



*Energy and Climate Technical Working Group — Climate*

# **Establishing the MRV in Croatia**



- It has been applied in the period from 2010 to 2012 (Phase 2).
- From 1st January 2010 till 31st December 2012 - monitoring and reporting on emissions from installations
- Since **1st January 2013** (Phase 3). – installations joining the EU ETS in full extension (1 July 2013 Croatia join to EU!)
- Since **1st January 2014** - aviation activities
- Environmental Protection and Energy Efficiency Fund is the auctioneer for Croatia
- The Republic of Croatia has been included in the central auction platform in Leipzig



## EU

- **8 757** installations
- **371** aircraft operators (between European Economic Area (EEA) airports, and from the EEA to Switzerland and the UK)
- **36%** of all EU emissions ([EC:Functioning of the European carbon market in 2021](#))

## CROATIA

- **42 (+3)** installations (combustion, refinery, paper, cement, steel, lime, ceramics, glass, mineral wool insulation material, nitric acid and ammonia)
- **3** (aircraft operators)
- **29 %** of emissions in Croatia (2021.)

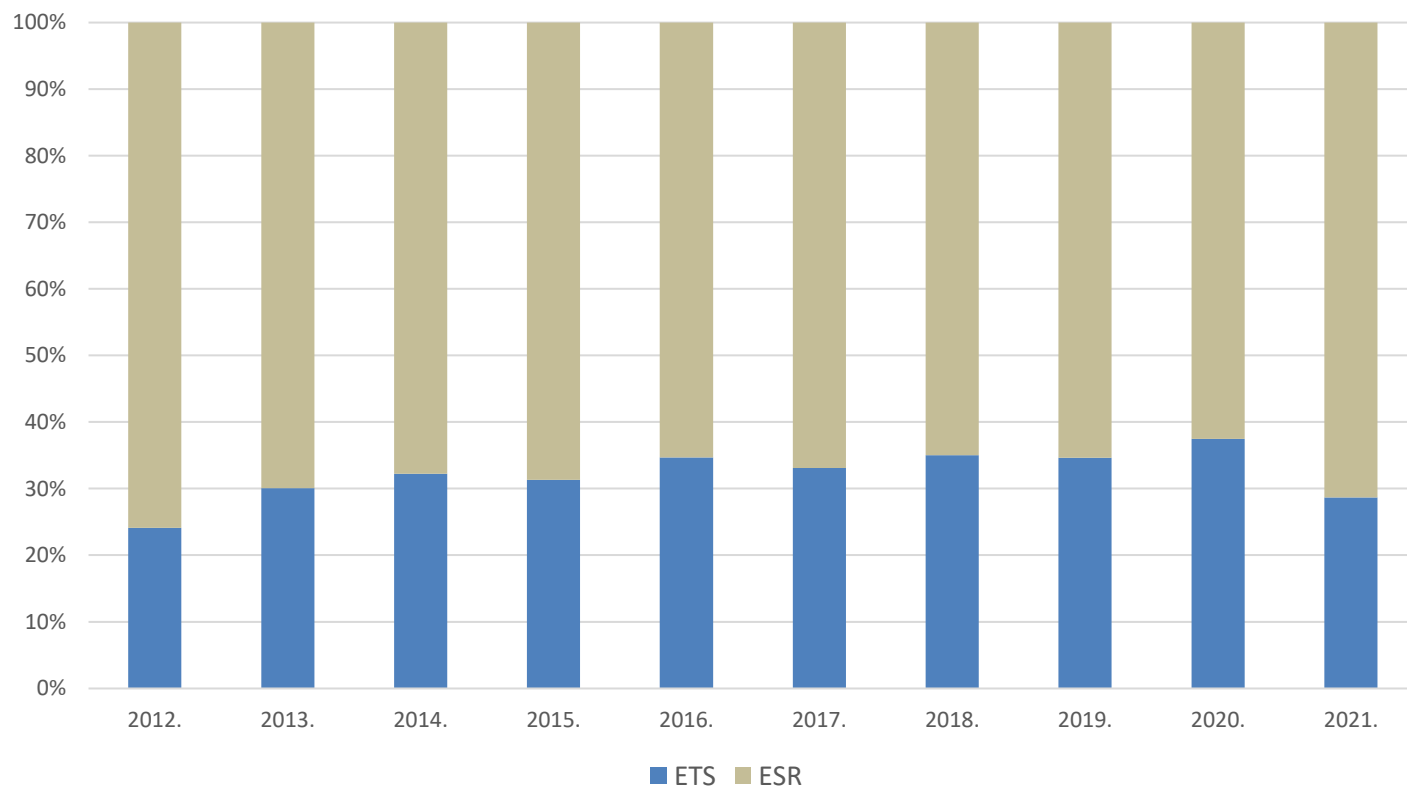


## Annex I Activity in Croatia:

- Combustion of fuels
- Refining of mineral oil
- Manufacture of ceramics
- Manufacture of glass
- Manufacture of mineral wool
- Production of pig iron and steel
- Production of lime
- Production of cement clinker
- Production of secondary aluminium
- Production of nitric acid...



Croatia ESR vs ETS



**39 % decrease of EU ETS emissions (2021) in  
comparasion to 2005**



## Ministry of Economy and Sustainable Development

### Climate Activities Directorate

### Institute for Environment and Nature

EU and national legislation  
ETS Permits  
Free allocation  
Verification and accreditation

Monitoring and reporting  
Free allocation  
Article 21

### Expert Committee :

- Ministry
- Institute of Metrology
- Economic Institute
- Faculty of Chemical Engineering

State  
inspectorate -  
Environmental  
protection  
inspection

Croatian  
Accreditation  
Agency

Accreditation  
of the  
verifiers

The  
Environmental  
Protection and  
Energy  
Efficiency Fund

Auctioning



Directive 2003/87/EC establishing a scheme for  
greenhouse gas emission allowance trading within  
the Community

## M&R

Consolidated  
version of  
Commission  
Implementin  
g Regulation  
(EU)  
2018/2066 on  
the  
monitoring  
and  
reporting of  
greenhouse  
gas emissions



## V&A

Consolidated  
version of  
Commission  
Implementing  
Regulation  
(EU)  
