



**SPECA Multi-Partner Trust Fund**

**United Nations  
Special Programme for the  
Economies of Central Asia  
(SPECA)**

**MULTI-PARTNER TRUST FUND  
(MPTF)**

**Narrative Progress Report**  
*January - December 2025*

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## Glossary of Acronyms

ESCAP	Economic and Social Commission for Asia and the Pacific
MoU	Memorandum of Understanding between Participating UN Organizations and the UNDP Multi-Partner Trust Fund Office regarding the Operational Aspects of the SPECA Fund
MPTF	Multi-Partner Trust Fund
MPTFO	United Nations Multi-Partner Trust Fund Office
PUNO	Participating UN Organization
SAA	Standard Administrative Arrangement
SC	Steering Committee
SDGs	Sustainable Development Goals
SPECA	United Nations Special Programme for the Economies of Central Asia
TOR	Terms of Reference of the United Nations Multi-Partner Trust Fund “SPECA Fund”
UN	United Nations
UNECE	United Nations Economic Commission for Europe
USD	United States Dollar

## 1. Introduction

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The SPECA Multi-Partner Trust Fund (MPTF) has made significant progress since its establishment on 23 September 2024, advancing from its initial setting up to the launch of its first funding cycle. This report provides an overview of key achievements during the January–December 2025 reporting period, with a focus on institutional establishment, governance milestones, and programmatic readiness, as well as the Fund’s forward outlook.

The SPECA Multi-Partner Trust Fund (MPTF) is the result of a sustained political commitment by SPECA participating States to establish a dedicated regional financing mechanism under United Nations management. The Fund was officially established pursuant to the Baku Declaration of 24 November 2023 and has been in place since 1 August 2024. The Fund is established for the period from 1 August 2024 until 31 December 2043 to provide a flexible, inclusive funding mechanism for practical joint programmatic development, projects, and implementation.

The Fund was established by the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) at the request of the SPECA participating States, with the UN Multi-Partner Trust Fund Office (MPTFO) acting as administrative agent. Funded projects are implemented by designated Participating United Nations Organizations (PUNOs). The Fund’s comparative advantage lies in its capacity to finance coordinated, multi-agency programmes addressing shared cross-border challenges that cannot be effectively tackled through single-country or bilateral interventions alone.

The purpose of the Fund is to strengthen the broader SPECA mechanism and accelerate the achievement of three strategic long-term objectives: (a) facilitating economic cooperation in the SPECA region; (b) creating incentives for economic development and integration; and (c) providing a platform for cooperation on transboundary and cross-border issues to support the achievement of the Sustainable Development Goals (SDGs).

The Fund’s Theory of Change is anchored in five overarching outcomes, to be pursued simultaneously: (1) enhancing green, climate smart and circular economic transition; (2) accelerating digital transformation; (3) strengthening transport and trade connectivity; (4) strengthening economic and environmental resilience; and (5) strengthening the institutional capacity of SPECA to support sub-regional cooperation and joint initiatives. All Fund-supported projects must contribute to at least one of these outcomes.

The Fund is governed by the SPECA MPTF Steering Committee. The Steering Committee is chaired by a representative of the UN Regional Commissions (rotating between UNECE and ESCAP on an annual basis) and co-chaired by a representative of the SPECA participating State holding the SPECA Chairmanship in a given year. All decisions of the Steering Committee are taken by consensus.

The Steering Committee and the Fund are supported by a dedicated Fund Support Team housed at UNECE.

This report covers the period from January to December 2025, spanning the Fund’s transition from institutional establishment toward the launch of its first funding cycle. It represents the Fund’s first annual report. While the reporting period formally begins in January 2025, selected developments from late 2024 are referenced for contextual purposes, as they were instrumental in establishing the Fund’s governance and operational foundations.

In particular, the First Session of the Steering Committee, held on 28 November 2024 in Dushanbe, Tajikistan, back-to-back with the nineteenth session of the SPECA Governing

Council, marked a foundational milestone in operationalizing the Fund's governance architecture. During this inaugural session, the Steering Committee adopted the Terms of Reference of the SPECA Multi-Partner Trust Fund, which established the Fund's objectives, governance arrangements, and operational framework.

The Second Session of the Steering Committee is scheduled to take place on 23 January 2026 in Ashgabat, Turkmenistan, back-to-back with the twentieth session of the SPECA Governing Council. During this session, the Steering Committee is expected to adopt the SPECA MPTF Funding Strategy and approve the first Call for Proposals, thereby advancing the Fund's progression from institutional setup toward programmatic implementation and the launch of its first funding cycle.

## **2. Key Achievements and Forward Outlook**

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### **Operationalization of the Fund Support Architecture**

During the reporting period the SPECA MPTF Steering Committee convened several online meetings to advance decisions related to the operationalization of the Fund and the establishment of its supporting institutional architecture. These meetings provided a platform for the Steering Committee to guide the transition of the Fund from a newly established financing mechanism toward an operational structure capable of supporting programming and implementation.

