

The Environmental Protection and Energy Efficiency Fund - Case Croatia

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- ✓ About Croatian Environmental Protection and Energy Efficiency Fund
- ✓ The role of the Fund in Art.7 EED
- ✓ Lessons learned

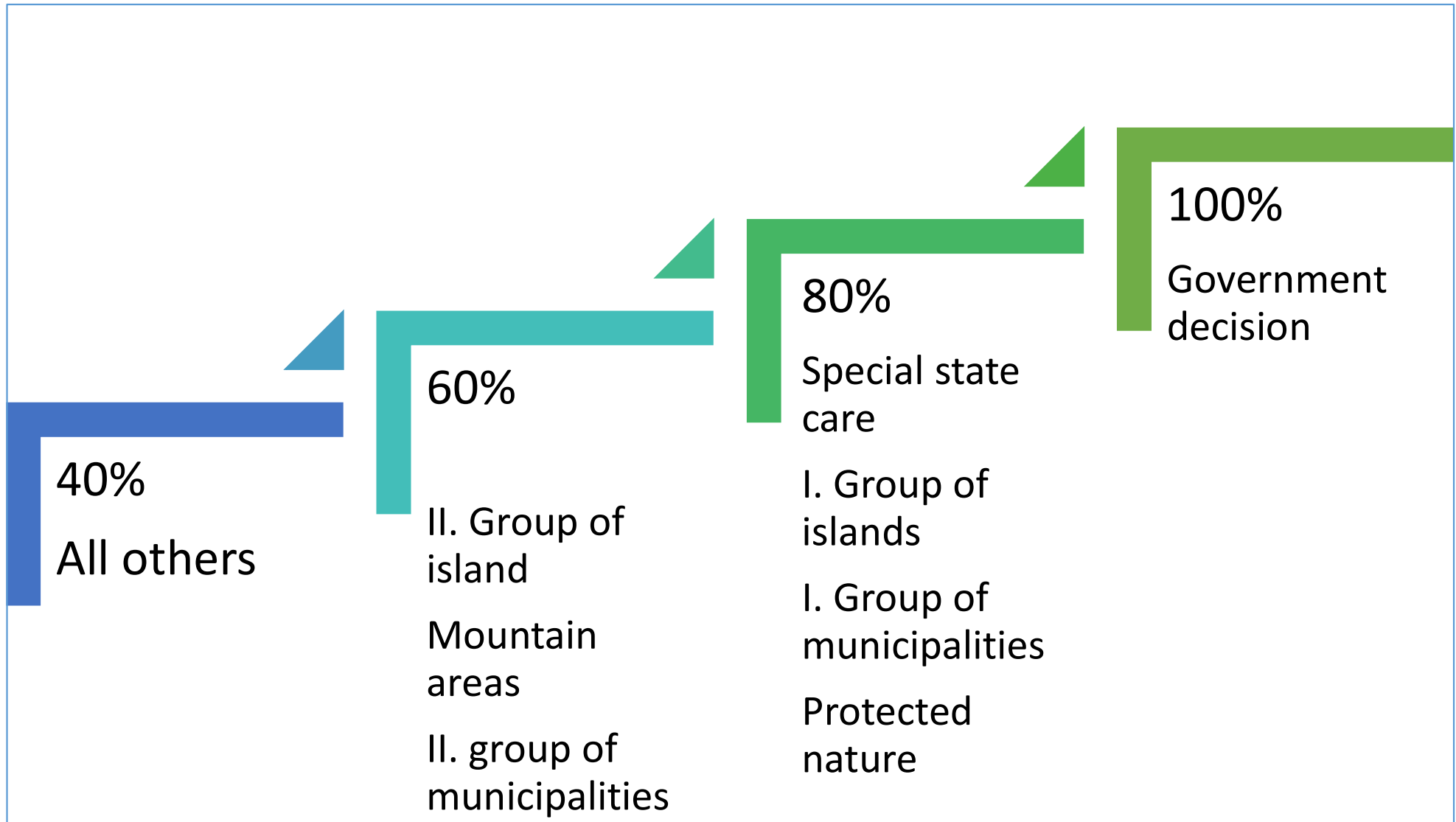
- ✓ Established at the end of 2003 by the **Act on the Environmental Protection and Energy Efficiency Fund**
- ✓ **Extra-budgetary public institution**
- ✓ Goal:
 - ✓ Financing preparation, implementation and development of projects and activities in three main areas:
environmental protection **energy efficiency use of renewable energy sources**
- ✓ Collecting fees based on the ***polluter pays principle***
 - ✓ environmental charges (on burdening the environment with waste; on polluters of the environment; special charges for motor vehicles)
 - ✓ **EU Emissions Trading System (EU ETS)**
 - ✓ revenues generated from international bilateral and multilateral cooperation on programmes, projects and similar activities

- ✓ **Income in 2021:**
 - ✓ 2,1 billion HRK (**280 million EUR**)

