

ECOSOC Forum on Financing for Development

Leaving No One Behind: Financing Sustainable Recovery from COVID-19 in LLDCS 12 April 2021

Statement by H.E. Mr.Serdarov Muhammetgeldi Minister of Finance and Economy of Turkmenistan

Dear ladies and gentlemen!

First of all, let me express my gratitude for the opportunity to participate in the ECOSOC Forum on Financing Sustainable Recovery from Covid-19 in Landlocked Developing Countries.

The devastating socioeconomic impact of the Covid-19 pandemic will be felt strongly across the world in the coming years. A reliable and sustainable recovery of the global economy is only possible if adequate investments are made in the economic, social and environmental sustainability of the planet.

A world free of Covid-19 will require the most ambitious public health and social recovery efforts in the world. “Build Better” should be our common motto.

Dear ladies and gentlemen!

One of the key vectors of both world and economic development of Turkmenistan, at present, is the implementation of the Sustainable Development Goals, and our country applies an integrated approach to their implementation, following the principle of “Leaving no one behind”.

Turkmenistan became one of the first countries in the world to express its full support for the 2030 Agenda for Sustainable Development and, as a landlocked country, pays special attention to the structural transformation of its economy in order to achieve the adopted SDG targets.

Since 2015, the country has embarked on the process of nationalizing the SDGs and today they are nationalized at the government level and largely adapted in public policy.

All government programs are aimed at achieving sustainable development and make the consistent implementation of the SDGs one of the main priorities.

85% of the SDG targets are reflected in the existing national and sectoral programs of the country, which helps to stimulate the further socio-economic development of the country, to form an industrially developed economy, to use natural resources rationally and comprehensively, to introduce the latest technologies, to create a flexible infrastructure, to encourage innovation, while giving great attention to the widespread digitalization of the economy.

Our country has already achieved significant results in terms of implementing the SDGs and continues to actively carry out comprehensive measures aimed at developing market relations, diversifying and increasing the competitiveness of the economy, developing transport and transit corridors, and introducing digital systems.

We continue to implement effective measures to adapt and mitigate climate change and protect the environment, deepen the socially oriented course of economic policy aimed at increasing the welfare of citizens. In a pandemic, we managed to maintain the stability of economic development, not to stop the work of industries and to support the financial and economic activities of business structures.

At the end of 2020 and this year, the rate of economic growth (GDP) is maintained at 5.9%, despite the negative trends in the global economy.

Turkmenistan took timely measures to protect its country from the global impact of the pandemic on its citizens and economy.

The diversification of the economy of Turkmenistan, carried out over the past ten years and continuing at the present time, allows us to smooth out losses in certain sectors.

Every year the economy increases the export of products of non-hydrocarbon industries. The volumes of import-substituting products are growing significantly, the food security of the domestic market is improving due to local production, new modern production facilities are being built throughout the country both in the public sector of the economy and by

private entrepreneurs, international and national projects are being implemented.

In July 2019, at the UN High-Level Political Forum, Turkmenistan presented the first Voluntary National Review on the implementation of the SDGs. Based on the results of its consideration, our country is expanding its cooperation with key partners on the implementation of Strategy 2030.

In our opinion, the achievement of the SDGs largely depends on global partnership and cooperation. And in this regard, Turkmenistan demonstrates its proactive approach in the successful implementation of the SDGs not only on a national scale, but also in strengthening its position as a regional initiator on various issues related to the countries of Central Asia.

Securing financing for development is a critical component in the implementation of the 2030 Agenda.

On this issue, Turkmenistan actively supported the Addis Ababa Program of Action. An important event in this regard, the International Seminar on Financing SDG Implementation: the Role of Integrated National Financing Frameworks was held in May 2020 in the city of Ashgabat with the participation of the UN and other international financial institutions. The final document on this seminar has been published as an official document of the 74th session of the UN General Assembly.

Within the framework of the 75th session of the UN General Assembly, Turkmenistan initiated the holding of the UN Conference on Financing for Development at the global level in 2022. In our opinion, this is one of the key medium-term tasks in the development of the global economic system.

Dear ladies and gentlemen!

Uncertainty about the dynamics of the pandemic remains one of the major risks affecting the INCLUSIVENESS of the world economy.

Almost all countries have faced enormous losses, which are associated with a decrease in economic activity, due to many industries and productions stopping or going into incomplete operation. The recovery process may take years and will require additional sources of financing.

We have to therefore take all necessary measures to address the social and economic consequences of the pandemic and attract investment resources to finance the 2030 Agenda for Sustainable Development.

The ongoing global crisis and the uncertain recovery of many of the world's advanced economies are having an impact on [affecting] the financial situation of the most developing countries.

The deterioration of the current account balance is a huge risk for rising debt levels (both external and internal), which may exceed the 60% threshold for many states in the region.

And as a consequence, financial conditions will tighten, capital outflows will follow an upward trend, and financing risks will increase. This will affect investment in the region, as well as the balance of payments of the countries.

The consequences of the pandemic and measures to counter it will require reallocation of expenditures, including those on health care, social services, human resources, and support for priority sectors in the non-state sector of the economy.

I would like to share our country's experience in maintaining stable financial development.

In mid-2020, the country adopted the "Support plan and response to acute infectious diseases in Turkmenistan" and the "Plan of immediate socio-economic measures in Turkmenistan to counteract the pandemic coronavirus". Important areas of implementation of these documents include improving the quality and access to basic health services, ensuring social protection and basic social services, job protection, support for small and medium-sized businesses, macroeconomic incentives, and multilateral cooperation.

In July 2020, to strengthen and ensure sustainable economic growth, a "National Program on mitigating the impact of difficult circumstances in the global economy on the national economy and sustainable development of the national economy in 2020-2021" was adopted, the implementation of which will ensure the achievement of pre-crisis growth performance.

Turkmenistan has also developed measures of fiscal stimulation of economic sectors and social protection of the population, as well as measures aimed at maintaining stability in the financial sector.

The Labour Code has been amended to ensure sustainability and the creation of new jobs, with new provisions to protect jobs amid the global pandemic.

To stimulate the development of industries and promote exports, in August 2020, Turkmenistan ratified six transport conventions of the UN Economic Commission for Europe.

Mandatory certification of exports for 18 types of goods was abolished; the country joined the international convention on the simplification and harmonization of customs procedures.

The development of instruments and mechanisms of mixed financing through public-private partnerships and the creation of favorable conditions for its development is becoming increasingly important. The Government of Turkmenistan has implemented measures to improve the legislation, as well as supporting the private sector.

The achievement of the SDGs largely depends on the country's effective integration into the international economic space. Turkmenistan joined the World Trade Organization (WTO) as an observer in 2020, which would allow the streamlining attraction of foreign capital.

I would like to add that while fulfilling its international obligations on achieving the SDGs, Turkmenistan will continue strengthening activities that promote the effectiveness of national policies, and actively participate with the international community in implementing measures that contribute to financing sustainable development.

Dear ladies and gentlemen!

I would like to conclude my opening remarks by wishing you all good health and prosperity to your countries!

Thank you for your attention!