



Measures and investments in the Social Climate Plan



REPUBLIKA HRVATSKA
Ministarstvo zaštite okoliša
i zelene tranzicije



Socijalni fond za klimatsku politiku i ETS2

A common EU goal is to accelerate the reduction of greenhouse gas emissions through

- The European Green Deal
- Legislative package "Fit for 55"

- The EU ETS (CO2 tax) is an effective market-based mechanism for reducing greenhouse gas emissions that achieves results
- ETS operators in the EU have so far reduced emissions by around 41% in total
- Therefore, the EU ETS has been extended to maritime affairs – EU ETS1
- A new EU ETS2 – the Emissions Trading System – is being established to incentivise emission reductions in the buildings, road transport and additional sectors not covered by the EU ETS1
- A new Social Climate Fund is being set up from auctioning revenues from the auctioning of allowances under the EU ETS2
- The purpose of this fund is to finance measures to reduce greenhouse gas emissions in sectors covered by the EU ETS2 system and most vulnerable to energy poverty (vulnerable groups of households and micro-enterprises)



Socijalni fond za klimatsku politiku i ETS2

EU ETS2 regulated entities – identified by the obligation to pay excise duties on energy products – 82 regulated entities have been recognized in the Republic of Croatia

- Suppliers of liquid fuels
- Gas suppliers
- Suppliers of solid fossil fuels

Regulation (EU) 2023/955 the EU's Fit for 55 legislative package established the Social Climate Fund

The **Social Climate Fund** is a key initiative with a role to play in supporting vulnerable groups and facilitating the transition to a climate-neutral economy across the EU

OBJECTIVES OF THE SCF

- Reducing the number of energy-poor households and micro-enterprises and people living in mobility poverty
- Reducing greenhouse gas emissions

TARGETED USERS

All measures should primarily target vulnerable households, vulnerable transport users and micro-enterprises



2 components:

Measures and investments in the decarbonisation of the buildings and road transport sectors



reducing CO2 emissions while reducing the number of energy poor (and at risk of) and the number of citizens poor in terms of transport

2. Direct income support



of the

mitigating the negative consequences of the introduction of the ETS2 system on the most vulnerable households

- DNSH principle



CONTAINS:

- A set of indicators – contextual, outputs and results
- How to apply the definitions of energy poverty and transport poverty
- Estimated costs of implementing the plan
- New and existing national measures and investments
- Objectives, milestones and indicative timetable for the implementation of the measures
- Summary of the public consultation and how stakeholder input was considered
- Impact assessment of the introduction of the EU ETS2
- Criteria for granting direct income support

Socijalni plan za klimatsku politiku treba pokazati



How it will support vulnerable households, transport users and micro-enterprises

Through financial assistance and targeted measures to protect these groups from the social effects of the green transition in the long term



How it will mitigate the social effects of the EU ETS2 system

Ensuring that the transition to a climate-neutral economy is fair and inclusive for all segments of society



Enable investments in energy efficiency and clean mobility

Helping households and micro-enterprises transition to sustainable energy and transport options

Final beneficiaries:

- **Vulnerable households**

It aims to support low-income households, older people and other vulnerable groups who may be disproportionately affected by the transition to a climate-neutral economy.

- **Vulnerable micro-enterprises**

Aimed specifically at those sectors most affected by the EU ETS2, to help them adapt and adopt more sustainable practices.
Vulnerable transport users.

- **Direct Income support** to individuals and communities and enabling accessible, affordable and affordable clean public transport.

Selected measures to tackle energy poverty



1 Renovation of family houses with the worst energy properties

2 Local capacity building and support to Single Points of Contact (OSS)

3 Upgrade of the social housing measure

Selected actions to tackle mobility poverty

- 1** Encouraging cycling in urban, peri-urban and rural areas
- 2** Improving public transport accessibility in peri-urban, rural and remote areas
- 3** Establishment and management of on-demand mobility services
- 4** Support for the purchase of zero-emission vehicles for vulnerable households
- 5** Support for the purchase of zero-emission vehicles for vulnerable micro-enterprises
- 6** Further development of railway infrastructure on local and regional lines

Selected measures to help all vulnerable groups of citizens



1 Direct income support – gas vouchers

2 Education and awareness raising

Eligible measures and investments



Investments in energy efficiency of buildings

Improving the energy performance of buildings through measures such as insulation, window upgrades and efficient heating/cooling systems.



