FELICITY works in close cooperation with the European Investment Bank (EIB) to support urban investment projects that significantly contribute to sustainable development and climate change mitigation. FELICITY offers technical assistance to cities in designing and structuring their infrastructure investment projects. FELICITY’s support to cities has the potential to leverage EUR 541 million.

This is achieved through low-carbon project pipelining and preparation; capacity development for cities and national intermediaries such as National Development Banks (NDBs); policy recommendations on specific national framework conditions; and the development of knowledge networks for climate finance projects.

In Detail

FELICITY’s support to Antonio Ante, Atacames and Jipijapa included technical studies; improvements to design; improvements to the wastewater treatment plants to reduce greenhouse gas emissions; environmental and social impact assessments; as well as financial and economic analyses (including an affordability analysis); and procurement planning. All advisory products remain in line with national requirements and international standards.

Partners

Capacity development and technical studies were carried out in cooperation with the respective city administrations; in the cases of Antonio Ante and Jipijapa this included the local utility provider. FELICITY also advised Ecuador’s National Development Bank (BDE) as political partner at the national level. BDE takes the role as intermediary finance organisation channelling EIB financing to the local level. To strengthen BDE as financial intermediary, FELICITY supported it to develop a Environmental and Social Management Framework complying with EIB standards.

Lastly, FELICITY has supported the set-up of a Project Implementation Unit (PIU) in each city to ensure coherent preparation and implementation of the infrastructure projects while maintaining sustainability throughout the operation.
Outlook and Scaling

Building upon FELICITY’s support, all three cities, are in discussion with BDE and the EIB for financing. The cities of Antonio Ante and Jipijapa have already submitted their request for finance to the BDE. Once approved, the works would start immediately. The established PIUs will be actively supporting this process in the future.

The work of FELICITY had paved the way for further projects preparation across Ecuador in cooperation with BDE and EIB. As such, using the experiences with FELICITY, BDE is working with municipalities to identify and prepare an additional 20 projects on water and sanitation by 2024. These will be financed through BDE and EIB’s framework loan. Additional funds are being made available by the European Commission for further technical assistance in the urban infrastructure projects across Ecuador.

Project in Numbers

- Antonio Ante – EUR 11 million project investment prepared
- Atacames – EUR 5 million project investment prepared
- Jipijapa – EUR 35 million project investment prepared
- Mitigating 18,000 tons of CO2eq per year – the equivalent of 30% of methane emissions across the three cities
- More than 130,000 inhabitants will benefit from the three projects though increased sanitation standards and health improvements
- The implementation of the three projects will directly sustain approx. 80 new job posts

FELICITY has Supported These Achievements:

**Enabling Access to Climate Finance**

BDE and EIB concluded a framework loan that allows smaller cities to access climate finance, totalling approx. EUR 200 million. All three projects are eligible for financing through this loan.

**Enhancing Bankability**

FELICITY has provided tailored support for cities to prepare documentation compliant with international financing standards. All three projects stand ready for financing with a total volume of EUR 51 million in project investment.

**Developing Local Capacities**

FELICITY provided trainings to more than 120 staff members of the municipal administrations, water utilities and BDE. Capacity was advanced in the fields of project preparation, climate finance, and municipal management.

**Knowledge Sharing**

Together with BDE, FELICITY developed guides and videos to address available financing opportunities targeting urban climate action in Ecuador. These materials were shared with all 221 municipalities across Ecuador and further municipalities in Latin America.

**Contributing to Green Recovery**

FELICITY supported the BDE to establish a green recovery concept that includes investment planning with a focus on combining economic recovery with sustainable development after the COVID-19 pandemic.

**Contact**

- mara.eichinger@giz.de
- willy.alarcon@giz.de

Visit FELICITY’s Website