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OECD workshops on connectivity and investment

Tuesday, 19 November 2024, 09:00-12:30
Ýyldyz Hotel, Ashgabat, Turkmenistan

Enhancing the Competitiveness of the Trans-Caspian Transport Corridor

Focus on Turkmenistan
09:00-10:30

followed after a coffee break by

Peer Review of Turkmenistan's Investment Landscape

1st workshop
11:00-12:30

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OECD Eurasia
Competitiveness Programme

Enhancing the Competitiveness of the Trans-Caspian Transport Corridor

Focus on Turkmenistan

09:00-10:30

OBJECTIVE: MONITOR THE OPERATIONALISATION OF THE TRANS-CASPIAN TRANSPORT CORRIDOR IN CENTRAL ASIA

Following the publication of its *Realising the Potential of the Middle Corridor* report, the OECD is launching a new project, which aims to provide an **evidence-based monitoring of progress made in operationalising the Trans-Caspian Transport Corridor (TCTC) in Central Asia** since 2023. It will assess recent improvements in terms of soft measures, new hard infrastructure projects, and co-ordination since 2023, and identify areas where progress is lagging across the five countries of Central Asia. The work will identify priority challenges and areas for policy reforms and will analyse trade developments along the corridor, putting it into perspective with other commercial transport corridors crossing Central Asia. **In particular, it will survey the private sector to assess its perception of progress achieved and remaining roadblocks to make the TCTC more competitive.**

BACKGROUND

The Trans-Caspian Transport Corridor (TCTC) has received renewed attention[1]. Whilst governments along the TCTC have invested significantly to improve hard and soft connectivity infrastructures, bottlenecks remain due to the complex geography of the route, the number of border crossings and insufficient regional co-ordination. As a result, its capacity is only a fraction of that of the Northern route via Russia[2], and it remains less attractive in terms of cost and predictability **from a private-sector standpoint.**

OBJECTIVE OF TODAY'S EVENT

During this workshop, the OECD will **introduce the project** objectives and approach, including the survey, will discuss the **state of play of the TCTC** in Turkmenistan, and will **collect feedback** on the latest developments and challenges to feed into the analysis.

PARTICIPANTS

This event will bring together **policymakers** responsible for the design and implementation of **policies to improve trade and transport connectivity** in Turkmenistan, including stakeholders from relevant ministries (e.g., finance and economy, commerce and economic relations, transport and communication, etc.), as well as from **the private sector**. Other participants will include **the EU**, OECD and EU countries' embassies, and international partners supporting the TCTC's development.

TIMELINE

- **Autumn 2024**: the OECD develops and collects answers to questionnaires, fills information and data gaps through online fact-finding meetings with government and private sector stakeholders;
- **October 2024-January 2025**: the OECD organises country-specific working groups to collect data in the 5 countries of Central Asia;
- **Spring 2025**: the OECD refines the findings and recommendations;
- **Q2/Q3 2025**: high-level launch of the final publication.

ABOUT THE DONOR

This project is financed by the European Union as part of its **EU Prosperity Programme in Central Asia**, which aims to create an inclusive business environment and advance the connectivity agenda of Central Asia through the operationalisation of the Trans-Caspian corridor, and internationalise Central Asian businesses.

CONTACTS

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[1] According to the TITR Association, the TCTC registered an 86% increase in transportation volumes between 2022 and 2023.

[2] The current capacity of the TCTC is estimated to be at most 5% of the volumes transiting the Northern route (Rail Freight, 2022[107]).

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DRAFT AGENDA

08.45-09.00 **Registration**

Moderator: Mr **William Tompson**, Head of the OECD Eurasia Division

09.00-09.15 **Opening remarks**

- Ms **Beata Pęksa**, Ambassador of the European Union to Turkmenistan
- **Deputy Minister of Foreign Affairs** of Turkmenistan (tbc)
- Mr **Karim Dahou**, Acting Director, OECD Global Relations and Co-operation

09.15-09.20 **Project introduction**

- Mr **Grégory Lecomte**, Senior Policy Analyst and Head of Unit Central Asia, OECD Eurasia Division

09.15-09.50 **Tracking progress in trade facilitation and regulatory improvements**
Focus on Turkmenistan

- Ms **Céleste Laporte Talamon**, Policy Analyst, OECD Eurasia Division

Representatives from the Ministry of Commerce and Foreign Economic Relations will respond and comment on the government's priorities areas of reforms to deepen trade integration.

- Representative from the Ministry of Commerce and Foreign Economic Relations (tbc)

Representatives from USAID and GIZ will share updates on their on-going projects on trade facilitation in Central Asia, looking in particular at the progress achieved in Turkmenistan.

- Mr **Rustam Bekmuradov**, Country Director, USAID's Trade Central Asia Activity
- Representative from GIZ Office in Turkmenistan (tbc)

Open discussion
Participants are invited to provide comments and questions.

09.50-10.25 **Tracking progress in upgrading infrastructure and enhancing multimodality**
Focus on Turkmenistan

- Ms **Céleste Laporte Talamon**, Policy Analyst, OECD Eurasia Division

Representatives from the government of Turkmenistan will comment and describe the government's strategy to address critical bottlenecks and improve multimodality along the corridor.

