



Financing Energy for Low-carbon Investment Cities Advisory Facility (FELICITY)



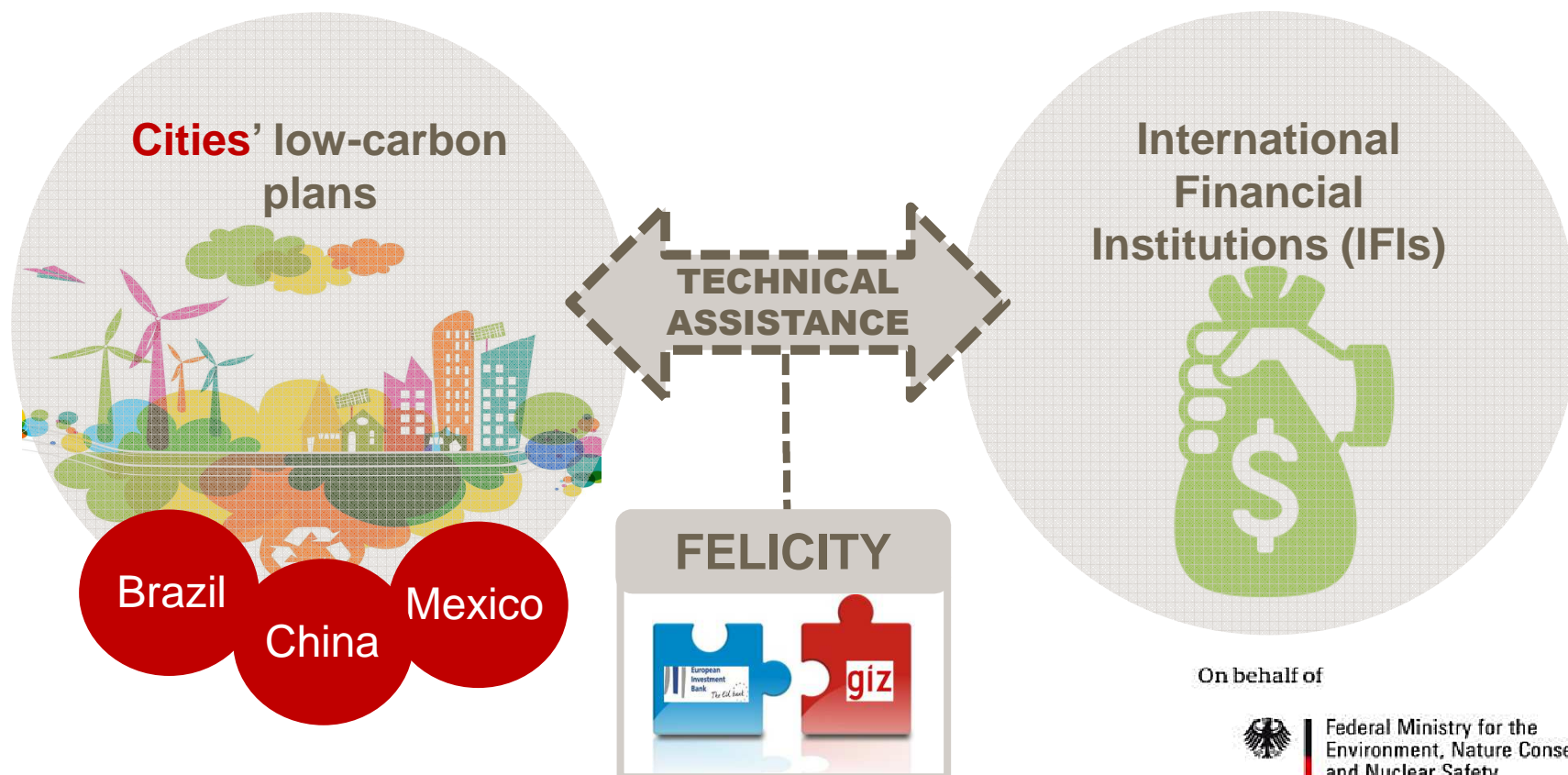
A joint GIZ and EIB initiative

building on capacity development and finance expertise

Funded by the International Climate Initiative (IKI), the international funding instrument of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)



FELICITY: Linking projects to financing



On behalf of



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety



The EIB at a glance



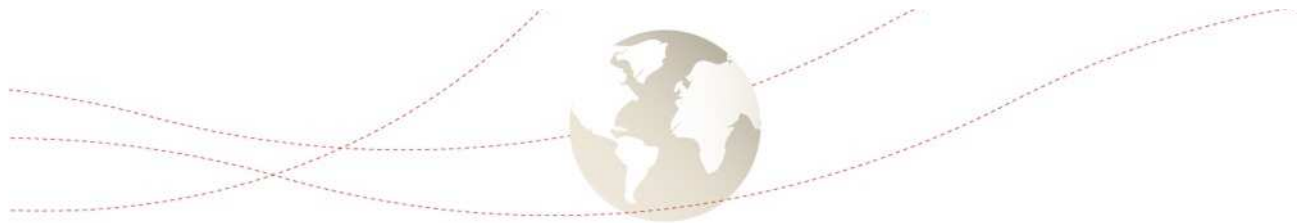
- EU's long-term lending bank set up in 1958 by the Treaty of Rome
- Largest multilateral lender and borrower in the world
- Raise funds on the international capital markets, pass on favourable borrowing conditions to clients (volume, currencies, maturities, interest rates)
- Ca 90% of lending within the EU
- Shareholders: 28 EU Member States