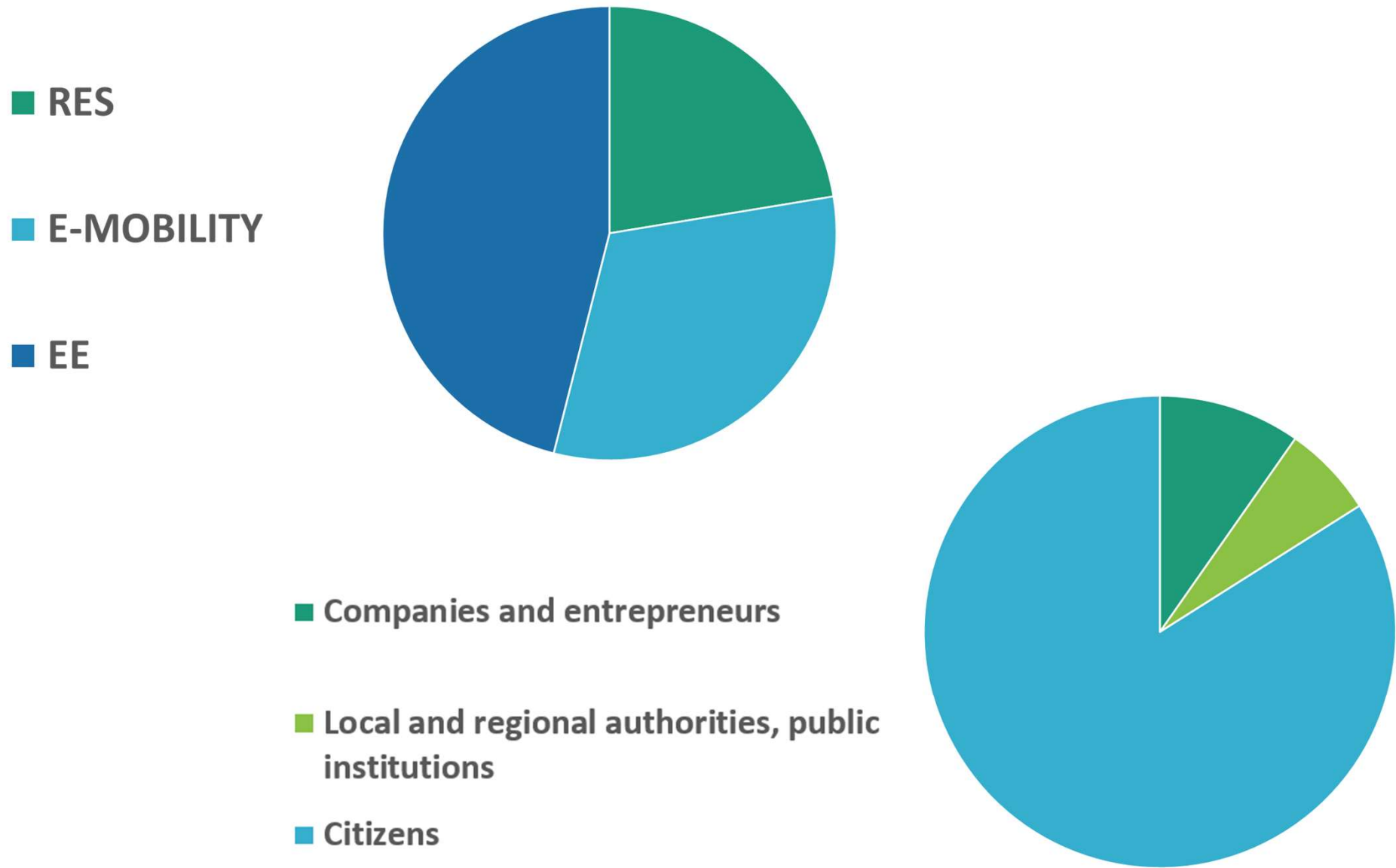
- ✓ **Beneficiaries of the Fund's appropriations**
 - ✓ Legal persons (local and regional authorities, public institutions, companies and entrepreneurs)
 - ✓ Natural persons (citizens)

- ✓ **Forms of granting fund appropriations**
 - ✓ **Grants (subsidies, financial assistance and donations)**
 - ✓ Loans

Absolute amount determined in every tender/call



Distribution of projects per areas and users



Source: EPEEF

✓ **Act on Energy Efficiency**

- ✓ Ensures co-financing of EE measures determined by National Energy Efficiency action Plan (NEEAP) and other programmes (energy renovation of buildings)
- ✓ EE Obligation scheme (**art. 7 of EED**)
 - Penalties from obligated parties are paid to the Fund

✓ **Regulation on monitoring, measurement and verification of energy savings**

- ✓ Fund obliged to input data about finalised EE projects into the system for M&V (SMIV) -> alternative measures

- ✓ Obligated parties in EEOS will pay 1,2 HRK/kWh to the Fund for not achieved new annual energy savings
- ✓ The fee will be corrected each year according to consumer price index
- ✓ The funds collected from EEOS shall be handled in the special account and invested in alternative measures
- ✓ The Fund shall report on annual basis on investments, measures and savings achieved with the money collected from the obligated parties
- ✓ EEOS operational since 2019 in Croatia -> no payments from the obligated parties until now

- ✓ Investing own sources in alternative measures or intermediate body for the use of ESI funds -> as grant provider obliged to report all projects in MRV platform SMIV
- ✓ The Fund is the most important user of SMIV
 - ✓ Currently > 17,000 entries in SMIV – more than 90% by the Fund
- ✓ Alternative measures implemented by the Fund
 - ✓ Energy renovation programme for single-family houses
 - ✓ Energy renovation programme for multi-apartment buildings
 - ✓ Energy renovation programme for public building
 - ✓ Public lighting (2014-16)
 - ✓ Eco-driving education (2014-16)
 - ✓ E-vehicles
 - ✓ EE in commercial and industrial sector (2014-16)
- ✓ > 85% of achieved energy savings from alternative measurers are from projects supported by the Fund

- ✓ The Fund in Croatia established before EED (even before ESD)
- ✓ Existing institution used for complying with EED
- ✓ Benefits of the Fund – Croatian perspective
 - ✓ Source of financing for alternative measures
 - ✓ Implementing body for alternative measures
 - ✓ Centralised input in MRV platform
 - ✓ Facilitates the planning process (NECP, NEEAP) – financial planning
- ✓ Limitations
 - ✓ Availability of financing in relation to needs – never enough 😊
 - ✓ EE heavily depends on grants – sustainability of financing
 - ✓ ‘Competition’ with EEOS



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