Decarbonising heating and cooling in buildings

Transition of buildings to low- or zero-emission electricity, heating and cooling technologies, such as heat pumps and other renewable energy sources.



Investments in clean mobility

Promoting the adoption of electric vehicles, cycling, expanding and making available affordable public transport, and supporting infrastructure for sustainable modes of transport.



Direct income support

Fees aimed at addressing the specific vulnerabilities of recipients in view of the impact of ETS2, which accompany the decarbonisation of the residential and road transport sectors.

The Social Climate Fund will play a key role in boosting investment and adopting energy-efficient and low-emission solutions in buildings and transport, paving the way for a more sustainable and equitable future.

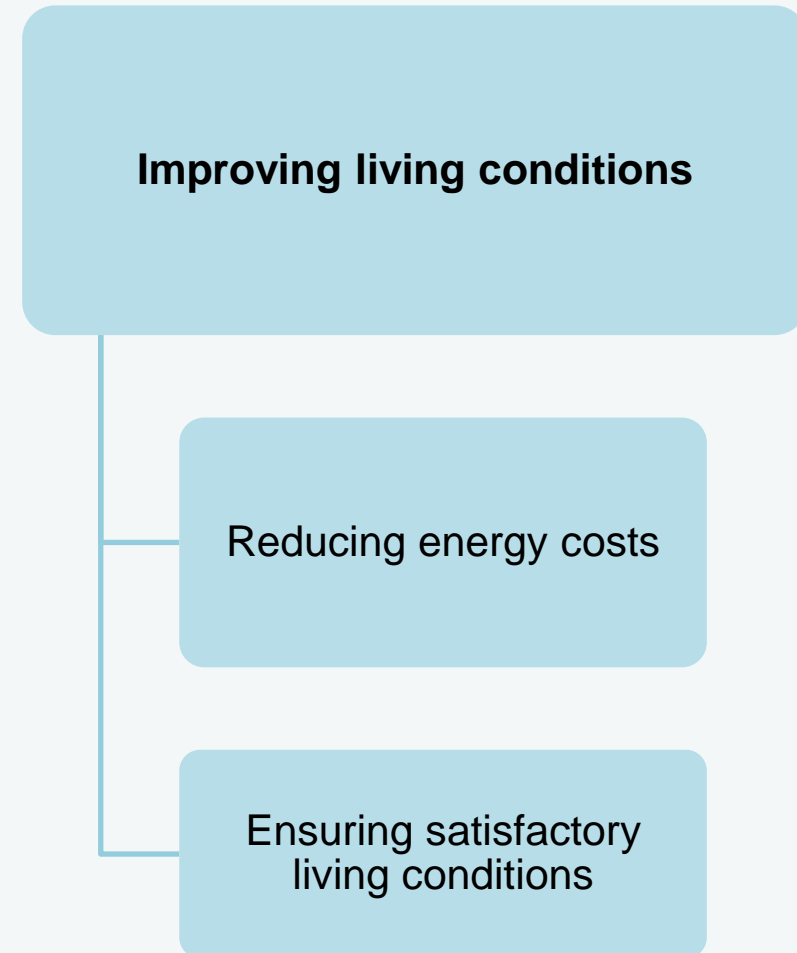
MEASURE 1: Renovation of family houses with the worst energy properties



- **INVESTMENTS – renovation of family houses through:**
- integral, in-depth or comprehensive restoration
- Implementation of individual measures:
- measures on the outer envelope of the family house
- installation of technical systems for the use of renewable energy sources: for heating/cooling, domestic hot water preparation and for electricity production



SVRHA/CILJ:



MEASURE 1: Renovation of family houses with the worst energy properties



TARGET GROUPS:

- **vulnerable households (and micro-enterprises) that meet certain conditions:**
- energy class of the residential house (D or lower for continental Croatia, C or lower for Adriatic Croatia) – priority G class
- average household income below 60% of median wage equivalent;



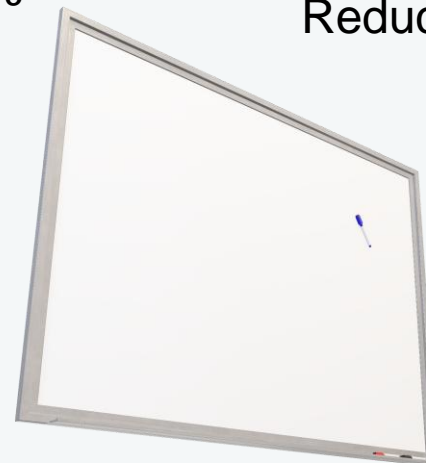
INDICATORS:

