

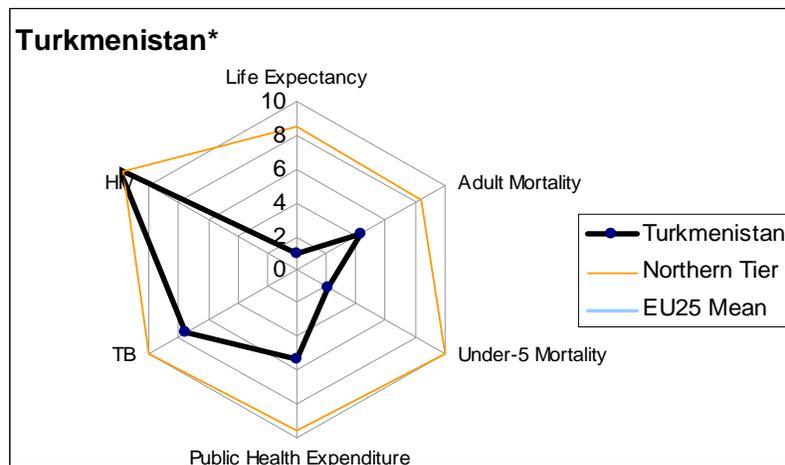
## Annex D1: Turkmenistan: Expectations of Movement Along the Development Continuum over the Next Two Years

For the health system, the categories of developing transforming and sustaining represent major benchmarks in overall performance. Over its three projects, Zdrav has been directly addressing the profound changes needed to move the health sector from one category to another. This experience shows that health reform does not evolve in a linear pattern, but rather that its pace varies widely. In our interviews with policy level officials, donor representatives, and technical experts, the team found agreement that Turkmenistan is currently in a transition period where predictions are more difficult than ever. Nevertheless, the consensus judgment is that the GOT is entering a period of accelerating, progressive change in the health system. Even with this optimistic view, the changes expected in the health sector over the next two years will not have an impact on the country's movement along the continuum from developing to the transforming category.

Turkmenistan ranks 28 of 28 countries (higher number rankings are worse cases), making it the most vulnerable among the countries included in the 2007 Europe and Eurasia Health Vulnerability Analysis. See the report at:

[http://www.usaid.gov/locations/europe\\_eurasia/dem\\_gov/docs/2007\\_ee\\_health\\_vulnerability\\_analysis\\_report\\_final.pdf](http://www.usaid.gov/locations/europe_eurasia/dem_gov/docs/2007_ee_health_vulnerability_analysis_report_final.pdf)

