

CAREC Climate and Sustainable Project Preparatory Fund (CSPPF)

Implementation Guidelines and next steps

April 2025

Overview

CSPPF is a multiple-partner trust fund

- to support the preparation of bankable and climate-resilient regional projects in eligible CAREC countries.
- The CSPPF will contribute to the implementation of the CAREC Climate Change Vision, and
- accelerate the achievement of Sustainable Development Goals (SDGs) and commitments under the Paris Agreement.

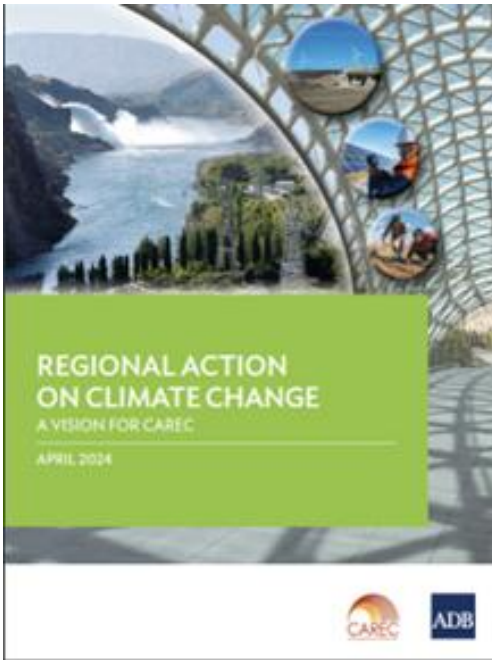
Projects and activities should be aligned with the following objectives:

- **Enhance the capacity of CAREC Countries** in incorporating climate- and other SDG-related features in the design of regional projects in traditional and emerging sectors;
- **Facilitate cooperation between CAREC Countries** on planning, designing, and implementing regional projects, including those that involve transboundary climate spillovers (positive and negative); and
- **Help prepare and structure sound, bankable regional projects** that support joint initiatives and programs to reduce greenhouse gas (GHG) emissions and develop regional carbon trading mechanisms.

Priority areas and eligible projects

Eligible Recipients: developing member countries (DMCs) that are **members of the CAREC Program.**

CSPPF Priority Sectors and Thematic Areas:



The CSPPF will support regional projects across **CAREC 2030's operational clusters**, guided by the **seven priority sectors and/or areas under the CAREC Climate Change Vision:** (i) energy, (ii) water, (iii) agriculture, (iv) transport, transit, and trade, (v) climate-smart cities, (vi) climate-related disasters, and (vii) health, education, and social protection.

General Eligibility Criteria:

- 1 Help prepare and structure **sound, bankable regional projects** that support joint initiatives and programs to reduce GHG emissions;
- 2 Tagged as RCI using ADB's RCI Scorecard
- 3 **Aid in meeting climate commitments** and contribute to the implementation of the countries' NDCs

Investment project should be part of any of the following:

- 4 (i) **ADB investment plan**, (ii) **priority projects** identified in relevant **CAREC sector strategy**, (iii) DMCs **investment project pipeline**, (iv) the project pipeline of **CAREC's development partners**

Priority areas and eligible projects

Projects should satisfy the following criteria:

1. Regional Projects

- A regional project or activity is one that **promotes collaboration between two or more CAREC Countries** and is expected to generate **economic benefits for more than one CAREC Country**.
- A regional project or activity may be a single-country or multi-country project or activity with regional economic benefits, which should promote the **CAREC 2030 Strategy, its sector strategies and/or action plans** and contribute to the objectives of the CAREC Program.
- A regional project or activity is expected to:
 - (i) support relevant national and regional strategies related to CAREC's five operational clusters (which include three crosscutting themes) and sector strategies,
 - (ii) contribute to regional economic benefits, and
 - (iii) provide additional support to CAREC activities.

