

 Early Warning System

EBRD-20174

Support for the policy framework of the offshore wind in Croatia



Quick Facts

Countries	Croatia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Croatia
Sectors	Energy, Law and Government
Investment Type(s)	Advisory Services

Project Description

As stated by the EBRD, Croatia is committed to the EU's climate targets, aiming for climate neutrality by 2050 and a 55% reduction in greenhouse gas emissions by 2030. These targets were set in the European Green Deal "Fit for 55" package which also significantly increases the EU's binding renewable target for 2030 to a minimum of 42.5% with the aim to reach 45%, up from the previous 32% target.

Croatia's updated [National Energy Climate Plan \(NECP\) 2021-2030](#) sets a target of achieving a renewable energy share in the electricity sector (RES-E) of 73.6% by 2030. In 2021, Croatia achieved a RES-E share of 53.5%. To meet the 2030 target, policy reforms are needed to unlock offshore renewable energy potential. The lack of such reforms, coupled with slow and complex permitting procedures and insufficient human resources dedicated to these procedures, is a barrier to necessary renewable energy investments. Moreover, meeting these targets is hampered by policy gaps, particularly concerning offshore wind (OFW) projects.

Croatia has ample wind and solar potential, and it has predominantly focused on onshore wind projects. However, OFW has lacked a comprehensive legal and regulatory framework. Croatia's indicative offshore targets of 0.51 GW by 2030 and 3 GW by 2050 require the establishment of a comprehensive legal and regulatory framework governing the development of offshore projects from start to finish.

The "Action Plan for the Uptake of Offshore Renewable Energy Sources in Croatia" has demonstrated that the country has offshore wind potential that, once unlocked, could lead to a rapid scale-up of renewable energy generation capacity. However, without a detailed policy legal and regulatory framework, conducive to offshore wind development the ambitious capacity targets will not be reached, and the economic and investment opportunities will not be fulfilled. In addition, Croatia needs assistance in a number of technical and environmental elements from identifying suitable offshore areas to defining the optimal permitting and concession models and regulatory structures.

As a result, the Croatian Hydrocarbon Agency (Agencija za ugljikovodike or "CHA") and the Croatian Ministry of Economy (Ministarstvo gospodarstva) have requested EBRD's support to improve the policy framework for offshore wind through the Technical Support Instrument of DG REFORM. This Project will pave the way for OFW development and assist the country in meeting their national and the EU level targets. The general objective of this Project is to support Croatia in their efforts to implement reforms, which could encourage investment, increase competitiveness, and assist in achieving sustainable economic and social convergence, resilience and recovery.

This should also strengthen their institutional and administrative capacity, including at regional and local levels, to facilitate socially inclusive, green and digital transitions, to effectively address the challenges identified in the country-specific recommendations and to implement Union law.

The key objectives of this Project are to:

- (1) Provide advice to the Authorities on improvements to the legal and regulatory framework for renewable energy sources (RES), specifically offshore wind;
- (2) Prepare a report including a pre-feasibility study of offshore wind potential and recommendations for streamlining permitting procedures in Croatia;
- (3) Prepare a roadmap for offshore wind development in Croatia.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

The project consists of a technical assistance (or advisory services) to the Government of Croatia. At the time of disclosure, the EBRD did not provide information on the project cost, nor on the investment amount.



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

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You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>