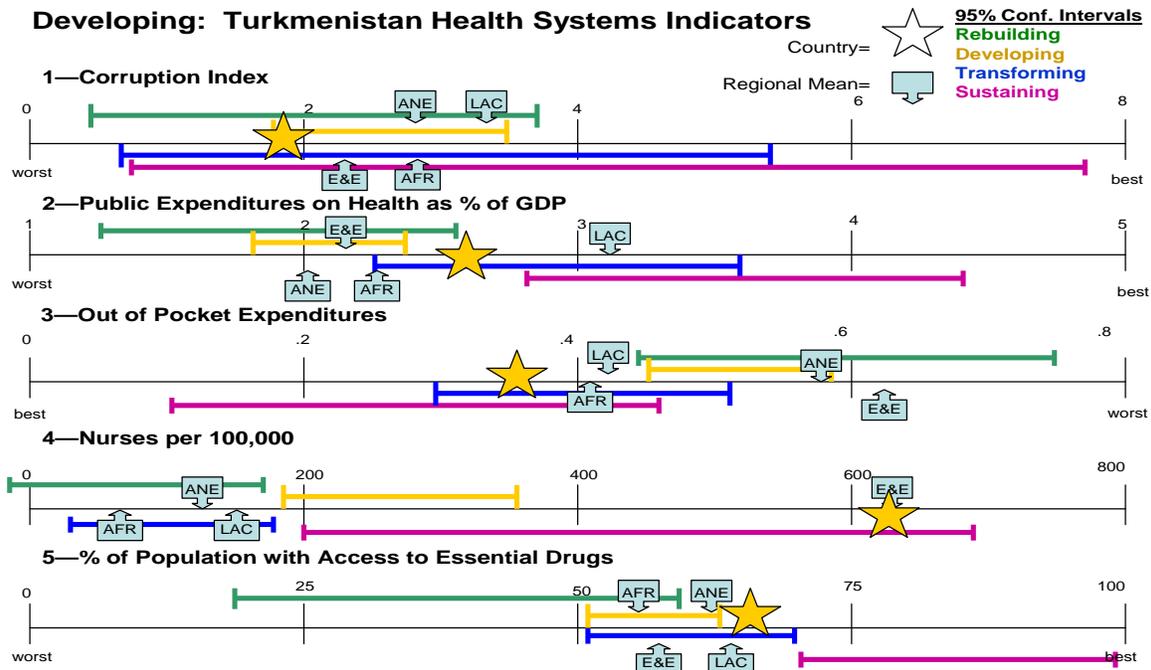
The analysis identifies those countries in the region where health status is the poorest and where the transition to democracy and free-market economies may be most vulnerable because of health factors. The graph below draws on this data to compare Turkmenistan's health status to European Union and E&E regional averages. For each indicator, a score of 10 corresponds with the **EU average**, suggesting ideal performance. A score of 1 indicates the poorest performance in that indicator in the **E&E** region. The country's performance is then plotted against this scale. A score of 10 is ideal performance for all indicators and all countries.



Northern Tier refers to the Czech Republic, Hungary, Poland, Slovakia, and Slovenia.

Turkmenistan is far from approaching the levels of health sector development achieved by countries in northern Europe and the EU25. Life expectancy is the lowest in the region and adult and child mortality is high. The tuberculosis (TB) epidemic remains serious and health workers continue to have limited access to training. It appears that Turkmenistan scores better than the EU average on HIV incidence. Since the number of confirmed HIV cases is highly dependant on the surveillance program in the country, HIV scores may be deceptively optimistic.

The graphic below shows Turkmenistan’s performance on several key health systems development indicators relative to: (1) averages for Europe and Eurasia and other geographic regions, and (2) averages for country categories of the USG Foreign Assistance Framework. Indicators reflecting the extent of corruption put Turkmenistan on the low end of the Developing Country category and at a level characteristic of a Rebuilding Country. Public expenditures on health are representative of a Transforming country as are out of pocket expenditures and access to essential drugs. The relatively positive performance reflected in these indicators contrasts with those in the vulnerability index graph above, suggesting the need to improve the efficiency with which public health revenues are spent. Nurses per 100,000 are high, putting Turkmenistan in the Sustaining Country category. However, this is misleading as nurses receive low salaries and most require training to upgrade their skills.



Source: U.S. Agency for International Development, Bureau for Global Health; most data is 2006.

The FY 2008 Millennium Challenge Corporation (MCC) scorecard on the next page shows that Turkmenistan exceeds the median for its MCC peer group on both its immunization rate (98.5% coverage compared with a median of 84%) and public spending on health (3.56% of GNI compared with a median of 2.07%).

Turkmenistan enjoys large resource flows from natural gas exports, but the health sector receives only about 2.5% of GDP, with a large part of its share committed to infrastructure development. Until the 2007 change in government, ZdravPlus II and similar development organizations worked under the constraints of GOT policies that largely limited its activities to the service delivery component. Within these restrictions, however, ZdravPlus II developed an exceptionally strong working relationship with the health ministry. Senior officials and other donors alike acknowledged ZdravPlus II's credibility with the government and its reputation for responsiveness in a period when many development programs were ended.

With a new government now in place, senior officials expressed their willingness to consider new health reform activities that ZdravPlus II or USAID may propose. Based on previous ZdravPlus II work, technical leaders in the ministry have limited experience with evidence-based medicine, and are interested in expanding EBM practices. This is a potentially fundamental change in health care in Turkmenistan, and ZdravPlus II has already developed the technical base for its expansion.