Climate Action in the EIB





EIB outside Europe

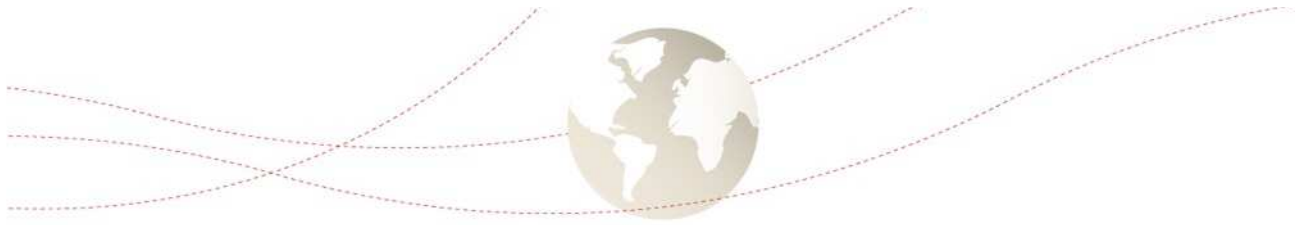
In 2016,

- **87 projects** outside the EU, of which **59 projects** were relevant for climate change mitigation or adaptation (signatures)
- approved financing of **EUR 8.04bn** (expected to enable total investments of EUR 19bn) of which **EUR 1.92bn** was relevant for climate change mitigation or adaptation

EIB in Asia and Latin America

- Authorised lending volume EUR 3.4bn (2014-2020)
- Priorities:
 - **climate change** mitigation and adaptation
 - development of **social and economic infrastructure**
 - local private sector development, in particular support to SMEs

challenge:
identifying
suitable
projects



Importance of Cities

- Ca **80% of energy consumption** and **75% of GHG emissions** in the urban space – showing an increasing trend
- **Urban density** presents an opportunity for innovation and services – especially in infrastructure (eg waste, transport)
- Local governments operate at the **project implementation level**
- Cities are centres of **innovation**



Complications in sub-national lending

- **Capacities** (financial and human resources) at the sub-national level
 - Project development
 - (Local) policy and planning framework
 - Optimising GHG-mitigation and social impact
- Unfamiliarity of municipalities/local developers with **international financing criteria**
 - Economic feasibility: costs and benefits to society
 - Environmental and social standards
 - Procurement: non-discrimination and transparency
- Restrictions at national level (e.g. financial or loan conditions)
- Sub-national entities not part of international climate finance

advisory on
project
development
and access to
finance

improve
capacities for
preparation &
implementation
of projects

support
improving the
regulatory
environment
for sub-national
financing

strengthen
global
networks for
exchange &
partnerships



FELICITY: Overview

GEOGRAPHIC SCOPE

(currently) Brazil, China, Mexico

RATIONALE

Closing the gap between cities' low-carbon infrastructure projects and financing: advisory, capacities, national regulation and global networks

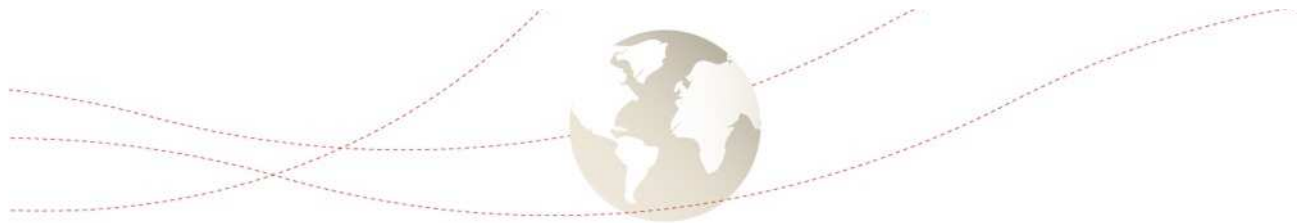
ELIGIBLE PROJECTS

Urban infrastructure with significant impact on GHG emissions (e.g. energy, mobility, waste management, waste water)

PARTNERS

Project promoters (e.g. municipalities, state owned enterprises)

Financial intermediaries (e.g. local (development) banks)