Total usable floor area of houses on which energy renovation was carried out (m²/year)

Savings in annual primary energy consumption (kWh/m²)

Savings in annual final energy consumption (kWh/m²)

Reduction of emissions (ktCO₂e)



20 %

MEASURE 2: Building local capacities and supporting One-Stop-Shops (OSS)



INVESTMENTS - Establishment of One-Stop Shops (OSS) to help vulnerable groups find solutions for energy efficiency of buildings at NUTS3 level

- provide accessible advisory services and support information campaigns on energy efficiency
- a special focus on vulnerable and energy-poor households, in this case moderate to SCF beneficiary groups



PURPOSE/OBJECTIVE:

Getting expert advice and guidance on how to save energy, getting technical assistance and how to get financial support

Empower local actors (LRS) through education, workshops

Strengthen institutional capacities

MEASURE 2: Building local capacities and supporting One-Stop-Shops (OSS)



TARGET GROUPS:

- **Energy Agencies**
- **End-users: vulnerable households and micro-enterprises that meet certain conditions:**
 - energy class of the residential house (D or lower for continental Croatia, C or lower for Adriatic Croatia) – priority G class
 - average household income below 60% of median wage equivalent;



INDICATORS:

- Number of OSS established
- 1 per county or the establishment of 27 OSS
- 6 existing Energy Agencies
- Number of assisted households and micro-enterprises, measured through registration records and support services provided



0,3 %

MEASURE 3: Upgrade of social housing



INVESTMENTS:

1. Complete construction and energy renovation of 232 residential buildings of social housing in assisted areas and areas of special state concern

It will be in accordance with the **National Reconstruction Plan** - first draft by 31.12.2025.



2. Construction and energy renovation of 5 centers for the elderly – ensuring the distribution and coverage of accommodation and non-institutional services for the elderly

PURPOSE/OBJECTIVE:

**Improving living conditions
(lower energy bills, improved external
and internal living conditions, easier
access to services)**

1. Renovation of social housing
according to high standards of energy
efficiency

2. Energy renovation of centers for the
elderly according to high standards en.
efficiency

Installation of RES

MEASURE 3: Upgrade of social housing



TARGET GROUPS:

- **Beneficiary of funds:**

1. MPUGDI – Housing Care Directorate

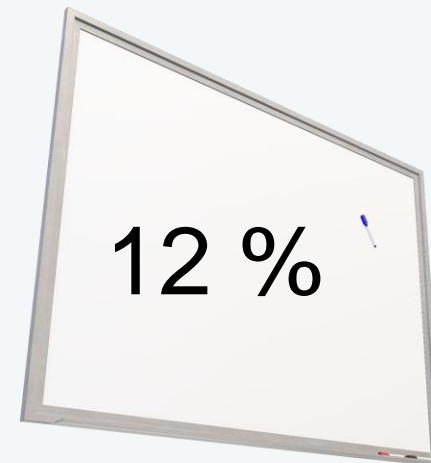
Final beneficiaries: vulnerable households in areas of special state concern and assisted areas, which meet certain conditions:

- energy class of the residential house (D or lower for continental Croatia, C or lower for Adriatic Croatia) – priority G class
- average household income below 60% of median wage equivalent;
- **2. JLP(R)S**



INDICATORS:

- Total usable floor area of buildings on which energy renovation has been carried out (m²/year)
- Savings in annual primary energy consumption (kWh/m²)
- Savings in annual final energy consumption (kWh/m²)
- Reduction of emissions (ktCO₂e)



MEASURE 4: Improving cycling conditions in urban, suburban and rural areas with low access to public transport



INVESTMENTS – establishment of high-capacity cycling infrastructure connections between suburban and urban areas (i.e. regional centres)

1. Construction or improvement of cycling infrastructure
2. Introduction or extension of a bicycle-sharing system
3. Introduction or expansion of systems for safe storage of bicycles that will prevent theft and encourage vulnerable users to use bicycles on a daily basis.
4. Development of technical projects that precede the construction and purchase of equipment.