2. Climate mitigation and adaptation, sustainability

- (i) **Aid in meeting one or more of the climate commitments** aligned with the targets set by the (i) United Nations Framework Convention on Climate Change and its Paris Agreement; and (ii) the principles outlined by the Intergovernmental Panel on Climate Change and initiatives that enhance resilience to climate change impacts;
- (ii) **Contribute to the implementation of the countries' Nationally Determined Contributions (NDCs)**, particularly focusing on adaptation and mitigation for the involved countries with unique vulnerabilities to the climate crisis; and
- (iii) **Align with and contribute to the United Nations 2030 Agenda for Sustainable Development.**

Use of Trust Fund Resources

CSPPF resources will be used to support **sovereign and nonsovereign operations** through:

	Eligibility Criteria	Maximum Amount
Technical Assistance	Project preparatory activities including technical, financial, legal, and safeguards due diligence, pre-feasibility, feasibility, and other project-related studies	\$800,000
	Upstream knowledge work, such as regional and sectoral climate assessments and scoping studies on emerging and innovative regional approaches to address climate change and sustainability issues, leading to project pipeline development	\$250,000
Investments (Grant Components)	Small-sized grant components of investment projects either as part of new or additional financing to ADB sovereign or nonsovereign projects ¹	\$1 million
	Demonstrates innovative features with climate change components ²	
Direct Charges	<p>Activities directly relevant to the operation of the CSPPF, and not covered under other projects or activities:</p> <ul style="list-style-type: none"> • Consulting services and related expenses • Service contractors such as translators, assistant researchers, secretaries, etc. • Conferences, forums, workshops, seminars, and surveys, including related expenses • Travel by staff of ADB as resource speakers, government officials, and other stakeholders to events • Facilitation of learning events, such as study tours for government officials 	\$150,000

¹ All fund resources will be provided on a non-reimbursable basis for ADB's clients unless otherwise determined by deal teams.

² For example, air quality monitoring in Almaty and Bishkek under the Almaty-Bishkek Economic Corridor.

Steering Committee

Chair:

DG, CWRD

Members:

Head of Departments, CCSD, EARD, SD1, OMDP, PSOD

- Provides strategic direction to CSPPF
 - Reviews and prioritizes project proposals
- DG, CWRD as Chair approves:
- Annual Work Plan; Annual Report
 - Fund allocation for projects and activities

Fund Manager

Manager: Regional Head, CWRC

Focal:

Designated by Regional Head, CWRC

- Oversees day-to-day operations of CSPPF
- Serves as part of the Secretariat together with the CSPPF focal
- Coordinates the submission of project proposals and oversees the review process of applications
- Conducts preliminary review of project proposals to ensure compliance with CSPPF eligibility criteria and guidelines
- Prepares the Annual Work Plan, Annual Progress Report, and Quarterly Progress Reports
- Serves as focal point for CSPPF partners on technical matters
- Approves direct charges

Application process



1. Chair of Steering Committee announces a call for project proposals via memorandum to Heads of ADB Operational Departments, CAREC Sector Working Groups, and CAREC NFPs.

2. Fund Manager undertakes preliminary review of proposals for compliance with eligibility criteria and guidelines and submits the preliminary review report to the Steering Committee:

- *If application meets eligibility criteria, moves to next step*
- *If application does not meet eligibility criteria, Fund Manager discusses with Project Proponent for revisions and resubmission or withdrawal*