For further information, please contact:
felicity@giz.de

On behalf of



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety

of the Federal Republic of Germany



A global perspective: Investments in sustainable infrastructure



More than US\$90 trillion needed for sustainable infrastructure until 2030¹

Required project preparation support of \$155-310 billion per year until 2030¹

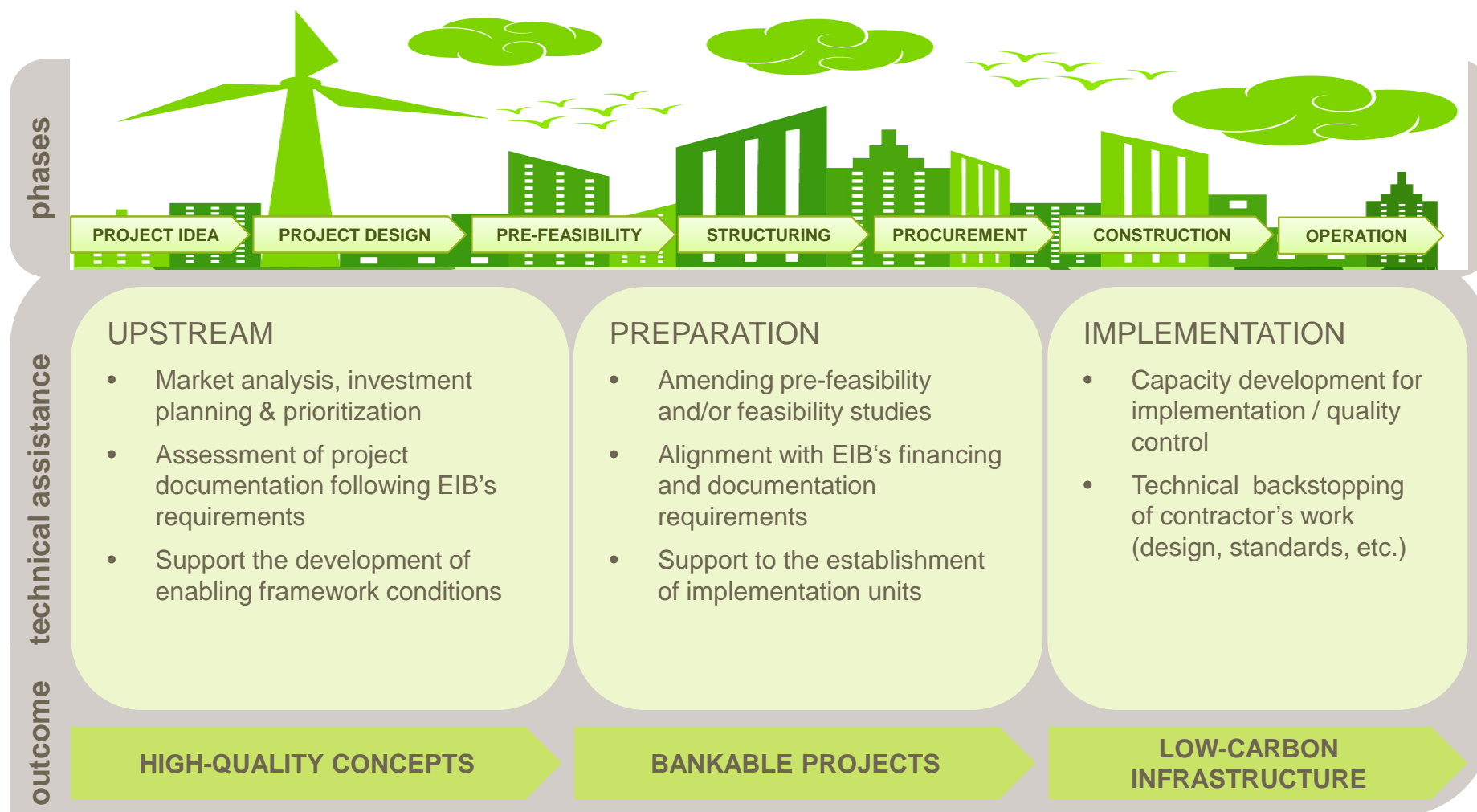


Due to high urban emissions and urbanisation trends, cities will need the lion share of investments and project preparation support

¹[Overseas Development Institute](#) (2016). *Finding the pipeline. Project preparation for sustainable infrastructure*




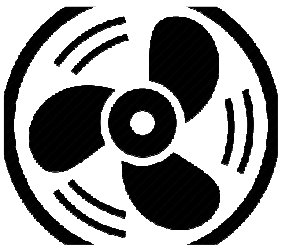

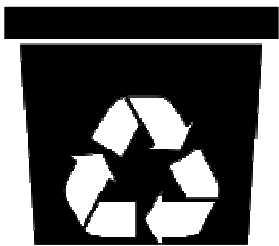

FELICITY: potential support





FELICITY: Indicative eligible technologies

FELICITY covers a variety of interventions (non-exhaustive) in different sectors

| Sustainable transport | District heating/cooling | Public lighting systems | Waste & waste water treatment | Energy efficiency |
|---|---|--|---|--|
|  |  |  |  |  |
| <ul style="list-style-type: none">• Public transport: bus rapid transit, metro• Electrobus• Charging infrastructure for electric vehicles | <ul style="list-style-type: none">• Space heating controls• Solar thermal plants• High efficiency co-generation for buildings | <ul style="list-style-type: none">• Refurbishment and installation of LEDs• Smart control systems | <ul style="list-style-type: none">• Aerobic and anaerobic systems• Mechanical biological treatment (MBT)• High-efficient energy recovery from solid biomass | <ul style="list-style-type: none">• Metering devices• High-efficient lighting• Integration of renewables• Energy storage technologies |