

*"Financing Energy for Low-carbon Investment Cities Advisory Facility - Eastern Partnership and Central Asia Countries"*

# FELICITY II

**CROSS-SECTORAL APPROACHES TO TURN CLIMATE CHALLENGES INTO INVESTMENT OPPORTUNITIES**

**UKRAINE**  
**MOLDOVA**      **KAZAKHSTAN**  
**UZBEKISTAN**

On behalf of:



Implemented by:



# FELICITY II: Transforming Cities through Climate-Sensitive Infrastructure Investment

According to the International Energy Agency (IEA), **cities account for 70% of global energy use** and related Greenhouse Gas emissions. By 2050, an additional two billion people are expected to live in urban areas. The Financing Energy for Low-carbon Investment Cities Advisory Facility – Eastern Partnership and Central Asia Programme (**FELICITY II**) helps to overcome technical, institutional, financial, and capacity barriers to the development of low-carbon and climate-resilient urban infrastructure.

The programme focuses on climate investments in the building sector in the partner countries of **Kazakhstan, Moldova, Ukraine, and Uzbekistan**. In Ukraine, the water and wastewater sector is an additional focus. The programme takes the development interests of cities as its starting point and links these with the perspectives and requirements of international climate finance institutions.

## FELICITY II: KEY FEATURES

5

YEARS

The five-year programme (January 2022 to December 2026, in Ukraine until the end of 2027) is funded by the **International Climate Initiative (IKI)** of **Germany's Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety**, and implemented by **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH** in cooperation with the **European Investment Bank (EIB)**. It builds on the success and experiences from the FELICITY I programme, which was implemented in Latin American and South-East Asian countries. At the same time, the programme fits in with and continues the IKI's involvement in other decarbonisation projects in the infrastructure sector in the countries of the Eastern Partnership and Central Asia. The FELICITY II programme has a total funding of €20 million.

20€

MIO

There is a high demand for low-carbon infrastructure investment, and significant challenges must be addressed in order to improve the low degree of energy efficiency and high greenhouse gas emissions in the **building, water, and wastewater** sectors in the partner countries.

In Ukraine, the focus is on rebuilding and modernising war-damaged infrastructure in line with the **"Build Back Better"** principle.

At the **national** level, governments are supported in creating favourable conditions for infrastructure investment. Financial intermediaries are strengthened to enable them to structure climate finance.

At the **subnational** level, experts, and project promoters are supported in preparing bankable, low-carbon investment projects. This technical assistance is coupled with a financial contribution from an IFI to ensure that low-carbon infrastructure projects are implemented and scaled up. By participating in such financial-technical alliances in the infrastructure sector, countries can learn from regional and international best practices.

2

SECTORS

BUILD  
BACK  
BETTER

2

LEVELS

In Ukraine, the programme also involves preparing a technical project for large-scale contributions from the IKI to the EIB, which will be invested in renewable energy solutions for public buildings.

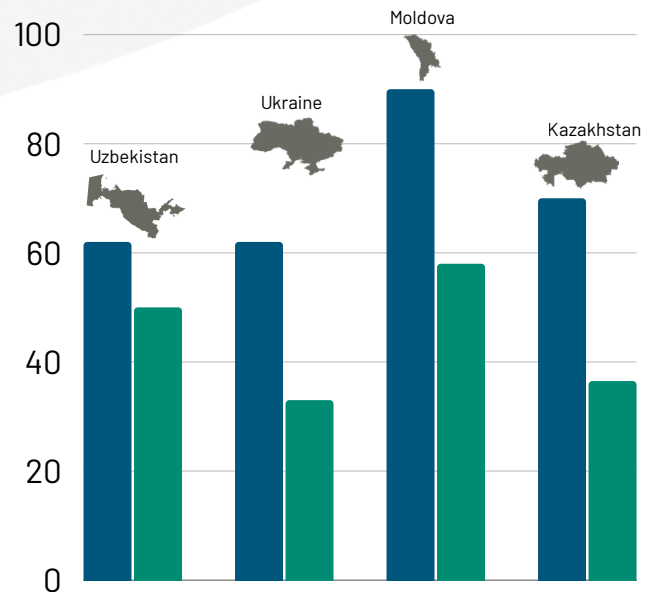
The project directly contributes to strengthening the role of sustainable infrastructure in **Low Emission Development Strategies (LEDS)** and the implementation of the **Nationally Determined Contributions (NDCs)** under the Paris Agreement.