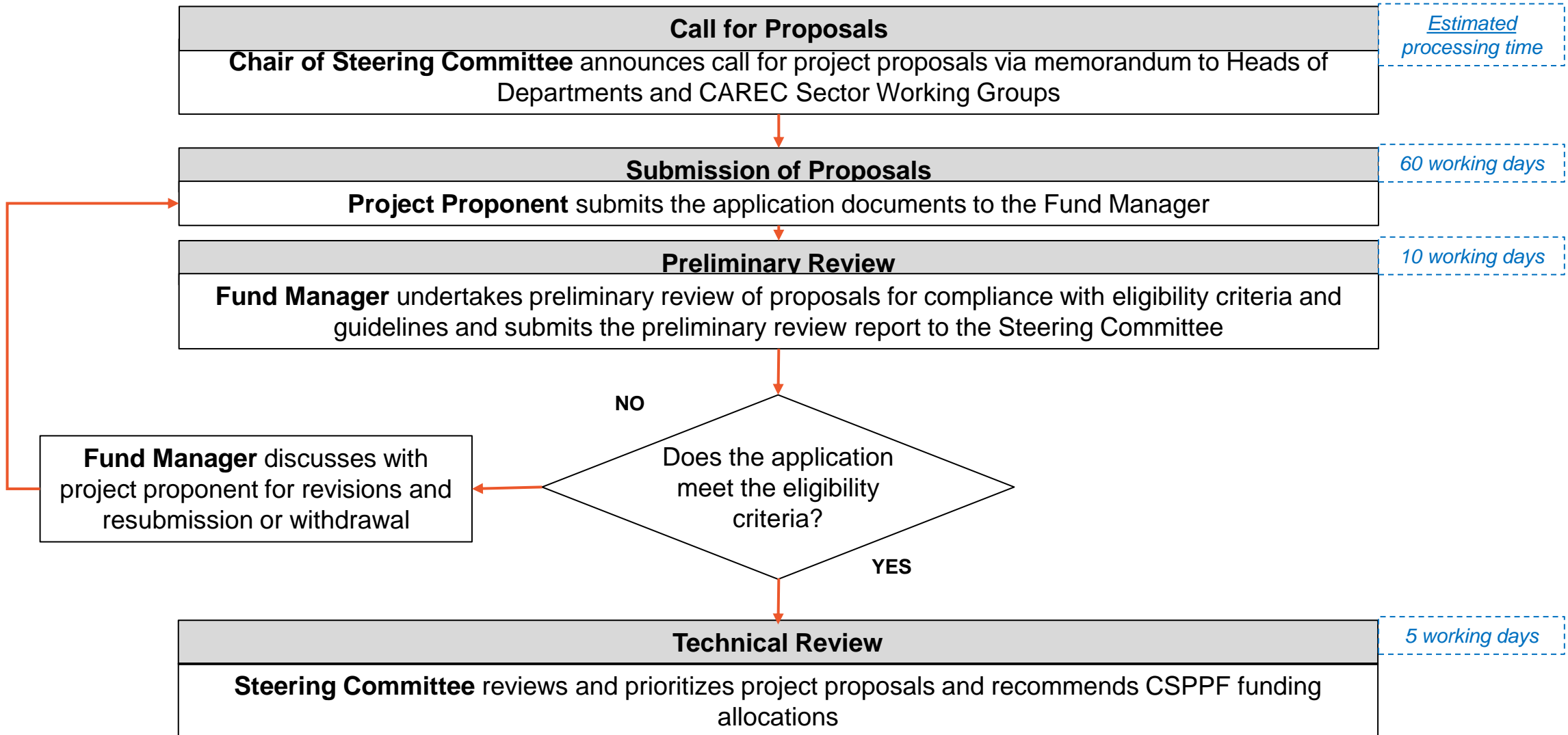
3. Steering Committee reviews and prioritizes project proposals and recommends CSPPF funding allocations:

- *If there are objections from SC members, Project Proponent revises application and may resubmit for next CSPPF batch*
- *If there are comments from SC members, Project Proponent incorporates comments, as needed*

