

MAKING CITIES CLIMATE-FRIENDLY

FELICITY II – Cities Advisory Facility in Kazakhstan

The challenge: cities are fuelling climate change

While in 1950 less than a third of all people lived in cities, by 2015 that share had grown to more than half the global population. According to UN forecasts, the figure is set to increase further to over 65 per cent by 2050. Cities are currently responsible for two thirds of global CO₂ emissions – and are grappling with serious problems such as air pollution, environmental degradation and insufficient resilience to the effects of climate change.

Although there is general acceptance that resilient, low emission infrastructure is necessary, the processes that come with it remain a complex issue. Many cities in Eastern Europe and Central Asia have difficulty launching feasible projects and securing the necessary funding. In view of increasing urbanisation and the drastic consequences of climate change, investment in environmentally friendly urban infrastructure is essential to reduce greenhouse gas emissions and to strengthen resilience.

Our approach: support for green infrastructure

The objective of the project FELICITY II, implemented by GIZ jointly with the European Investment Bank (EIB) is to improve urban infrastructure in Eastern Europe and Central Asia and reduce CO₂ emissions as a result. On behalf of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and as part of the German Government's International Climate Initiative (IKI), we are active in Ukraine, Georgia, Uzbekistan, Kazakhstan, Moldova and Armenia. In cooperation with the European Investment Bank (EIB), we are overcoming existing hurdles by promoting low-emission infrastructure projects in the urban water and wastewater sector and increasing energy efficiency in buildings.

Project name	FINANCING ENERGY FOR LOW-CARBON INVESTMENT – CITIES ADVISORY FACILITY II (FELICITY II) EASTERN PARTNERSHIP AND CENTRAL ASIA PROGRAM
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Project area	Georgia, Kazakhstan, Ukraine, Uzbekistan, Moldova, Armenia
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Contact	Andre Fabian, andre.fabian@giz.de

The countries we work with face similar problems in financing climate adaptation projects as well as technical challenges. We support cities and financial intermediaries by helping them to assess the technical, financial and economic feasibility of investments in urban areas. We facilitate processes and advise projects on how to reconcile financial requirements with social and environmental objectives.

We assist communities to develop feasible projects and leverage global financing opportunities. We also encourage knowledge sharing between countries and regions, thus facilitating the preparation of infrastructure projects and the creation of legal frameworks.



Multi-apartment building in Kokshetau as a pilot project

The support to Kazakhstan is structured along four action areas:

1. Enabling environment: support the development of energy efficiency policies, regulations and incentives for the building sector at the national and local level;
2. Financial mechanism: support the development of viable financial schemes involving government incentives and international funding for the energy efficient refurbishment of buildings;
3. Technical preparation: support the development and implementation of a comprehensive pilot project to demonstrate the feasibility and replicability of the energy efficient, climate resilient refurbishment of buildings, and develop a pipeline of buildings to be refurbished with EIB's financing;
4. Capacity development and regional knowledge exchange: support project promoters and intermediate financial institutions in the preparation of bankable energy efficiency projects for the building sector, increase awareness raising, facilitate exchange of lessons learned and best practices in Central Asia and Eastern Europe.

Selected results:

- Concept elaboration for the development of the sphere of energy saving and energy efficiency of the Republic of Kazakhstan for 2023–2029 in terms of energy efficiency in residential sector (multi-family buildings).
- Economic assessment study on measures to improve energy efficiency / thermal modernization of buildings by regions of Kazakhstan.
- Study Tour to Berlin on the topic “Developing of Energy Efficiency in the Building Sector in Kazakhstan”, Germany, October 2023. The insights feed into the implementation of a pilot project for energy efficient modernization of a residential building in Kokshetau city.



Study Tour to Berlin, Germany, 9th – 13th October 2023

- Support of strategic conferences and meetings organized by Energy Efficiency Institute such as the International Energy Saving Forum.
- Established the Central Asia local hub of the Cities Climate Finance Leadership Alliance (CCFLA) for regional knowledge exchange on energy efficiency in buildings and regularly convened critical stakeholders.
- Supporting of working group “LEDS 2060 roadmap development” for the development of a roadmap for the Low Carbon Development Strategy of Kazakhstan 2060.



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GIZ Kazakhstan
FELICITY II - Eastern Partnership and
Central Asia Program
Microdistrict Samal 12
010001 Astana, Kazakhstan
T +7 7172 58 09 19
E giz-kasachstan@giz.de
I www.giz.de

Responsible:

Andre Fabian, Berlin

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Assel Abdiyanova, Astana

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