



PROJECT DOCUMENT REVISION

Project Title: Supporting Business and Digital Transformation in Banking
Project Number ATLAS: 00118854
Project Number Quantum: 00115493
Implementing Partner: The State Bank for Foreign Economic Affairs of Turkmenistan
Start Date: 01.10.2019 **End Date:** 31.12.2024

Brief Description

The purpose of the current no-cost extension of the project "Supporting Business and Digital Transformation in Banking" is to provide adequate period for effective implementation of the Project inclusive of integration of newly developed Digital Banking Platform with other banking systems currently used by the Bank.

The development of the Digital Banking Platform started in September 2022. The completion date was set to September 2023. During several missions of the international expert, the need for additional time for implementation was identified due to the following reasons:

- During the implementation of the project, it was identified that for the effective introduction of the new Digital Banking Platform, including Internet and Mobile Banking, it is vital that the State Bank for Foreign Economic Affairs of Turkmenistan creates the preconditions for the integration with ongoing banking systems (Colvir and Tsys - managed by the Bank).
- Need for additional investments into the Bank's capacity and capability were identified as well as for the training of the Bank's staff for the effective implementation of the new Digital Banking Platform.
- It was identified that managing the infrastructure and solution landscape towards meeting digital banking requirements would take much longer than expected due to extensive negotiations, budgeting, and implementation processes compared to the initial annual work plan.

Taking into account above mentioned the following is agreed upon between UNDP and the Bank:

- to extend the validity period of the Project Document until December 31, 2024, to ensure the effective completion of all activities planned within the project without increasing the project's cost;
- to arrange related Agreements by the national partner side on integration services and necessary upgrades with third party IT providers (Colvir and Tsys) by the end of October 2023. The fulfilment of these activities is the precondition for the timely and successful implementation of the new Digital Banking Platform;
- to revise the Project Document, including the Annual Work Plans for 2023-2024 years, results framework and risk logs (updated versions are attached);
- to keep other terms and conditions of the Project Document unchanged.

Contributes to the achievement of Outcome 2 of the UNSDCF-TKM2021-20252: By 2025, conditions for sustainable and inclusive economic diversification are strengthened with competitive private and financial sectors, enhanced trade and investment promotion, and the adoption of new technologies.

CPD Output 2.3: Innovative financial and Banking instruments have been introduced to support the green economy and SDG financing, including for SMEs.

Gender marker: GEN 1

Total resources allocated:	UNDP TRAC:	USD 10 000
	Government:	USD 1 606 916
Total project budget:		USD 1 616 916
Remaining balance:		USD 1 088 894

Agreed by (signatures):

The State Bank for Foreign Economic Affairs of Turkmenistan	United Nations Development Programme
Rahimberdi Jepbarov Chairman of the Board	Narine Sahakyan Resident Representative
Date: 16.09.2023	Date: 19.09.2023



I. ANNUAL WORK PLAN FOR 2023

Expected Outputs	Planned activities	Timeframe				Planned Budget		
		Q1	Q2	Q3	Q4	Funding source	Budget description	Amount (in USD)
Output 2. TFEB infrastructure and staff ready for digitalization	2.1 Outsource services for management of the IT infrastructure and implementation of Online and Mobile Banking					Government of Turkmenistan	72100 Contract services	165 711
							72810 Software (Licenses)	340 000
							71200 International expert	22 110
							71600 Travel	7 000
							64300, 74500 Operating expenses	6 500
	Total output 2:						541 321	
	Admin charges (GMS), 7%:					Government of Turkmenistan	75100	37 893
	Total, Output 2 incl. Admin charges (GMS)							<u>579 214</u>
Project Management	Project staff salary					Government of Turkmenistan	71400 Project manager and Project assistant	10 782
	Office Supplies						72400 Connectivity and Communication Charges	2 560
	Total Project management							13 342
	Admin charges (GMS), 7%:					Government of Turkmenistan	75100	934
	Total Project Management:							<u>14 276</u>
TOTAL Government of Turkmenistan								<u>593 490</u>