Nukus pilot in Uzbekistan is aimed to demonstrate how energy-efficient refurbishment planning should be organized in real life.

## CITIES: BRINGING CLIMATE FINANCE WHERE IT'S NEEDED MOST

The escalating **climate crisis** and rapid **urban growth** are putting pressure on cities to transform their outdated, **fossil-fuelled infrastructure**. The FELICITY II programme is working closely with national government institutions and local city authorities in partner countries to build cooperation bridges to create enabling framework conditions, clear financial mechanisms, and assist in concrete pilot investment projects' design. A flexible partner-oriented approach is crucial, especially during times of uncertainty and complexity, facilitating opportunities for **investing in climate-sensitive infrastructure** while fostering emerging markets for it.



**Urbanisation rate**  
**Building sector total energy consumption rate**

Sources: [IKI](#), [Kazinform](#), [IEA](#), [Astana Times](#), [UNFCCC](#), [Kazakhstan Bureau of Statistics](#), [World Bank](#), [IEA](#)



### COMMISSIONER

**IKI** is a flagship funding program of the German government supporting ambitious climate action and biodiversity projects in developing, emerging, and transition economies.



### IMPLEMENTING PARTNERS

**EIB**, which refers to itself as the "EU's climate bank", is the lending arm of the European Union and one of the world's largest multilateral financial institutions.



**GIZ** is a German state-owned technical development agency that provides specialised services in international cooperation for sustainable development.

### FELICITY II: TARGETS IN PROGRESS

Financing leveraged for sustainable infrastructure

€100 Mio

Projects ready for investment

29

Policy & regulatory documents

29

Public buildings benefiting from RES

70

### THE FELICITY APPROACH

LOW CARBON INFRASTRUCTURE PROJECTS IN CITIES



CLIMATE FINANCE

Enhancing Enabling Environment

Establishing Financing Mechanism

Preparing Project Design

Knowledge and Capacity Development

## FELICITY II KEY ACHIEVEMENTS

### UKRAINE: PILOTING COMPREHENSIVE ENERGY-EFFICIENT (EE) REFURBISHMENT OF WAR-DAMAGED 20 MULTI-FAMILY BUILDINGS IN MYKOLAIV AND KRYVYI RIH FOR SETTING "BUILD BACK BETTER" STANDARDS

Following successfully applied models from Germany and the Baltic states and in cooperation with dena, IWO, Bauhaus Earth, Rožkvit, Art-Bud, DELTA, KyivESCO, Covenant of Mayors, a standard methodology for scaling reconstruction and EE refurbishment of multi-family buildings in Ukraine is currently in co-creation. Implementation funding is envisaged via the Energy Efficiency Fund, which will be supported by EIB loan.



dena training in Lviv, Ukraine, November 2025

### UZBEKISTAN: PROJECT APPRAISAL DOCUMENT FOR 143 MIO EUR EIB LOAN FOR UZPBEE PROGRAM FINALIZED

The project appraisal document (PAD) has been prepared and submitted for the final approval of the Ministry of Economy and Finance. As part of PAD development, more than 60 buildings have undergone energy audits, and a feasibility study outlining three renovation packages has been completed. Approvals have been obtained from seven municipal authorities. After final approval, the loan agreement is expected to be signed in 2026, and renovation works are scheduled to begin in the first quarter of 2027.



Energy audit of a school in Tashkent, Uzbekistan, September 2025

### UKRAINE: ACCELERATING INVESTMENTS IN WATER AND WASTEWATER SECTOR

100 Mio Water & Wastewater EIB loan program facilitated, and pipeline established, currently supporting the preparation of 5 climate-sensitive projects by water utilities.



Field visit to Khmelnytskyi water treatment plant, Ukraine, August 2025

### KAZAKHSTAN: UNLOCKING GREEN INVESTMENT FOR NEW RESIDENTIAL BUILDINGS

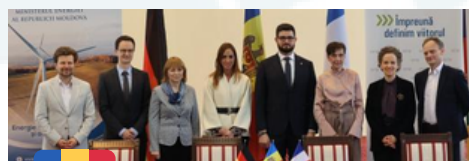
The Kazakhstan Housing Company (KHC) and the EIB signed a Memorandum of Understanding to establish financing mechanisms that support the application of new energy efficiency standards in future residential buildings.



