

Dear participants of this workshop!

I would like to warmly welcome you to the regional workshop on *Developing Carbon Markets in CAREC Countries: Experience, Opportunities, and Regional Cooperation*. I believe our cooperation under this project will be constructive and productive.

As previous speakers have noted, environmental protection is one of the key problems for today's world.

The development of green economy, use of new environmentally appropriate technologies and development of innovative solutions in the environmental sphere are priority areas of Turkmenistan's state policy, reflected in the National Programs and Turkmenistan's international commitments to the Sustainable Development Goals (SDGs), including their climate component.

Turkmenistan is fully committed to the principles of the Paris Agreement and, in accordance with its international obligations, is taking decisive action to achieve its mitigation goals.

Turkmenistan's National Climate Change Strategy is the main document for reporting on the fulfilment of Turkmenistan's commitments under the UN Framework Convention on Climate Change and the Paris Agreement. The strategy is aimed at taking measures to adapt to current and expected climate change and limit GHG emissions. It determines the main and priority areas of adaptation to climate change; designs and implements adaptation measures to reduce the climate associated risks.

I would also like to note that, while supporting the efforts of the international community to reduce GHG emissions, Turkmenistan is shifting to modern environmentally friendly and resource-saving technologies in industry and transport sectors. This is especially true in the oil and gas and energy sectors.

The goal of our low carbon development is to stabilize emissions growth and even begin to reduce emissions under favorable economic conditions by 2030. Our country is pursuing its low-carbon economic development trajectory, which is in line with the long-term global goal of

not exceeding a 2°C increase in global average air temperature compared to pre-industrial levels by 2050.

The main greenhouse gases (GHGs) in Turkmenistan are carbon dioxide (CO₂) and methane (CH₄).

To date, Turkmenistan has actively started to develop measures to reduce methane emissions from natural gas production, transport and distribution.

In December 2023 during the COP 28 in Dubai Turkmenistan joined the Global Methane Pledge. Earlier, in May 2022, Turkmenistan approved its Nationally Determined Contributions (NDCs) to the Paris Climate Agreement, with a target to reduce GHG emissions by 20 per cent by 2030.

The 2025-2026 strategic plan for strengthening international cooperation to implement the goals and objectives of the Global Methane Pledge has been developed and is being implemented with partners such as the UN Framework Convention on Climate Change Secretariat, other UN Special Agencies, EU, OSCE, IRENA, World Bank, ADB, IsDB, USA and others to reduce methane emissions by at least 30% by 2030 compared to 2020.

The World Bank has offered financial support through special funds, which will make it possible to implement relevant projects.

I would also like to appreciate the work of UNDP in this direction. The 2025-2029 UN – Turkmenistan Methane Emission Program has been developed. I believe that the implementation of this Program will contribute to the development and implementation of effective measures to reduce methane emissions.

Overall, it should be noted that Central Asian countries face a dual development challenge: stimulating economic growth and social progress while simultaneously managing growing climate risks. And all of this is happening in the context of limited fiscal space.

As Turkmenistan is at an early stage of carbon market development, there is potential for more intensive regional collaboration to create effective regional carbon markets.

The development of carbon market instruments is a promising area

for attracting resources for climate projects in countries with significant levels of GHG emissions or significant vulnerability to the effects of climate change.

Review of main parameters for national and regional carbon markets in accordance with the World Bank data allows concluding that the scope and price indicators of the key world emission trading systems vary significantly depending on the region and country specific regulations.

Projects on methane emissions, energy efficiency, and renewable energy sources may be a priority for attracting investment using carbon finance mechanisms in Turkmenistan.

Fuel for motor vehicles could be a potential category of carbon taxable objects in Turkmenistan, and the tax revenues from this tax could be used to implement relevant climate projects as a main or additional source of funding.

We recognize that carbon pricing, whether through taxes or emissions trading systems, determines the cost of pollution, incentivizing businesses to adopt cleaner and more sustainable practices. Carbon markets, in turn, create opportunities to incentivize emission reductions and attract international financing. These instruments can support a just and sustainable transition and prepare Central Asia for more effective participation in global carbon finance. However, as we all know, these instruments are complex and require the capacity at the individual country level to capitalize on the opportunities they offer.

Today's workshop is a great opportunity for us, representatives of Central Asian countries, to learn about the evolving approaches to the establishment and operations of carbon markets, as well as to explore opportunities for the investment attractive carbon markets.

Thank you for your attention!