The ministry has shown interest in making basic changes in health care financing and ZdravPlus II has responded with an initial policy-level workshop. Technical observers from other donors observed, however, that a critical mass of financing expertise in the ministry is yet to be developed. This can be expected to slow the implementation of new financing approaches.

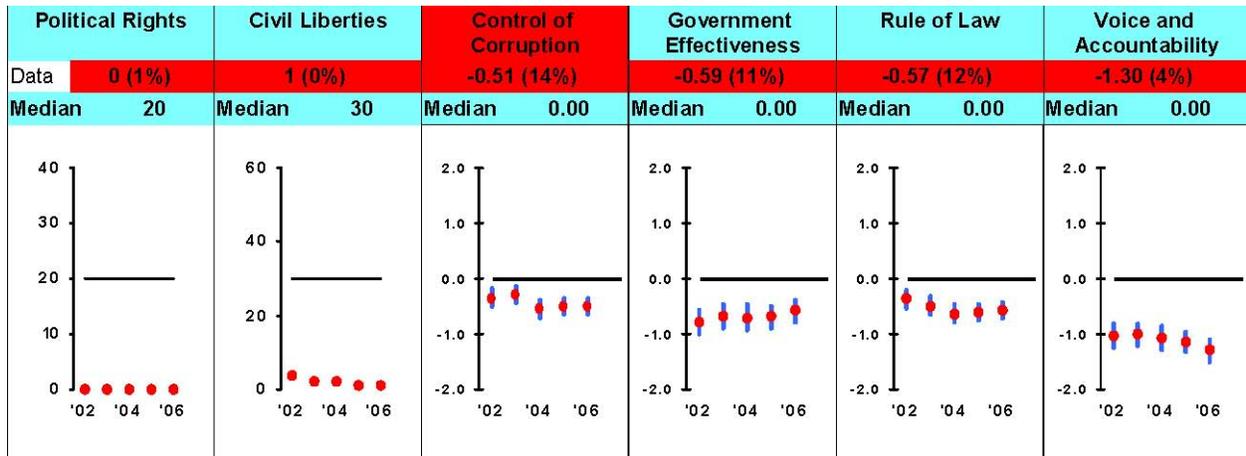
The contract SOW can accommodate the GOT requests that seem likely to emerge over the next two years. Funds with disease-specific earmarks would severely constrain potential work in health financing, but could support useful work in EBM and quality improvement.

In summary, there are multiple encouraging signs that Turkmenistan is entering a period of accelerated reform, and that ZdravPlus II is well-positioned to facilitate these changes. Some adjustments in contract priorities may further enhance ZdravPlus II's role in Turkmenistan over the next two years. In view of the scope of reforms that will be required to change categories, we expect Turkmenistan to remain a developing country partner for the next two years.