- Representative from the Agency of Transport and Communications under the Cabinet of Ministers (tbc)

A representative from the EBRD will present upcoming activities to develop the TCTC in Turkmenistan in the rail, road and maritime sectors.

- Mr **Eric Livny**, Head of the Permanent Office of the EBRD in Turkmenistan

Open discussion
Participants are invited to provide comments and questions.

10.25-10.30 **Concluding remarks**

10.30-11.00 **Coffee break to be followed by a workshop on Turkmenistan's Investment Landscape**

Peer Review of Turkmenistan's Investment Landscape

11:00-12:30

OBJECTIVE: SUPPORT TURKMENISTAN IN ATTRACTING FOREIGN INVESTMENTS

In line with the government's ongoing efforts **to boost economic diversification and attract foreign investments**[3], the OECD, with financial support from the European Union, is launching a **new project that has two objectives.**

- First, **the OECD will take stock of recent progress and remaining challenges in the business environment and offer a way forward.** A private sector survey will be conducted.
- Second, **the OECD will focus in particular on investment promotion policies.** The work will provide analytical and evidence-based guidance to the government **to support the creation of a possible Investment Promotion Agency (IPA).**

BACKGROUND

Turkmenistan has signalled a strong commitment to attract foreign investment, most recently at the Turkmenistan Investment Forum in Ashgabat in September 2024, emphasising its strategic location and untapped economic potential. However, despite the government's intentions, FDI remain below its potential.

OBJECTIVE OF TODAY'S EVENT

During this first workshop, **the OECD will present the survey and its preliminary assessment of Turkmenistan's business climate, building also on previous work.** Feedback from government, private and international stakeholders will be gathered to feed into the analysis. Further to this, OECD and Central Asia's best practices on investment promotion will be shared to initiate a discussion on how these could be adapted to Turkmenistan.

PARTICIPANTS

This event will bring together senior policymakers and technical experts responsible for the design and implementation of policies to improve business climate in Turkmenistan and attract foreign investment, including stakeholders from relevant ministries (e.g., finance and economy, foreign affairs, trade and foreign economic relations, transport and communications), as well as from private sector. Other participants will include the EU, EU countries' embassies, and development partners supporting the development of a sound business climate in Turkmenistan.

TIMELINE

- **Autumn 2024**: the OECD develops and collects answers to questionnaires, fills information and data gaps through online fact-finding meetings with government and private sector stakeholders.
- **October 2024:** the OECD organises a first workshop to collect data and refine analysis.
- **Q1 2025**: the OECD organises a second workshop to present and discuss the draft recommendations.
- **Q2/Q3 2025**: the OECD refines the findings and recommendations based on consultations and finalises the report.

ABOUT THE DONOR

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[3] "Program of Socio-Economic Development of Turkmenistan and Investments in 2024"

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DRAFT AGENDA

10.30-11.00 Coffee break and registration

Moderator: Mr **William Tompson**, Head of the OECD Eurasia Division

11.00-11.15 Opening remarks

- Mr **Borislav Dimitrov**, Programme Manager, Delegation of the European Union to Turkmenistan
- Deputy Minister of Finance and Economy (tbc)

11.15-11.20 Introduction to the project

- Mr **Grégory Lecomte**, Senior Policy Analyst and Head of Unit Central Asia, OECD Eurasia Division

11.20-11.50 Assessing the investment climate and private sector survey in Turkmenistan

Building on its progress report on Improving the Legal Environment for Business and Investment in Central Asia that had a specific section focusing on Turkmenistan, the OECD will recall the main findings and introduce a private-sector survey.

- Ms **Ryskul Iskakova,** Policy Analyst, OECD Eurasia Division

Representatives from the business association of Turkmenistan will provide comments on the government's priorities areas of reforms to support improvements of the business climate.

- Representative from the Union of Industrialists and Entrepreneurs (tbc)

A representative from the EBRD will respond and comment on the government's priorities areas of reforms to support private sector development.

- Mr **Eric Livny,** Head of the Permanent Office of the EBRD in Turkmenistan

Open discussion

Participants are invited to share their views and provide their feedback.

11.50-12.25 Supporting the creation of an Investment Promotion Agency

This session will focus on sharing best practices in the creation of an Investment Promotion Agency, both from OECD countries and from Central Asia, and how these could be relevant to Turkmenistan.

- Ms **Ryskul Iskakova,** Policy Analyst, OECD Eurasia Division

A representative from the Ministry of Finance and Economy will respond and provide comments on the preliminary findings. They will also share the government's priorities and strategy to promote Turkmenistan to foreign investors.

- Representative from the Ministry of Finance and Economy (tbc)

A representative from ITC will share updates on its on-going WTO accession project with Turkmenistan and how this can support the improvement of the investment attraction and promotion.

- Mr **Rustam Alimov**, National Project Coordinator, ITC

Open discussion

Participants are invited to share their views and provide their feedback.

12.25-12.30 Concluding remarks