

## CAREC Innovation and Venture Investment Catalyst (CIVIC) Facility

1. In November 2025 at the 24th Central Asia Regional Economic Cooperation (CAREC) Ministerial Conference in Bishkek, ADB and CAREC members—the Kyrgyz Republic, Mongolia, Pakistan and Uzbekistan—signed a memorandum of understanding supporting the establishment of the CAREC Innovation and Venture Investment Catalyst (CIVIC) Facility. CIVIC is a regional initiative that aims to address the need for professionally managed early-stage venture funds that can provide both risk capital and hands-on support required to help startups and tech-enabled small and medium enterprises (SMEs) scale in CAREC countries.<sup>1</sup>

2. **Rationale.** SMEs, including micro-SMEs, are critical drivers of an innovation economy which, in turn, is a key engine of sustainable growth, job creation, and resilience. Access to diversified sources of finance and financial services, suited to different stages of their development, is critical for SMEs to drive innovation and private sector development. Venture Capital (VC) plays a key role in fueling the development of growth-oriented firms that would help create jobs and generate wider knowledge spillovers in the economy. However, in many DMCs, startup and early-stage VC ecosystems remain nascent or underdeveloped.<sup>2</sup> Early-stage startups in Asian developing member countries (DMCs) face severe financing gaps and have limited access to technical guidance/mentorship. First-time fund managers struggle to raise capital and access support networks. Policymakers also often lack actionable diagnostics and toolkits to identify gaps and guide reforms to develop an enabling environment for startups including VC funds. Startups in sectors such as climate tech, digital inclusion, fintech, agriculture, and health hold transformative potential for achieving the UN sustainable development goals. Without a platform to catalyze enabling environments, build institutional capacity, and provide seed-stage capital, many high-impact ventures will fail to emerge or scale. Start-up capital including VC funds helps diversify funding sources for MSMEs, fostering innovation, and filling financing gaps left by traditional banks. As part of the broader nonbank financial intermediation sector, VC funds help channel capital into high-risk, high-growth areas, improving the resilience of the financial ecosystem to shocks. Startup capital and VC funds are, therefore, an important pillar of nonbank financial system stability and resilience.

3. The CIVIC Facility will support implementation of the following activities:

**a) Diagnostics Framework and Scorecard to Inform Policy Initiatives**

- i. Develop a standardized tool to assess gaps in national or regional startup ecosystems across key dimensions, including access to capital, regulatory environment, skills, infrastructure, and market readiness.
- ii. Conduct baseline diagnostics (ecosystem gap assessments), including cross-country benchmarking, to inform policy reforms and sovereign-private innovation strategies.

**b) Policy Toolkit**

- i. Provide governments and ecosystem stakeholders with a menu of actionable enabling policies, including angel tax incentives, fund-of-funds structures, innovation procurement policies, startup visa programs, and regulatory reforms to unlock venture capital.
- ii. Support development of tailored national innovation strategies and policy roadmaps.

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<sup>1</sup> CAREC member countries include Afghanistan, Azerbaijan, People's Republic of China (PRC), Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021.

<sup>2</sup> Over 90% of VC flows in Asia are concentrated in just five countries —PRC, India, Singapore, Japan, and Republic of Korea — leaving much of the region undercapitalized.

- c) Capacity Building and Strategic Finance Platform for Emerging Fund Managers and Ecosystem Builders**
  - i. Form and professionalize local early-stage VC fund managers, accelerators, and angel networks.
  - ii. Provide structured training and limited partnership–general partnership (LP-GP) matchmaking support, and support for identifying co-anchor blended financing structures to help fund managers reach first close.
  - iii. Support a new generation of institutional-grade fund managers in underserved markets.
  
- d) Development and Operationalization of Investment and Venture Capital Platforms**
  - i. Support the design, structuring, capitalization, and initial operationalization of national and regional venture capital platforms — including fund-of-funds (FoF) structures and related investment vehicles. Platforms may include sovereign-backed FoFs, regional multi-country vehicles, seed co-investment facilities, thematic venture funds, and strategic partnerships with private asset managers
  - ii. Support market assessments, financial modeling, legal and governance design, investor mobilization, and transaction preparation, including preparatory work for capitalizing these platforms, if the DMC requests ADB support as a catalytic anchor, structuring partner, and convenor in mobilizing private capital at scale.