II. ANNUAL WORK PLAN FOR 2024

Expected Outputs	Planned activities	Timeframe				Planned Budget		
		Q1	Q2	Q3	Q4	Funding source	Budget description	Amount (USD)
Output 2. TFEB infrastructure and staff ready for digitalization	2.1 Outsource services for management of the IT infrastructure and implementation of Online and Mobile Banking					Government of Turkmenistan	72100 Contract services 72810 Software (Licenses) 72500 Miscellaneous	71 019 280 000 69 280 10 611
							71600 Travel 64300, 74500 Operating expenses	8 000
								438 910
						Government of Turkmenistan	75100	30 724
								<u>469 634</u>
Project Management	Project staff salary					Government of Turkmenistan	71400 Salary Project manager and Project assistant	21 564
	Office Supplies						72400 Connectivity and Communication	2 520
	Total Project management							24 084
	Admin charges (GMS), 7%:					Government of Turkmenistan	75100	1 686
	Total Project Management:							<u>25 770</u>
TOTAL Government of Turkmenistan							<u>495 404</u>	

III. RESULTS FRAMEWORK FOR 2023-2024

<p>Intended Outcome as stated in the UNSDCF TKM 2021-2025 Results and Resource Framework:</p> <p>Outcome 2: By 2025, conditions for sustainable and inclusive economic diversification will be strengthened with competitive private and financial sectors, enhanced trade and investment promotion, and adopting of new technologies.</p> <p>Outcome indicators as stated in the UNDP Country Programme Results and Resources Framework, including baseline and targets:</p> <p>Output 2.3: <i>Innovative financial and Banking instruments introduced to support the green economy and SDG financing, including for SMEs.</i></p> <ul style="list-style-type: none"> Indicator 2.3.3: <i>Number of new financial and Banking instruments introduced</i> <p>Baseline: 0 Target: At least 3 (2025) Data source: <i>Project reports, national partners reports</i></p>								
<p>Applicable Output(s) from the UNDP Strategic Plan</p> <p><i>Advance poverty eradication in all its forms and dimensions</i></p>								
<p>Project title and ATLAS Project Number (Quantum Project Number): <i>Supporting Business and Digital Transformation in Banking, #00118854/00115493</i></p>								
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS		DATA COLLECTION METHODS & RISKS	
			VALUE	YEAR	YEAR 2023	YEAR 2024		FINAL
<p>Output 2</p> <p>TFEB infrastructure and staff ready for digitalization</p>	<p>2.1 IT infrastructure upgraded with modern equipment and software</p>	<p>Project progress report</p>	No	2022	No	Yes	Yes	<p>Project progress report prepared by the project manager</p>

OFFLINE RISK LOG FOR 2023-2024

Project Title: Supporting Business and Digital Transformation in Banking		ATLAS/Quantum Project Number: #00118854/00115493		Date: 2023-2024	
#	Description	Risk Category	Impact & Likelihood Risk Level	Risk Treatment / Management Measures	Risk Owner
1	Delay in project implementation	Operational	= 2	In consultation with the international IT expert, project staff and the national partner, conduct regular meetings to enable proper planning, consider potential risks that might cause delays, and develop mitigation measures.	<i>Project manager</i>
2	Limited capacity of qualified IT staff for implementation	Operational	=3	The project will hire IT experts to assist the Bank's team in the implementation. The project team will consistently monitor the implementation pace and adjust the implementation accordingly. During the implementation of the project, the Bank, under the support of UNDP, need to enhance recruitment and retain key IT staff members and develop a concept to empower the IT department to operate the solution and implement changes together with the business. The alternative would be out-staffing of the tasks and positioning the IT department as a provider manager.	<i>Project manager NPC</i>
3	Defects in performance	Operational	=1	Quality assurance/control mechanism in place with close monitoring and supervision by UNDP and International Consultant/Specialist to develop quality assurance at the final installation and implementation stage.	<i>Project manager IC</i>
4	Insufficient technical environment	Operational	=2	The Bank must provide the necessary infrastructure (servers, network, security) and feasible versions of the integration architecture's connected architectural elements (Colvir, Prime). Workarounds may be possible.	<i>Project manager NPC</i>
5	Limited acceptance of the Bank's business departments	Operational	=2	The new solution will bring new requirements/challenges to the business departments of the Bank. The respective departments need to be actively involved in the project to internalize new business processes. The staff of these departments need training on how to formulate requirements on the one hand and a process understanding and design training to optimise/improve their business processes to leverage the new functionality of the solution.	<i>Project manager NPC</i>