EIB and KHC sign an MoU, Kazakhstan, May 2025

### MOLDOVA: IMPROVING ACCESS TO FINANCE WITH MINISTRY OF ENERGY

FELICITY II provided institutional support to Moldova in securing international financing for the renovation of public and residential buildings, including through MEEP and INSPIREE programmes.



INSPIREE grant signing, Moldova, March 2025



# FELICITY II MOLDOVA

Financing Energy for Low-carbon Investment – Cities Advisory Facility

## BUILDING THE GROUND TO SAVE ENERGY

### IMPROVING ACCESS TO FINANCE WITH MINISTRY OF ENERGY

Since December 2024, FELICITY II is helping Moldova turn energy efficiency into a driver of change. Together with the Ministry of Energy, the programme strengthens the groundwork for improving access to international climate finance. It facilitates Moldova's path toward greener cities, stronger institutions, and EU integration. With rising energy costs and increasing demand for modern public services, FELICITY II brings the tools, expertise, and partnerships needed to scale up financing for sustainable building upgrades and make every kilowatt count.

### OUR SUPPORT



#### Facilitating access to climate finance

Acting as an honest broker, FELICITY II provides embedded expertise within the Ministry of Energy to streamline loan and grant negotiations with IFIs. This includes EIB, KfW, jointly with the AFD. It supports the coordination of priority financing processes and energy efficiency practitioners.

#### Strengthening energy management systems

By enhancing the digital Energy Management Information System (EMIS) for public building managers, the programme enables up to 10–15% short-term energy savings. In partnership with the National Center for Sustainable Energy (CNED), EMIS creates a transparent database for future investment pipelines aligned with international standards and supporting the transposition of the EU Energy Performance of Buildings Directive.

#### Integrating national and municipal efforts for energy savings

FELICITY II connects bottom-up initiatives, such as the 'Learning Energy Efficiency Network' and local climate ambitions in Bălți municipality with a national financing perspective by providing strategic advice to the Ministry of Energy, CNED, and the Ministry of Finance – ensuring that investments are directed where they are most needed.

Video: EE Exchange organised by FELICITY II



### INSTITUTIONAL SUPPORT PROVIDED TO

#### INITIATIVE TO NURTURE SUSTAINABLE PUBLIC INFRASTRUCTURE THROUGH RENOVATIONS FOR ENERGY EFFICIENCY



#### SUPPORTED INTERNAL PROCEDURES RELATED TO LEGAL GROUNDWORK

- 3 Government Decisions
- 1 Law
- 1 Ministry of Energy order

€10 Mio for residential buildings  
€2.4 Mio EUR for public buildings

#### SUPPORTED INTERNAL PROCEDURES RELATED TO LEGAL GROUNDWORK

- 3 Government Decisions
- 2 Laws
- 1 Ministry of Energy order
- 1 Presidential Decree

Video: Visit to Leova school organised by FELICITY II



FELICITY II IKI funding  
€19,7 Mio  
Moldova Budget  
€0,4 Mio

Staff in team 2  
Staff embedded 1

### INSPIREE

Loan €30 Mio  
Grant €38.7 Mio  
Republic of Moldova contribution €4.3 Mio  
Total INSPIREE €73 Mio

- Legal and technical advisory to Ministry of Energy for the preparation of the grant agreement between KfW (on behalf of Germany) and Moldova.
- Supported the ratification of the AFD loan agreement.
- Together they pave the way for large scale renovation of public buildings.

### MOLDOVA ENERGY EFFICIENCY PROJECT (MEEP)

Promotion of 4 Amendments between the EIB and the Republic of Moldova regarding MEEP projects, concerning:

1. Financing Contract
2. Grant Agreement
3. Cooperation Agreement
4. Implementation Agreement

### ANALYSIS SHOWS: ENERGY EFFICIENCY INVESTMENTS PAY OFF

- Impact analysis of 8 schools renovated by GLZ shows that energy savings pay off.
- Such long-term savings significantly reduce financial risk and make renovations economically sound for Moldova's future.

## IMPRINT

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