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MODERNISATION FUND

Accelerating the transition to climate neutrality

MODERNISATION FUND

EIB CONFIRMATION OF PRIORITY INVESTMENT

ref. MF 2026-1 HR 0-002

Beneficiary Member State: Croatia

Investment Proposal: Green transition for the public institutions for management of national and nature parks

1. Background

The Modernisation Fund was set up pursuant to Article 10d of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (the “ETS Directive”).

The legal basis for the operation of the Modernisation Fund is set out in Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernisation Fund supporting investments to modernise the energy systems and to improve energy efficiency of certain Member States (the “Implementing Regulation”).

In accordance with Article 10d(6) of the ETS Directive, the European Investment Bank (the “EIB”) is to confirm whether a proposed investment falls into a priority area. The EIB may confirm the proposal as a priority investment if the conditions specified in Article 6(7) of the Implementing Regulation are met.

2. Investment proposal

Pursuant to Article 4(1) of the Implementing Regulation, on 12/02/2026 Croatia (the “beneficiary Member State”) submitted to the EIB an investment proposal “Green transition for the public institutions for management of national and nature parks” for which it envisages a contribution from the Modernisation Fund (Modernisation Fund reference number MF 2026-1 HR 0-002).

The investment proposal concerns a scheme for the period 2026-2028 relating to the modernisation of the energy and transportation systems of public institutions responsible for managing Croatia's national and nature parks.

The activities will include the installation of photovoltaic systems on rooftops and parking areas and the deployment of associated equipment for energy storage. It also covers heating and cooling solutions based on renewable sources, notably heat pumps, as well as charging infrastructure to support electric mobility. In addition, the investment includes the purchase and deployment of electric vehicles and related transport solutions, together with measures supporting grid modernisation.

The beneficiary Member State has requested funding of EUR 18 000 000 for a first disbursement under the proposed scheme.

The beneficiary Member State has indicated a total expected Modernisation Fund funding for the investment proposal of EUR 18 000 000.

The main objective of the investment is to support the public institutions deploying on site renewable electricity generation, undertaking the grid modernisation and to improve energy efficiency in transport through the introduction of electric mobility solutions and EV charging infrastructure.

On-site renewable energy generation measures are included in the objectives of the Long-term Strategy and National Energy and Climate Plan (NECP) for Croatia aiming at supporting the electrification of end uses (heating and transport) and their enabling infrastructure such as energy storage, EV charging and grid upgrades as well as contributing to the integration of renewable energy sources.

3. *Compliance with the conditions for a priority investment*

- a) The beneficiary Member State has demonstrated that the investment complies with the requirements laid down in Article 10d(1) of the ETS Directive as it supports the modernisation of the energy system and energy efficiency and it is in line with the objectives and measures set out in its NECP.
- b) According to the information provided by the beneficiary Member State and pursuant to Article 10d(2) Directive 2003/87/EC, the investment is considered as a priority investment as it falls under the priority areas a) the generation and use of electricity from renewable sources, b) heating and cooling from renewable sources, c) the reduction of overall energy use through energy efficiency in transport and in buildings and d) energy storage and the modernisation of energy networks, including grids for electricity transmission and infrastructure for 0-emission mobility.
- c) The beneficiary Member State has sufficient funds available from the auctioning of allowances referred in Article 10(1), the third subparagraph of Directive 2003/87/EC - 2% and from allowances referred in Article 10(1), the fourth subparagraph of Directive 2003/87/EC – 2.5% and from the auctioning of allowances covered by a notification pursuant to Article 10d(4) of Directive 2003/87/EC for the requested disbursement, according to the statement of the

available funds referred to in Article 5(1) of the Implementing Regulation, and after deduction of any amounts to be disbursed for investments already confirmed in accordance with Article 6(9) of the Implementing Regulation.

- d) The beneficiary Member State has provided evidence that the measures under the investment proposal:
 - do not constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union.
- e) The beneficiary Member State has demonstrated that the investment complies with Article 10f of the Directive 2003/87/EC.
- f) The beneficiary Member State has confirmed in writing that the investment complies with any other applicable requirements of Union and national law.
- g) According to the information provided by the beneficiary Member State, the amounts requested from the Modernisation Fund are not intended to cover the same costs of the investment as those financed by another Union or national instrument.

4. Conclusions

The EIB has assessed the investment proposal based on the information submitted by the beneficiary Member State in accordance with Article 4 and Annex 1 of the Implementing Regulation and it has concluded that the investment proposal has met the conditions specified in Article 6(7) of the Implementing Regulation.

In view of the above, and in reliance on the information and evidence provided and the confirmations given by the beneficiary Member State as described in paragraph 3 above, the EIB confirms the proposal “Green transition for the public institutions for management of national and nature parks” (Modernisation Fund reference number MF 2026-1 HR 0-002) as a priority investment.

This confirmation is without prejudice to the requirement for a disbursement decision to be made pursuant to Article 10d(3) of the ETS Directive.

European Investment Bank
Luxembourg, 11th March 2026