## **Progress and Plans**

4. In December 2025, the CIVIC Facility received support of \$1,000,000 from ADB Market Acceleration Platform for Asia and the Pacific Trust Fund (AMAP) to implement CIVIC's initial phases. Implementation period is from April 2026 to December 2028. Implementation is being coordinated with other initiatives supporting startup ecosystems, including VC focused activities, such as ADB Ventures; the regional TA on Supporting Startup Ecosystem in the CAREC Region to Mitigate Impact of COVID-19 and Support Economic Revival (TA 6602); and recently approved regional TA on Cross-Border Opportunities via Regional Resilience, Infrastructure, Data, and Open Regulations in Asia and the Pacific (CORRIDOR).

5. There are ongoing consultations on leveraging CIVIC Facility and linking initiatives with ADB pipeline operations in finance and/or digital sector, particularly SME financing or broader digital financial sector development program in the Kyrgyz Republic, Pakistan, and Uzbekistan. ADB has initiated a diagnostic assessment of the systemic gaps in the enabling environment for startups and venture capital in Mongolia.

6. In 2026, ADB/CAREC will launch a virtual “Asia Venture Academy” piloting a Venture Capital Fund Development Program—a 12-week, project-based venture fund manager development accelerator designed for both first-time and developing fund managers, with the objective of participants being able to secure actual deals or investments at the end of the course. (see Appendix).

## Appendix: Asia Venture Academy – Venture Capital Fund Development Program

### Program Overview

#### What This Program Is

A 12-week venture fund manager development accelerator designed for both first-time and developing fund managers. Participants build, test, and refine a real VC fund model — combining globally recognized program (UC Berkeley or VC Lab) strategic frameworks, Silicon Valley practitioner insight, and localized legal, financial, and operational application.

This is not executive education. It is a GP execution system with the practical results.

**24**

Total Sessions

**12**

Global Sessions  
× 90 min each

**12**

Localized Sessions  
× 60 min each

**1**

Final Demo Day  
In-Person, Astana

#### PROGRAM INTEGRATES

1

Global faculty & Silicon Valley practitioners

2

Peer engagement with GPs, LPs & founders

3

Practical deliverables each week

4

Localized legal, financial & operational sessions

5

Final Demo Day presentation

### 12-Week Program Journey

Wks 1-2

FOUNDATIONS

- How VC Works
- VCFund Structure
- Regional Ecosystem

Wks 3-5

FUND CREATION

- Investment Thesis
- Fundraising & LP
- Dealflow Systems

Wks 6-8

INVESTING

- Founder Evaluation
- Deal Structuring
- Term Sheets

Wks 9-10

PORTFOLIO

- Portfolio Strategy
- Smart Money
- Fund Operations

Wks 11-12

EXIT & CLOSE

- Exit Models
- Fund Economics
- Demo Day Prep

Week

Global Session (90 min)

Localized Session (60 min)

Week 1

How VC Works

Regional Ecosystem Reality

Week 2

What VC Does — Function & Models

VC Models in Emerging Markets

Week 3

Investment Thesis Design

Thesis Validation in Region

Week 4

Fundraising & LP Strategy

LP Roundtable — Regional Perspective

Week 5

Dealflow Strategy & Pipeline

Dealflow in Low-Supply Markets

Week 6

Founder Evaluation Frameworks

Evaluation Under Uncertainty

Week 7

Fund Management Principles

Operating Small Funds in Region

Week 8

Portfolio Construction & Returns

Smart Money & Portfolio Support

Week 9

Exit Models & Fund Performance

Exit Reality in Emerging Markets

Week 10

Legal & Governance Foundations

Local Legal, AML/KYC, Contracts

Week 11

SV Practitioner Roundtable

Regional GPs, LPs & Founders

Week 12

Final Fund Strategy Refinement

**DEMO DAY — Final Presentations**