs of preference to introduce changes to its financing policies and practices in one attempt/package rather than sporadic and in pieces
- Lack of donor funding. The country's huge natural gas and foreign currency reserves as a disadvantage to its sustainable and diversified development
- Government policies, planning, and practices are to be aligned with the country's upper-middle-income status
- Lack of in-house capacity in UNCT 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”*. This message should be delivered to counterparts, especially the Government, Ministry of Finance and Economy, Central Bank, Statistics Committee, etc.
- Capacity building and awareness raising are two crucial entry points
- Make sure that experience from other countries – pioneers at certain elements of INFF – is presented and discussed. The most influential examples are those from the neighbors and peers



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