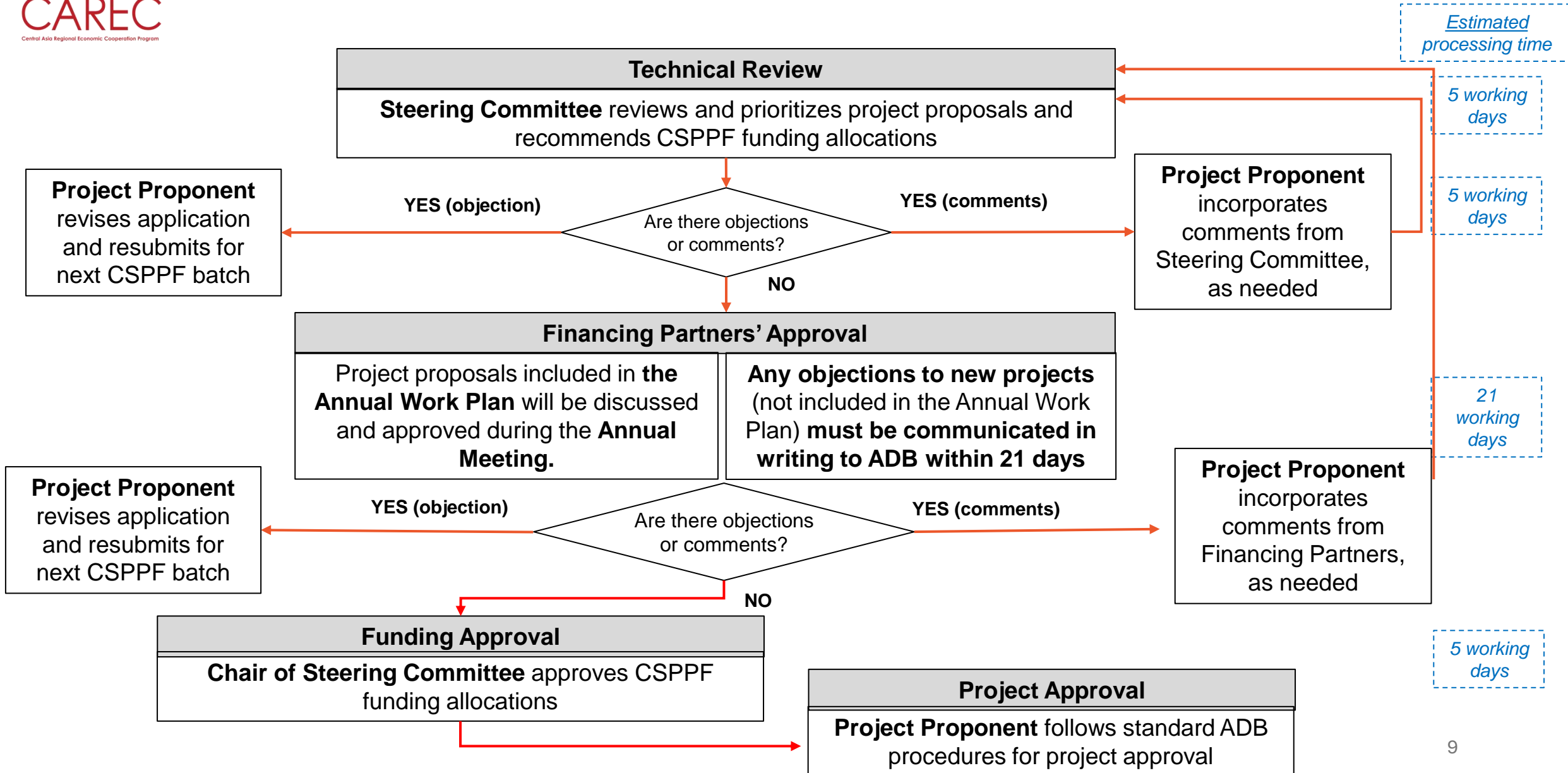
4. Financing Partners approve project proposals included in the Annual Work Plan during the Annual Consultation Meeting

- *If project proposal is not included in the Annual Work Plan ("new projects"), any comments or objections must be communicated in writing to ADB within 21 days.*

Application and approval process (1/2)



Application and approval process (2/2)



Timeline and next steps

Activity	2025												
	Q1			Q2			Q3			Q4			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Approval and Dissemination of CSPPF Implementation Guidelines		█											
Call for proposals and initial review				█					█				
Meeting of the Steering Committee Chaired by DG, CWRD for Technical Review of proposals						█				█			
Proposed pipeline of projects presented at the CAREC SOM						■							
							16/06/2025 - 20/06/2025						
Annual Consultation Meeting with Financing Partners (FPs)							█						
Fundraising with other potential FPs				- - - - -									