A major milestone during this period was the Steering Committee's decision to establish a dedicated Fund Support Team, hosted by the United Nations Economic Commission for Europe (UNECE) in Geneva, to support the day-to-day operations of the Fund. The Steering Committee also approved the annual budget of the SPECA Multi-Partner Trust Fund, providing the financial framework necessary for the inception phase of the Support Team and related operational functions.

Following approval by the Steering Committee, the proposal for the Support Team to the SPECA Multi-Partner Trust Fund (Inception Phase) was submitted to the Executive Committee of UNECE (EXCOM) and approved at its 138th meeting on 15 January 2025. The approved extrabudgetary project, with a budget of USD 356,845, provided for the establishment of the Fund Support Team servicing the Steering Committee, and stakeholder outreach and communication activities.

Importantly, EXCOM further decided that, until the seventy-second session of the UNECE Commission, scheduled to take place in April 2027, extrabudgetary project proposals financed through the SPECA Multi-Partner Trust Fund would be deemed approved under this decision and would not require additional approval by EXCOM, while the secretariat would regularly inform EXCOM on their implementation for transparency purposes. This decision represented an important institutional facilitation measure, streamlining future approval processes and enhancing the Fund's operational agility.

Following EXCOM approval and the related decision, the head of the Fund Support Team was recruited. The recruitment process was completed in late 2025, and the SPECA MPTF Fund Support Team is expected to become operational in January 2026, which is expected to mark a key milestone in the Fund's institutional setup, contributing to strengthened coordination, enhanced technical capacity, and effective day-to-day management of the Fund.

### **Planned Second Session of the Steering Committee**

The Fund Support Team is expected to support the organization of the Second Session of the Steering Committee (in person) in Ashgabat, Turkmenistan, on 23 January 2026. The Team will prepare all session documents, the SPECA MPTF Funding Strategy and the first Call for

Proposals, in close coordination with MPTFO and the SC Chair, collect and incorporate comments from Steering Committee members. During its Second Session, the Steering Committee is expected to consider the following:

- The adoption of the SPECA MPTF Funding Strategy, establishing the strategic framework for medium-term investment planning across six thematic focus areas;
- The approval of the first Call for Proposals, and authorization for the Fund Support Team to proceed with its issuance;
- Welcoming contributions from Azerbaijan (USD 3.5 million) and Uzbekistan (USD 0.5 million).

### SPECA MPTF Funding Strategy

The Funding Strategy is intended to provide a structured, forward-looking framework to guide investment planning, and strategic allocation for SPECA MPTF to support sub-regional cooperation among SPECA participating States in selected thematic focus areas.

The SPECA MPTF Funding Strategy aims to translate five overarching outcomes set out under the Fund's Terms of Reference (ToR) into a set of prioritized thematic focus areas. While all ToR outcomes remain relevant, the Strategy concentrates on areas where pooled regional financing can generate the greatest added value, address cross-border challenges, and enable scalable solutions that cannot be achieved through national or bilateral efforts alone.

The thematic focus areas proposed under the Funding Strategy reflect priorities consistently articulated by SPECA participating States through bilateral consultations held with the aim to inform the development of the Strategy. Those thematic areas of interest to all or most SPECA participating States were brought forward and prioritized, in particular under the flagship project category, to ensure that the Fund's initial portfolio is firmly grounded in the collective priorities of the region.

The proposed Funding Strategy is drafted around the following six priority thematic focus areas, aligned with the Fund's Theory of Change:

- **Connectivity and Digitalization:** Enhancing trade and transport corridors, logistics systems, and digital infrastructure to enable seamless, efficient, and interoperable regional connectivity.
- **Trade Facilitation:** Reducing barriers, harmonizing regulations, and strengthening integration into global value chains to enhance trade connectivity.
- **Resilient and Smart Cities:** Promoting sustainable urban development linked to economic corridors, ensuring inclusive growth and improved service delivery.
- **Environment, Water and Climate Resilience:** Addressing transboundary climate and environmental risks through integrated, data-driven, and cooperative approaches.
- **Energy Connectivity:** Strengthening regional energy systems, supporting renewable energy integration, and advancing decarbonization efforts.
- **Youth and Academic Cooperation:** Empowering youth, fostering innovation, and strengthening regional knowledge and skills ecosystems.

Across all focus areas, the Strategy emphasizes regional cooperation, interoperability, and alignment with international standards, as well as coordination with other regional initiatives.

Overall, the Funding Strategy is expected to provide a coherent framework for guiding investments, ensuring that the SPECA MPTF can deliver impactful, scalable, and regionally integrated solutions that advance sustainable development across the SPECA region.