

CROATIA'S DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN

An important step towards the more ambitious 2030 energy and climate objectives under the European Green Deal and REPowerEU Plan



Highlights of the Commission's assessment

The European Green Deal, the fast-evolving geopolitical context and the energy crisis have led the EU and its Member States to accelerate the energy transition and set more ambitious energy and climate objectives. These developments are reflected in the legislative and policy framework adopted under both the 'Fit for 55' package and the REPowerEU Plan. Taking this new context into account, Member States are updating their National Energy and Climate Plans (NECPs) for the first time since 2019. The European Commission has assessed Croatia's draft updated NECP, submitted on 4 July 2023.

Croatia's key objectives, targets and contributions

		2030 value submitted in the draft updated NECP	2030 target under EU legislation	Assessment of 2030 ambition level
GHG	GHG emissions in ESR sectors (compared to 2005)	-17.1%	-16.7%*	Croatia reaches its target based on projections.
GHG	GHG removals in LULUCF (Mt CO2 eq. net greenhouse gas removals)	-4.24	-0.593 (additional removal target) -5.527 (total net removals)**	Not reaching its target based on projections.
es s	Energy Efficiency (Final energy consumption)	6.6 Mtoe	5.9 Mtoe***	Croatia's final energy consumption is above the indicated target resulting from EU legislation.
	Renewable Energy (Share of renewable energy in gross final consumption)	42.5%	44%****	Croatia's contribution to the EU target is slightly below the one resulting from EU legislation.

^{*} under the Effort Sharing Regulation (ESR).

^{**} under the Regulation on Land Use, Land Use Change and Forestry (LULUCF).

^{***} according to the formula set out in Annex I of the Directive (EU) 2023/1791 on energy efficiency and amending Regulation (EU) 2023/955 ('EED recast').

^{****} according to the formula set out in Annex II of the Regulation (EU) 2018/1999 on the Governance Regulation of the Energy Union and Climate Action.

Croatia's main positive elements and areas for improvement

- ✓ On **land use, land use change and forestry** (LULUCF), the plan specifies that Croatia has launched a project to connect and harmonise databases and enable explicit georeferencing of land use and land conversion.
- ✓ On **carbon capture on storage**, Croatia plans to assess the geological CO2 storage capacity and to commission a national feasibility study with an action plan to prepare projects.
- ✓ On **electro-mobility**, the draft updated plan provides details both relating to vehicles and charging infrastructure and the introduction of **zero-emission technologies** and related infrastructure in rail, ports and airports.
- ✓ On **energy security**, the plan sets out targets and measures to increase the security of Croatia's energy supply and resilience with increased domestic extraction, renewable gas production, gas storage and LNG terminal capacity.
- **X** On **energy efficiency**, the draft updated NECP sets out policies and measures that are sufficiently well described, although they include only a partial estimation of energy savings. On buildings, the plan does not update ambition on the 2020 long-term renovation strategy.
- X On **research, innovation and competitiveness**, the plan does not contain information on the national target and spending for R&I in specific clean energy technologies. nor does it define national objectives for competitiveness related to the Energy Union.
- X On **internal market**, the plan builds on strong interconnection capacity and flexibility measures to enable a rapid penetration of renewable energy, but it lacks clear targets for demand response and storage for the implementation. Moreover, Croatia has not yet assessed the number of households in **energy poverty**.
- X The plan was not submitted to **public consultation**.
- X On just transition, the plan lacks a comprehensive analysis of social, employment and skills impact, including distributional ones, of the climate and energy transition and does not elaborate on concrete policies and measures to address these. It is also not aligned with the adopted Territorial Just Transition Plan (TJTPs) for Istria as it postpones the coal phase out commitments.

Moving forward...

Based on this assessment, the Commission has published country-specific recommendations for each Member State. These recommendations should be taken into account by the Member States when preparing their final updated NECPs, which are due by 30 June 2024.

Full Commission's assessment and recommendations on Croatia's draft updated NECP: <u>here</u> **More information about the National Energy & Climate Plans**: <u>NECP website</u>