Turkmenistan
Joint IBRD/IFC Interim Strategy Note FY14-15

Chair Summary*

Meeting of the Executive Directors

July 25, 2013

Executive Directors discussed the joint IBRD/IFC Interim Strategy Note (ISN) for Turkmenistan for the period of FY14-15 (R2013-0128[IFC/R2013-0265]). Directors welcomed the ISN’s alignment with Turkmenistan’s National Program for Socioeconomic Development that covers the period 2011-2030.

Directors commended the authorities for the strong country’s economic growth averaging 11 percent annually since 2007, but noted that inflationary pressures remain strong. They highlighted the significant challenges of economic growth which will require diversification beyond the hydrocarbon sector, including in the construction and manufacturing sectors. Directors stressed the need to enhance governance, improve public financial management and transparency, reform the business environment, and expand the private sector in order to achieve sustainable, inclusive growth in Turkmenistan.

Directors supported the focused approach of the ISN that would assist the Turkmenistan government on macroeconomic statistics, financial sector development, and private sector development. They welcomed the reimbursable advisory services program and a modest program of strategic studies under the ISN and their potential to provide an analytical foundation for the country’s reform priorities and long-term development strategy. Directors also encouraged the World Bank Group to leverage partnerships and identify synergies with other multilateral institutions that are engaged in areas such as private sector development and infrastructure. They were interested in opportunities for policy dialogue with the government and other development partners to identify and address the needs of the low income segment of the population.

Directors acknowledged the difficulties of linking the ISN with development goals, given the limited engagement with the country. They strongly emphasized the importance of improving statistical capacity and the collection of economic, social and financial data which are essential for gauging progress in poverty reduction and economic development. Directors sought clarification of the criteria that would be used to assess success of the World Bank Group’s engagement under the interim strategy. Directors also commented on the importance of progress in governance, public accountability, and key sectors such as infrastructure and the extractive industries for the future economic development of Turkmenistan.

*This summary is not an approved record.