

COVENANT OF COMPANIES FOR CLIMATE AND ENERGY

Overview of Support Schemes CROATIA



INTRODUCTION

Context

The European Climate Law sets an ambitious emission reduction target of 55% by 2030 and the objective of becoming climate-neutral by 2050. Achieving these new 2030 energy and climate targets will require an ever more integrated approach to energy transition. It is thus essential to invite companies, in particular the less resourced SMEs, to join the energy and climate efforts of cities in order to develop mutually beneficial public-private partnerships at local level¹.

Aim of the Covenant of Companies

The European Covenant of Companies for Climate and Energy (EU CCCE) is a pilot initiative to encourage and support companies to step up their contribution to a clean energy transition, energy savings and related climate objectives as set out in the European Green Deal. The initiative aims to provide practical, step-by-step guidelines and technical assistance to European companies to help them take concrete actions resulting in the decarbonisation of their businesses. The initiative is currently in a pilot phase for two years where concepts will be developed and tested to establish a strong foundation for the Covenant of Companies.

Overview of support schemes

With these documents the EU CCCE provides an overview of the European and national support schemes for energy efficiency and renewable energy, national financing tools for clean energy research and innovation projects, as well as available capacity building support for companies.

For the first phase of the project the Consortium has opted to create detailed overviews by narrowing the study down to six focus countries: Croatia, Finland, Germany, Italy, the Netherlands, and Poland. This document presents an overview of the financial support schemes, the financing tools for research and innovation and available capacity building materials (non-financial support), at the national and European level. It further offers insights in the national context within which the support is provided.

Disclaime

This document gives an overview of the available support schemes as of July 2022. It serves to give a general overview of existing material at the national level at this date. Although the Consortium has put considerable effort in collating the material presented, it cannot guarantee that the overviews are fully comprehensive and up-to-date.

¹Tender specification setting up and operating the Secretariat for the EU Corporate Covenant Initiative, p.6.

HIGHLIGHTS

- Croatia aims at a 36.4% share of renewables in gross final energy consumption by 2030.
- Several different institutions have their own agendas and support schemes when it comes to clean energy. Support is available, the information is however a little scattered.
- Support schemes for renewable electricity generation and energy efficiency are mainly managed by the Ministry of Economy and Sustainable Development.
- Support on energy efficiency is mostly focused on buildings as part of Croatia's recovery and resilience plans. Companies aren't directly addressed, but are eligible to apply for support.
- A grant specifically targeted at SMEs for investments in R&D on topics including energy efficiency has recently been made available by the Croatia government.
- Some capacity building material is available and generally covers clean energy without a specific focus.



OVERVIEW OF MAIN SUPPORT SCHEMES

Selection of financial and non-financial support schemes available to Croatian companies as of July 2022 for clean energy projects and R&D&I in clean energy.

				(Croatia										
SUPPORT SCHEMES	GENER	AL INFORM	IATION								co	STS COVE	RED		STATUS
Selected Support Schemes	Scope	Category	Technology Readiness Levels (TRL)	Renewable energy utilisation	Energy Efficiency in processes and operations	Energy efficient buildings	Sustainable mobility	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour costs	Other operational costs	Not specified	Specific for SMEs
Main Landing Page															
Energy efficient vehicles	FIN	GRANT					~				•				
Calls Ministry of Economy and Sustainable Development															
Support for companies for the transition to an energy resource efficient economy (Ref. NPOO.C1.1.1.R4-I1.01)	R&I	GRANT		~	~									V	~
Calls Ministry of Sports and Tourism															
Calls Ministry of Spatial Planning, Construction and State Property															
Buildings	FIN	GRANT				~								>	
Portal EU Funding															
EEA Grants															
ELA Grand-															
LEGEND Scope FIN - Financial support scheme R&I - Research & Innovation financing tool FAX - Tax benefit or incentive FUND - Fund GUAR- Guarantee GRANT - Grant LOAN - Loan															

OVERVIEW OF MAIN SUPPORT SCHEMES

Capacity building material available to Croatian companies as of July 2022 for their clean energy transition.

Croatia										
CAPACITIY BUILDING MATERIAL	TYPE SCOPE									STATUS
Selected Capacity Building Material	Type of Support	General information and examples	Emissions inventory	Energy performance baseline	Monitoring & reporting	Energy audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs
Green business course	TRAIN	~				\	V			
One Stop Shop	PLAT	~					V	V	V	

LEGEND

Form of support

DOC - Guidance document

EXP - Expert guidance / consultancy TRAIN - Course, training, workshop

PLAT - Platform or portal HD - Helpdesk TOOL - Tool (web-based, template or other)

OTH - Other

OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Selection of financial and non-financial support schemes available to European companies as of July 2022 for clean energy projects and R&D&I in clean energy.