2018/2067 on  
the  
verification of  
data and on  
the  
accreditation  
of verifiers



## ALLOCATION

Commission  
Implementing  
Regulation  
(EU) 2019/1842  
as regards  
further  
arrangements  
for the  
adjustments to  
free allocation  
of emission  
allowances due  
to activity level  
changes

## REGISTRY

Commission  
Regulation EU  
No 389/2013

Commission  
Delegated  
Regulation  
(EU)  
2019/1122  
supplementing  
Directive  
2003/87/EC

## AUCTION

Consolidated  
Commission  
Regulation  
1031/2013 on the  
timing,  
administration  
and other aspects  
of auctioning of  
greenhouse gas  
emission





● No longer in force

## Air protection Act (OG No. 130/11, 47/14, 61/17)

- Directive **2003/87/EC** establishing a scheme for greenhouse gas emission allowance trading within the Community
- Directive **2004/101/EC** amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms
- Directive **2008/101/EC** amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community
- Directive **2009/29/EC** amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community
- Delegated and Implemented EC Regulations (MRV, Registry, Auctions)





## Law on Climate Change and Protection of the Ozone Layer (OG No. 127/19) – 1.1.2020.

- [Directive \(EU\) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments](#)
- [Commission Implementing Regulation \(EU\) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC and amending Commission Regulation \(EU\) No 601/2012](#)
- [Commission Implementing Regulation \(EU\) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC](#)
- [Commission Delegated Regulation \(EU\) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC](#)
- [Commission Delegated Regulation \(EU\) 2019/856 of 26 February 2019 supplementing Directive 2003/87/EC with regard to the operation of the Innovation Fund](#)



- **Regulation on trading greenhouse gas emission allowances (OG No. 69/12, 154/14)** No longer in force
  - the activities and greenhouse gases for which an obligation to obtain permits for greenhouse gas emissions
  - aviation activities
  - exclusion of small installations subject to equivalent measures and installations
  - obligations of installation operators and the aircraft operators
  - the method of monitoring and reporting emissions and tonne-kilometer data,
  - monitoring and verifying the data in the emissions report,
  - verification and quality assurance of data
  - mode of delivery of data to the competent authorities of the European Union and public participation.
  