PURPOSE/OBJECTIVE:

Reducing the time spent on the way to work/school and reducing the cost of transport

Construction of new bicycle paths

Co-financing the purchase of bicycles/e-bikes

Insurance against bicycle theft

MEASURE 4: Improving cycling conditions in urban, suburban and rural areas with low access to public transport



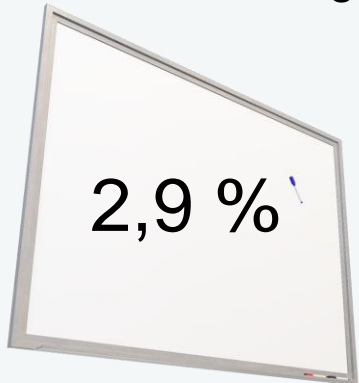
TARGET GROUPS:

- **Beneficiaries of the funds:** cities, municipalities, regions (or their companies) and the state road manager (Hrvatske ceste)
- **End users:** car-free population, with low availability of public transport (about 114,000 users)
- The measure will be aimed at counties with the lowest availability of public transport
- Complementary to PCC and ITP measures



INDICATORS:

1. 300 km of bicycle paths built/upgraded
2. At least 10,000 bikes deployed as part of new or improved bike-sharing schemes
3. Duration of commuting to school/work reduced by at least 20% for members of households without cars or those significantly affected by ETS2



2,9 %

MEASURE 5: Improving the accessibility of public transport in peri-urban, rural and remote areas



INVESTMENTS– improving the accessibility of public transport in peri-urban and rural areas by investing in public transport infrastructure, improving the quality of existing public transport services or setting up new ones, purchasing new zero-emission vehicles adapted to users with disabilities;

1. New public transport lines to increase the frequency and geographical coverage of local and regional public transport lines (bus, sea and **rail**)
2. Procurement of new zero-emission public fleet vehicles – buses, small buses, minibuses, small passenger ships, **battery and hydrogen trains** + charging infrastructure
3. Improving the quality of public transport infrastructure (stops and intermodal points)
4. Establishment of an IT system for passenger information



PURPOSE/OBJECTIVE:

Improving the accessibility of public transport in peri-urban, rural and remote areas (islands)

Efficient public transport services – faster, more frequent, more affordable

A fleet that is comfortable, quiet and does not pollute the air

MEASURE 5: Improving the accessibility of public transport in peri-urban, rural and remote areas



TARGET GROUPS:

- **Beneficiaries of the funds:** cities, municipalities, regions (or their companies) and the state road manager (Hrvatske ceste)
- **Final beneficiaries: transport beneficiaries in transport poverty**
- Extension of the existing measure of electrification of public transport, redirected to areas with the least access to public transport or insufficient quality of public transport services.



INDICATORS: Number of new public transport lines

Total number of passengers

Average occupancy per trip

Km travelled by zero-emission vehicles

Percentage of vulnerable users of the new lines

Reducing CO2 emissions

reducing travel time (%)



35 %

MEASURE 6: Establishment and management of on-demand transport services



INVESTMENTS– supports investments in on-demand transport services and/or flexible routes in rural and peri-urban areas managed by public transport authorities

- Financing of studies/design services
- purchase of electric vehicles for the performance of services
- charging stations (including centres for the elderly)
- Ticketing
- Digital reservation systems needed to coordinate flows (online)



PURPOSE/OBJECTIVE:

Affordability, accessibility and availability of transport

By efficiently connecting peripheral and rural areas through improved integration of public transport services

Improving access to basic services, such as healthcare, education and employment

By providing an alternative to owning a car

ACTION 6: Establishment and management of on-demand transport services



TARGET GROUPS:

- **Beneficiaries of the funds:** cities, municipalities, regions (or their companies)
- **End-users:** vulnerable transport users - individuals and households, older people and low-income groups, who are more likely to have limited mobility



INDICATORS:

- Number of vehicles procured for the purpose of establishing a DRT service
- Number of DRT services established
- Number of vulnerable transport users (%)
- Number of other users transported (those who pay the full fare price)



1,5 %

ACTION 7: Support for the purchase of zero-emission vehicles for vulnerable households



INVESTMENTS—the establishment of direct subsidies or grants covering a significant part of the costs of electric cars, bicycles and electric bicycles for low-income households

Additionally, it includes:

-
- Purchase of zero-emission vehicles up to 2 years of age – the aid intensity can range from 50 to 80 %
- Car sharing services
- Social leasing of personal vehicles
- Installation of home charging stations



PURPOSE/OBJECTIVE:

Long-term reductions in transport costs for vulnerable households

Acquisition of a new or used vehicle

By installing a home charging station

By reducing the need for car repairs

ACTION 7: Support for the purchase of zero-emission vehicles for vulnerable households



TARGET GROUPS:

- **End-users:** vulnerable users of transport services - individuals and households, families (including in particular single parents) with several children, living in areas with inaccessible and unaffordable public transport
- Households in material and social deprivation



INDICATORS:

- Number of zero-emission vehicles (ZEVs) purchased through the support scheme.
- Broj ranjivih kućanstava koja imaju koristi od programa (%)
- Regionalna raspodjela subvencioniranih kupnji ZEV-a, čime se osigurava pravedan pristup u urbanim i ruralnim područjima.



MEASURE 8: Support for the purchase of zero-emission vehicles for vulnerable micro-enterprises



INVESTMENTS— promote and implement the decarbonisation of transport by awarding grants and financial instruments to vulnerable micro-enterprises for the purchase of:

- different categories of 4-wheeled electric vehicles for use for business purposes (cars and vans), through grants and leasing
- installation of charging stations
- electric cargo and ordinary bicycles
- electric mopeds



PURPOSE/OBJECTIVE:

Reducing the operating costs of the company

By purchasing a new or used vehicle

By installing a charging station

By reducing the need for car repairs

Contributing to the sustainability of the company

MEASURE 8: Support for the purchase of zero-emission vehicles for vulnerable micro-enterprises



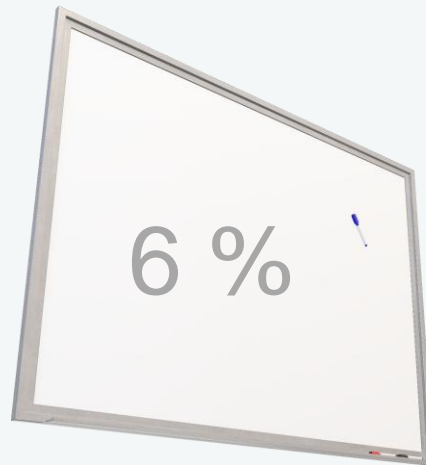
TARGET GROUPS:

- **End users:** vulnerable micro-enterprises with main activities in the transport and construction sectors, sensitive to the cost of motor fuels and other energy sources
- 2.600 Micro enterprises



INDICATORS:

1. Number of zero-emission vehicles purchased under the aid measure.
2. Number of vulnerable micro-enterprises that have benefited from the implementation of the measure (%)
3. Regional distribution of supported ZEV purchases
4. Sectoral distribution of supported ZEV purchases
5. Saving CO2 emissions



MEASURE 9: Further development of railway infrastructure on local and regional lines



INVESTMENTS– railway infrastructure on local and regional lines by awarding grants to the beneficiary of the Croatian Railways

PURPOSE/OBJECTIVE:

Enabling rail transport in the wider local and regional area

Reconstruction of existing railways

Introduction of new lines

By reducing the need to use your own car

MEASURE 9: Further development of railway infrastructure on local and regional lines



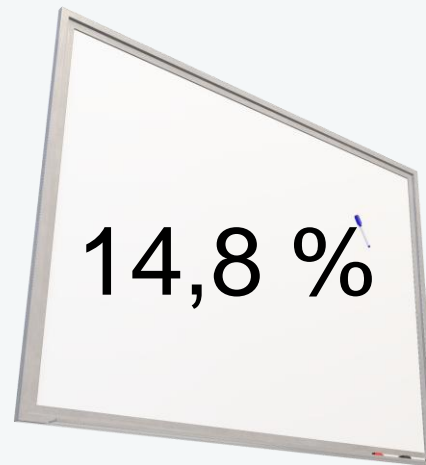
TARGET GROUPS:

- **Beneficiaries:** Croatian Railways



INDICATORS: Broj vozila km obnovljenih pruga

1. Number of vulnerable transport users using trains for daily transport



MEASURE 10: Direct income support



Intended for vulnerable groups of society to mitigate the costs of the green transition

- It can be granted to users of fossil fuels entering the EU ETS2 system and in an amount that covers the price difference before and after the introduction
- It must be limited in duration and reduce over time, and structural measures for the green transition should be monitored