							ıg-ten									
Support schemes	GENER	AL INFORM	IATION			ENERGY :	SOLUTIONS								COST COVERED	STATU
Selected Support Schemes	Scope	Category	TRL levels	Renewable energy utilisation	Energy efficient buildings	Energy storage	Sustainable mobility	Infrastructure and smart grids	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour cost	Other operational costs	Description	Specific for SMEs
Horizon Europe - Relevant Missions																
Adaptation to Climate Change										~	~	~	~	V	Operational costs are only covered when they can be attributed as direct costs. Indirect costs may sometimes fall under the grant, but will depend on the grant agreement for a specific project. See also: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf%%58%78%22num%22%3A9 2%2C%22gen%22%3A%22XY Z%22%70%2C59%2C722%2C0%5D	
Climate Neutral and Smart Cities										~	~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.1	
Horizon Europe - Programme Innovative Europe		FUND &														
EIC Pathfinder	R&I	GRANT	1 - 4			~					~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
EIC Transition	R&I	FUND & GRANT	4 - 5/6	~				V	~		V	V	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
EIC Accelerator	R&I	FUND & GRANT	5/6 - 9		~			V			V	~	V	~	Annotated Grant Agreement - EU Grants - Art.6.2	V
CINEA																
CEF Energy: Energy Infrastructure: Projects of Common Interest	FIN	GRANT						V			V	V	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
CEF Energy: Energy Infrastructure: Cross-border renewable energy projects				~							~	~	~	V	Annotated Grant Agreement - EU Grants - Art.6.2	
LIFE Clean Energy Transition	FIN	GRANT		V	V			V			V	~	V	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche life-2022-cet en.pdf	
LIFE Circular economy	FIN	GRANT							J		J	<u></u>	V	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-env_en.pdf	
LIFE Climate Change Mitigation and Adaptation	FIN	GRANT			_				<i>-</i>				~	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-	
Innovation Fund	R&I	GRANT		- 1	•	,	•		•		•	-	•		2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-clima_en.pdf https://cinea.ec.europa.eu/system/files/2022-02/IF_flyer-2021%20.pdf	
EIF and EIB	ROXI	URANI		~		~		~				~			https://cirea.ec.europa.eu/system/nies/2022-02/ir_nyer-2021-020.pur	
invest EU	FIN/R&I	FUND		~	~	~	~		~						The financing will typically take place through financial intermediaries that take equity participations, convertible loans and other equity-type financing. These intermediaries would typically be independent commercially-run fund managers that select companies with adequate return prospects, driven by a commercial logic when selecting companies in which to invest or provide other forms of financing. The investEU intervention will done on commercial terms and crowd in private investors.	

OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Capacity building material available to European companies as of July 2022 for their clean energy transition

EU										
CAPACITIY BUILDING MATERIAL	TYPE				SC	OPE				STATUS
Selected Capacity Building Material	Type of support	General information and examples	Emissions inventory	Energy performance baseline	Monitoring & reporting	Energy audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs
LIFE close-to-market projects	PLAT	~					~		~	
EIC Business Accelaration Services	PLAT	~			~				~	
Invest EU - Advisory hub	EXP						¥	>	¥	
Innovation Fund	EXP						~	~	V	

LEGEND

Form of support

DOC - Guidance document

EXP - Expert guidance / consultancy TRAIN - Course, training, workshop PLAT - Platform or portal HD - Helpdesk TOOL - Tool (web-based, template or other) OTH - Other

NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS

- For national support schemes in Croatia there is not one place for SMEs to consult. It is useful to first understand how the websites are structured to reach the correct pages for funding.
- Several different decentralised organisations provide some funding. It is not always clear which calls are open, and which will open again if closed.
- One of the main conclusions from a Croatian study is that investments are required on the education front. There is a need for more capacity building resources and a more reliable information centre from a national point of view.
- Another comment from the interview with HUP was that companies require a central
 information point where calls for support are made available. Currently there are several
 websites that can be consulted, which does not make it easy for companies, particularly
 SMEs, to find support and materials.

Renewable energy utilisation

The Croatian National Energy and Climate Plans (NECP) sets Renewable Energy Source (RES) targets of 36.4% in gross final energy consumption by 2030¹. Support schemes for renewable electricity generation and energy efficiency are managed by the Ministry of Economy and Sustainable Development. Currently, there is one call **open** by the ministry for SMEs from energy-intensive industries. SMEs can get a subsidy for investments related to the promotion of circular economy and energy efficiency.