- **Regulation on trading greenhouse gas emission allowances (OG No. 89/20)**



- **Ordinance** on the manner of free allocation of emission allowances to installations and on the monitoring, reporting and verification of reports on greenhouse gas emissions from installations and aircraft in the period beginning from 1 January 2013 (OG No. **70/15**)- ● No longer in force
- **Ordinance** on the manner of free allocation of emission allowances to installations and on the monitoring, reporting and verification of reports on greenhouse gas emissions from installations and aircraft in the period beginning from 1 January 2013 (OG No. **89/20**)
- **Ordinance on how to use the Register of the European Union** (OG No. 26/15) - currently under modification



**For each tonne emitted for which the operator has not surrendered allowances  
100 € !**

## **Fines 13.270 € - 66.360 €**

- Operating without ETS Permit
- Failure to hold a MP approved by the CA
- Failure to monitor emissions in accordance with the approved MP
- Do not submit ER and VR on time
- Do not open an account in the Union Registry

## **Fines 3.980 € - 13.270 €**

- Failure to notify changes to the monitoring plan and to update the monitoring plan
- Failure to submit a ER, AR in due time
- Failure to notify about the planned date of cessation of activities
- Do not submit a request to change the contents of the Permit
- The verified emissions report is not in line with EU Regulation
- Failure to notify planned or effective changes to capacity, activity levels and operation of an installation .....

**Responsible person** in the legal entity: **3.350 € – 6. 670 €**



- **Integrated IT Platform for Greenhouse Gas Emissions Trading System (IIPETS)**
  - During 2017/2018
  - Public procurement
  - Development: collaboration between an IT service provider and an outside consultancy firm
  - Testing: Time consuming process for the ministry experts
  - Due to administrative issues and a huge number of errors, the project was canceled.
  
- **Communications with operators:** via mail
  
- **Declare, EU ETS Reporting**



**Before 2013:** 18 verifiers, no accreditation, Ministry approvals for verifiers

**During 2013:** - Evaluation of Croatian Accreditation Agency for Accreditation of GHG verifiers (HRN EN ISO 14065) by EA (European co-operation for accreditation)  
- Accreditation of **3** GHG verifiers

**After 2013:** - 3 (2 from 2015) accredited HR verifiers  
- better knowledge, continuous improvement in VR, workshops, meeting  
- working group GHG (Croatian Accreditation Agency, verifiers, Ministry)



- Day to day continuous support to operators by phone and e-mail
- **MRR and AVR workshops**
- **Consultative meetings** with operators (Monitoring Plans)
- **Expert committee** on technical issues within the EU ETS: site visits in installations
- Education for **inspection** (2017-2018; IPA PROJECT „Strengthening environmental inspection”)



- Special guidelines, checklists, examples, etc. are provided
- **Annually verification forum:** verifiers, inspections and National accreditation body
- Workshops on the **free allocation rules** for the EU ETS Phase 3 and EU ETS Phase 4 (by sectors/activities)
- Questionnaires on **decarbonisation projects** – financing (auctioning rights, MF, IF)
- **Annual meeting** for EU ETS operators (May 23, 2023)





## Planned activities:

- Verification forum (October/November 2023)
- Workshops on the free allocation rules for the EU ETS Phase 4 (2026-2030), Q1 2024
  - Revision of Commission Delegated Regulation (EU) 2019/331 (January 2024)
  - Implementing act on climate neutrality-plan (January 2024)



1. Insufficient human resources
2. Inadequate intersectoral collaboration
3. Lack of understanding of the significance of climate change issues among the general public, business owners, and state institutions
4. Recessions in the economy
5. Operators' lack of knowledge
6. Concurrent activities
7. A lack of energy and technology expertise in government institutions
8. It takes a long time for an employee to become an expert.



1. Begin activities as soon as feasible.
2. Determine, provide, and accept technical and financial assistance
3. The significance of teamwork and a positive attitude
4. Accurate determination of goals and means of implementation, including technical and information technology assistance
5. Establishment of horizontal and vertical procedures that are adaptable in competent authorities
6. Participation in EC policy development
7. The significance of attending relevant meetings and seminars conducted by the EC



Thank you for your attention!

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