# Turkmenistan FY08

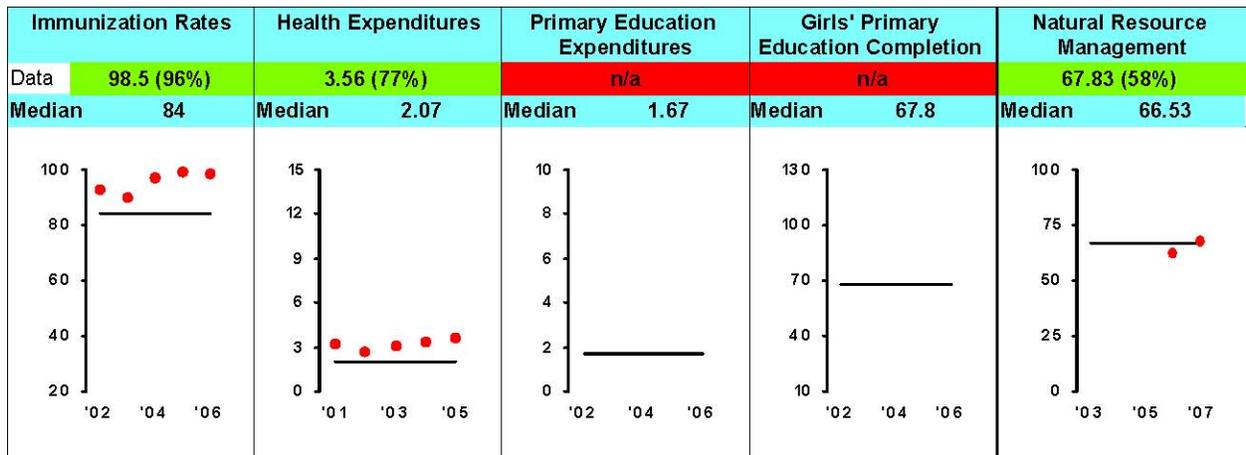
Population: 4,833,266  
GNI/Cap: LIC

## Ruling Justly



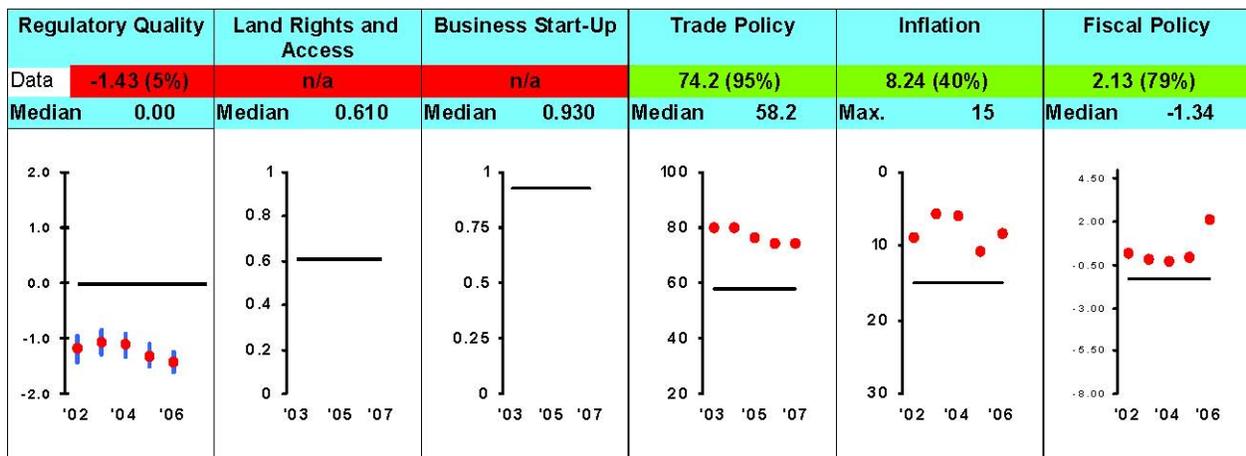
Sources: Freedom House Freedom House World Bank Institute World Bank Institute World Bank Institute World Bank Institute

## Investing In People



Sources: World Health Org. World Health Org. UNESCO/National Sources UNESCO CIESIN/YCELP

## Economic Freedom



Sources: World Bank Institute IFAD/IFC IFC Heritage Foundation IMF WEO National Sources

How to Read this Scorecard: Each MCC Candidate Country receives an annual scorecard assessing its performance in 3 policy categories: Ruling Justly, Investing in People, and Economic Freedom. Under the name of each indicator is the country's score and percentile ranking in its income peer group (0% is worst; 50% is the median; 100% is best). Under each country's percentile ranking is the peer group median. Country performance is evaluated relative to the peer group median and passing scores, or scores above the median, are represented with green. Failing scores, or scores at or below the median, are represented with red. The black line that runs along the horizontal axis represents the peer group median. Each World Bank Institute indicator is accompanied by a margin of error, which is represented by the vertical blue bar.

For more information regarding the Millennium Challenge Account Selection Process and these indicators, please consult MCC's website: [www.mcc.gov](http://www.mcc.gov)