Additionally, the ESIF provides grants for energy efficiency. There are currently no open calls for climate or energy. But funding regularly gets updated on the portal.

Besides the ministries, the EEA grants offer funding under the cooperation agreements between Croatia and Iceland, Liechtenstein & Norway. Also here, there are currently no open calls. However, the Croatian government updates calls on the **national website** dedicated to these grants.

Energy efficiency in buildings and industry

A key document for the energy efficiency dimension is the Long-Term Strategy to Encourage Investment in the Renovation of the National Building Stock of the Republic of Croatia by 2050. The current energy renovation rate of 0.7% per year will gradually rise to 3% over the 2021-2030 period, with a 10-year average rate of 1.6%

Croatia's **Recovery and Resilience Plan** aims to foster economic growth and create jobs. **Earthquakes** in Croatia led to measures focusing on the reconstruction and energy renovation of buildings, waste & water management, and sustainable mobility. As a result, support schemes do not explicitly focus on companies, or on SMEs. Companies are however open to apply for such grants and measures. Support is available through calls for grants and loans that can be applied to through the **specific ministries**.

Parties could be eligible to receive grants for renovation of multi-apartment. Companies are not directly eligible to apply but can indirectly benefit from such renovations. The national call for grants for energy renovation of **multi-apartment buildings** was open until 17 May 2022 but due to high number of applicants is suspended until 1 August 2022.

¹Ministry of Environment and Energy, Integrated National Energy and Climate Plan for the Republic of Croatia, Zagreb, 2019, p.54.

NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS

Sustainable mobility

The NECP has set as a goal of a RES share of 13.2% in final energy consumption in the transport sector.² The Environmental Protection and Energy Efficiency Fund (EPEEF) secures financing for projects and programmes in the field of conservation, sustainable use, protection, and improvement of the environment. Currently one grant is open for purchasing energy efficient vehicles. This grant is for individuals as well as companies. The grant provides a co-financing mechanism for electric vehicles.

NATIONAL FINANCING TOOLS FOR RESEARCH AND INNOVATION

Croatia has committed to increasing investment in research, development and innovation (R&D&I) to 1.4% of GDP with a steady increase to reach the EU average of 3% of GDP.³ A foundation to achieve these goals is the **Smart Specialisation Strategy**, which sets out strategic instruments for R&D&I in climate and energy. Limited support is available in Croatia concerning tools for R&D&I. The abovementioned **grant for companies for the transition to an energy and resource efficient economy** is dedicated to projects investing in R&I. The grant is given among others to the following activities:

- Investments new technologies and technological solutions in that result in energy efficiency, reduced energy consumption and/or CO₂ emissions.
- · Investments in RES for heating and cooling.
- Implementation of an energy audit for SMEs.
- Investments in RES for heating and cooling.
- Preparation of technical documentation, project management and project audit.

The open calls for financing for R&I do not directly specify for which technology readiness level they are most suitable.

²Ministry of Environment and Energy, Integrated National Energy and Climate Plan for the Republic of Croatia, Zagreb, 2019, p.54.

³Ministry of Environment and Energy, Integrated National Energy and Climate Plan for the Republic of Croatia, Zagreb, 2019, p.77.

NATIONAL CAPACITY BUILDING MATERIAL

In addition to financial support, there is also limited capacity building materials available for companies. At the national level, very few materials are available.

Two capacity building materials that companies can use are the Green Business Course and the One Stop Shop. The **Green Business Course** starts with adapting to the needs of the applicant. The goal is to achieve changes in behaviour of employees, in the field of energy consumption and recycling. The **One Stop Shop** is provided by the EPEEF and aims at encouraging intensification of investments in RES and energy efficiency in the building sector

Additional international and European capacity building material can be found in the various public guides and information sheets published on the CCCE **website**.

