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Action plan of the BUILD2LC Project: Combating Energy Poverty and Financial Instruments in Energy Renewal of Buildings

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Action 1: Energy Efficiency Retrofits for Family Houses in Croatia

Actions to be implemented: The main task of the action is to develop social criteria to be incorporated in the upcoming public call for retrofitting of the family houses.

Players involved

- Ministry of construction and physical planning
- Ministry of environment and energy
- Ministry of demography, family, youth and social policy
- Environmental Protection and Energy Efficiency Fund
- Savings banks
- REGEA
- Regional Energy Agency North,
- Green Building Council Croatia and
- Society for Sustainable Development Design

Funding sources

- Environmental Protection and Energy Efficiency Fund, through own funds and EU funds
- Local and regional authorities
- Private entities and physical persons

Action 2: Energy advisors for energy poor households

Actions to be implemented: Energy advisors for energy poor homes has the aim to set up a national network of offices where citizens could turn to seeking energy advices.

Players involved

- Ministry of environment and energy
- Ministry of construction and physical planning, Ministry of demography, family, youth and social policy
- Environmental Protection and Energy Efficiency Fund
- Regional Energy Agency of Northwest Croatia, Society for Sustainable Development Design
- Green energy cooperative

Funding sources: Main funding source is Environmental Protection and Energy Efficiency Plan using funds acquired via the trading of the emission allowances in auction of emission trading scheme (ETS) based on the national Law on Air Protection (OG 130/11,47/14).

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Action 3: Establishment of FIs on national levels

Actions to be implemented

- Defining criteria for determining the FIs structure based on the EE projects in running phase
- Defining methods for calculating grants and combining grants with financial instruments at the level of a concrete project
- Update ex-ante assessment with new instrument FI UC guarantee

Players involved

- Ministry of regional development and EU funds (MRRFEU)
- Ministry of Construction and Physical Planning (MGIPU)
- Croatian Bank for Reconstruction and Development(HBOR)
- Energy service companies (ESCo)
- Local authorities
- Loan source cash, own sources cash, FI UC Guarantee provider.
- Commercial banks (Commercial creditor)
- HAMAG BICRO

Funding sources

Main funding source for the development of financial instruments is the Operational Programme Competitiveness and Cohesion 2014-2020, Investment priority 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.

This source will be complemented with the finance sources from the players involved mentioned in the former chapter: local authorities, Energy service companies and commercial banks.

Action 4: Establishment of platform and pipeline of concrete projects

Actions to be implemented

- Preparation of pipeline projects with revision of energy audits and introducing a unique system for measuring actual consumption
- Establishment of national and local EE investment platforms

Players involved

- Ministry of regional development and EU funds, Energy service companies (ESCo), Commercial banks (Commercial creditor), Local authorities and HAMAG BICRO.

Funding sources

- Operational Programme Competitiveness and Cohesion 2014-2020, Technical Assistance part.

Action Plan Progress

- The Croatian Government has in December 2018 started the process of modification of the Operational Program Competitiveness and Cohesion 2014-2020 with one of the key aspects of the modification being the relocation of funds within various investment priorities. The Government has sent a formal notification to the European Commission regarding this. One of the investment priorities which is planned to have increased funds is priority 4c – Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector, with the two following specific goals:

4c1 - Reduction of energy consumption of the public buildings sector

4c2 - Reduction of energy consumption of the residential buildings

(multi apartment buildings and family houses)

- In the context of the BUILD2LC project this is fully in line with the Croatian Action Plan which addresses the topics of **energy poverty** (which corresponds to the specific objective 4c2) and **financial instruments for the energy retrofit of public buildings** (which corresponds to the specific objective 4c1). We see this as a major achievement and success!
- Within the topic of energy poverty, the responsible Ministry of Construction and Physical Planning of the Government of Croatia has established a **National Working Group on Energy Poverty**, which regularly meets and which has the goal of defining a national strategy on energy poverty alleviation. REGEA is a member of this working group and has attended all meetings so far and through this a direct contact with key stakeholders has been established. Working Group established by the Ministry has prepared a definition of energy poverty (social criteria). Definition of energy poverty will be incorporated in the upcoming public call for retrofitting of the family houses (December 2019). Intensity rate of grants It will be up to 60% of eligible cost and for energy poor households it will be even higher, up to 100%. By the year 2020, a total of 100 million EUR is planned for retrofitting residential sector, out of which 30 million EUR is planned for retrofitting of the family houses.

National Working Group on Energy Poverty



Action Plan Progress

- An additional information related to the above is that the Ministry of Regional Development and EU Funds (which is responsible for the overall implementation of the Croatian Operational Program) **has selected REGEA as the consultant** which is implementing the **Multi-Criteria Analysis of the investment priorities 4b and 4c** and which should result in the **recommendations regarding the possibility to increase the allocation** for these priorities and the **timeframe for implementation**.
- Even though this activity is not funded through the BUILD2LC project but it is a separate assignment (the contract has been signed between the Ministry and REGEA at the end of March 2019), this means that REGEA is directly involved in the process and has access to all relevant data and information and a direct contact with the Ministry as the key stakeholder (pipeline of concrete projects, investments ect.).



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Thank you!



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