PURPOSE/OBJECTIVE:

Mitigating the cost of the green transition

Natural gas vouchers

MEASURE 10: Direct income support



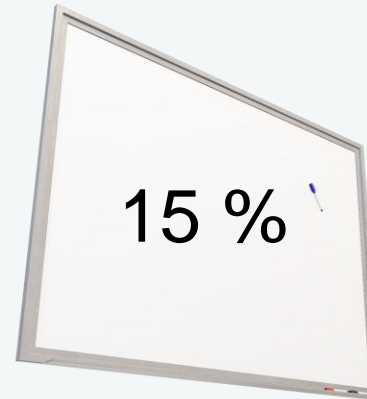
Target groups:

- End users: vulnerable groups of society, dependent on fossil fuels for heating and transport
- Persons who meet the criteria of energy



INDICATORS:

- Number of voucher beneficiaries



MEASURE 11: Education and awareness raising



INVESTMENTS—includes national, regional and local campaigns designed to promote the benefits of the green transition and raise awareness of measures funded by the SCF

1. Created **high-quality and engaging content with information** for target groups
2. Created communication content that is **focused on the specifics of each community/target group**
3. **Available and visible information** on possible energy efficiency solutions, sustainable mobility opportunities, sustainable transport solutions and their financing opportunities
4. **Organized direct interaction with communities** that increases trust and acceptance – educational workshops

PURPOSE/OBJECTIVE:

Raising awareness among vulnerable citizens about the benefits of the green transition and funding opportunities

By warning about measures to save energy, and consequently costs

Fostering greater uptake of climate-neutral initiatives

Increasing energy literacy and knowledge about energy consumption

Strengthening public understanding of funding opportunities and the use of services

MEASURE 11: Education and awareness raising awareness



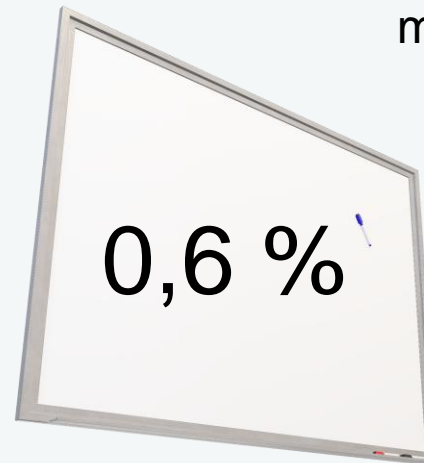
TARGET GROUPS:

- **Primary beneficiaries:** national, regional and local authorities and other public associations or non-governmental organisations
- **End users:** vulnerable groups of households, transport users and micro-enterprises



INDICATORS:

- Share of population reached by the implementation of the measure (%)
- Number of vulnerable transport users and vulnerable to energy poverty affected by the implementation of the measure (%)



Key stakeholders



Citizens and micro-enterprises in Government of the Republic of Croatia



Croatia



Citizens' associations



All other stakeholders - development agencies, the scientific community, trade unions, fuel suppliers...



REPUBLIKA HRVATSKA
Ministarstvo zaštite okoliša
i zelene tranzicije

Next steps:

- Delivery of the 1st rough version of the SPKP by May 8 to the EC
- Bilateral meetings with the EC regarding proposed measures and investments
- Organizing regional workshops on measures and investments and considering proposals and comments from the public
- Publication of the final draft of the SPKP on the e-consultation portal
- Submission of the draft SPKP for EC approval (planned by 30/06/2025)



REPUBLIKA HRVATSKA
Ministarstvo prostornoga uređenja,
graditeljstva i državne imovine



REPUBLIKA HRVATSKA
Ministarstvo rada, mirovinskoga
sustava, obitelji i socijalne politike



REPUBLIKA HRVATSKA
Ministarstvo mora, prometa
i infrastrukture



REPUBLIKA HRVATSKA
Ministarstvo
financija



REPUBLIKA HRVATSKA
Ministarstvo regionalnoga razvoja
i fondova Europske unije



REPUBLIKA HRVATSKA
Ministarstvo zaštite okoliša
i zelene tranzicije

THANK YOU FOR YOUR ATTENTION

ana.juras@mzozt.hr

Climate Transition Directorate

Ministry of Environmental Protection and Green Transition