MAIN SOURCES OF INFORMATION ON SUPPORT SCHEMES

Title	Description page	Link
Environmental Protection and Energy Efficiency Fund (EPEEF)	The EPEEF is the central point for collecting and investing extra budgetary resources in the programmes and projects of environmental and nature protection, energy efficiency and use of renewable energy sources. As part of its activities the EPEEF maintains the database for such projects and programmes.	https://www.fzoeu.hr/en
	The ministries each have their own page where companies can access support and tenders. The main ministries that companies can consult for clean energy projects are:	
Calls from	Ministry of Economy and Sustainable Development	https://mingor.gov.hr/o- ministarstvu-1065/1065
Ministries	Ministry of Sports and Tourism	https://mint.gov.hr/javni- pozivi-i-natjecaji-11414/ t-u-r-i-z-a-m/22181
	Ministry of Spatial Planning, Construction and State Property	https://mpgi.gov.hr/o- ministarstvu/15
European Structural and Investment Fund for Croatia (ESIF)	EU funding is an important source of financing for projects in Croatia. The ESIF has created a portal with updated tenders for different sectors and types of projects funded by the EU.	https:// strukturnifondovi.hr/ natjecaji/
EEA	The EEA and Norway Grants are funded by Iceland, Liechtenstein, and Norway. The goal of the grant is to provide funding to 15 Beneficiary States in Europe to reduce social and economic disparities as well as strengthen bilateral relations. Croatia is a recipient for funding under the cooperation agreements between Poland and Iceland, Liechtenstein & Norway. Regular calls are posted on the national website of the EEA grants. Relevant topics include 'Innovation, Research, Education and Competitiveness' and 'Environment, Energy, Climate Change and Low Carbon Economy'.	https://eeagrants.org/ countries/poland

NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS

The Croatian National Energy and Climate Plan **(NECP)** is written in line with a range of strategies that address decarbonisation, energy efficiency, and research & innovation:

- The Energy Development Strategy of the Republic of Croatia until 2030 with an outlook to 2050.
- The Long-Term Strategy to Encourage Investment in the Renovation of the National Building Stock of the Republic of Croatia by 2050.
- The Draft of the Low-Carbon Development Strategy of the Republic of Croatia until 2030 with an outlook to 2050.
- Strategy of Education, Science and Technology
- The Smart Specialisation Strategy of the Republic of Croatia 2016-2020
- The Innovation Promotion Strategy of the Republic of Croatia 2014-2020

These documents form the basis for energy policy in Croatia. When it comes to support schemes for companies in Croatia, there is not an extensive list. Ministries provide their own support schemes through 'contests' (Natjecaji) on their respective **websites**.

Institutions

The Ministry of Economy and Sustainable Development is responsible for jobs in the field of energy, climate change, and sustainability. This ministry is also responsible for the development of SMEs in Croatia. Additionally, the Ministry of Regional Development and EU Funds is responsible among others for the funding that comes from the European Union. Support from the EU can be consulted on the website of the European Structural and Investment Fund for Croatia (ESIF). As a result of earthquakes in 2020 the Croatian government opened up funding for the renovation of buildings. This falls under the responsibility of the Ministry of Spatial Planning, Construction and State Property. Finally, tourism is an important sector when it comes to SMEs and clean energy projects. For this reason, the Ministry of Sports and Tourism may also have relevant support for the tourism sector, although currently no relevant calls appear to be open.

In addition to the ministries, several decentralised organisations also provide support to companies. The national energy agency **Energy Institute Hrvoje Požar (EIHP)** helps different ministries with the development of action plans and strategies. The institute is owned by the Croatian government. Its activities include conducting scientific research on the field of energy and providing capacity building materials to public authorities and companies. Additionally, Croatian Agency for Small Businesses, Innovations and Investments (**HAMAG-BICRO**) provides support to SMEs and entrepreneurs in Croatia.

Investment subsidies are available for small scale projects based on public calls from the Croatian **Environment Protection and Energy Efficiency Fund (EPEEF)**. There are no specific schemes focused on companies or SMEs. Measures are directed more towards co-financing of energy renovation projects (public and private), increased thermal protection, and installation of renewable energy systems. Certain schemes are also relevant for companies in the field of clean energy.

Finally, there is also support available through the **private sector**. Financial institutions such as the Croatian Bank for Reconstruction and Development **(HBOR)** offer lending instruments to promote energy efficiency and renewable energy projects. Energy service providers such as HEP ESCO offer training materials for companies.

SOURCES

- Croatian Employers' Association (Hrvatska Udruga Poslodavaca HUP)
- Croatian Energy Agency (Energy Institute Hrvoje Požar EIHP)
- Croatian expert from the Institute for European Energy and Climate Policy (IEECP)

https://covenant-of-companies.ec.europa.eu/ #CovenantOfCompanies

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Authored by Elise van Dijk (Th!nk E) and Christina Protopapadaki (Th!nk E)

Checked by Ben Römgens (DNV), Eelco Kruizinga (DNV), Guido Lena (SMEunited),

Guendalina Cominotti (LOW Associates Brussels), Nick Pawley LOW Associates Brussels),

Vilte Kaminskaite (LOW Associates Brussels)

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