EmpowerMed

# National Policy Recommendations

## *Croatia*

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# 1 National context

Energy poverty definition is still not clearly determined and adopted in Croatian public policies and energy poverty is still mainly related to the category of vulnerable consumers. There have been some changes in policy framework in the past few years and the term of energy poverty has been introduced to National energy and climate plan and in Long term building stock renovation strategy as well as in Law on electric energy market and Law on energy efficiency. Programme for the renovation of family households for energy poor households was launched in 2020. The program targeted only citizens who already were beneficiaries of welfare system. The focal points that served as a kind of one-stop-shops were welfare centres. Even though the criteria and results of this Programme are debatable, it is the first example of a wholesome approach to the energy poverty problem. At the end of 2021 government adopted Programmes for the renovation of the multi-apartment buildings and a Programme for the renovation of energy poor households situated in the area of special national importance. Programme for the renovation of family households was announced and it is expected that it will be adopted at the beginning of 2022.

In the lack of proper methodology for measurement of energy poverty on a national level, all national data on energy poverty are based on the interpretation of EU SILC indicators on poverty rate and material deprivation rate. Based on the EU SILC in 2019, 6.6% of the Croatian population reported that they were unable to keep the home adequately warm while the corresponding EU average is 7.0%. Moreover, in 2019, 14.8% of the population was unable to pay their utility bills on time due to financial difficulties, while the respective EU average is notably lower at 6.1% according to the national statistical data.

At the national level, several strategies have identified women as particularly vulnerable to poverty (Strategy on Poverty and Social Exclusion in the Republic of Croatia (2014-2020)), with special emphasis on older women and women living in single households. The at-risk-of-poverty rate by age and gender in 2019 is highest for people aged 65 or over, at 30.1%. In this age group, the gender gap is the largest and the at-risk-of-poverty rate was 33.6% for women and 24.9% for men. The income gap between men and women is evident. According to data for 2014, women in Croatia had a 10.4% lower gross hourly wage than men. In all observed occupations, men had a higher mean hourly value. Through advocacy work DOOR will work on raising awareness on the gender aspect of energy poverty and advocate for measures that are more inclusive.

Croatia experiences cold as well as hot climates which creates higher energy demand for heating and cooling. Energy poverty has been defined as an inability to keep home adequately warm, but recently it is becoming more and more important to focus on households' ability to keep their homes adequately cool. But relevant data on summer energy poverty or summer discomfort are still missing and so far researches have been focused more on data collection and monitoring of households' ability to keep their homes warm during the wintertime. The ability to keep the home cool during heat waves and rising numbers of tropical nights and days in southern parts of EU is becoming more and more important.

## 1.1 Measures and programs targeting energy poverty in Croatia

### Renovation of family households for citizens at risk of energy poverty in 2020

In 2020 Government adopted the programme which targeted renovation of family households for energy poor households. Based on this programme the call was open mid-2020. The governing body for the call was Fund for Environmental Protection and Energy Efficiency and it included measures to replace windows and doors (exterior carpentry of the building), increase in thermal protection of the outside envelop (subsidies for new thermal façade), and new efficient systems for energy production and heating and cooling (photovoltaic panels, heat pumps, pellet heating systems, heating systems that include solar collectors). Almost half of the funds were not used due to the complex criteria which included obligatory ownership of the building and certain social criteria. Even though there was a substantial interest in the call and the end applicants failed to fulfil the criteria of the call. DOOR has been strongly advocating for less complex and more balanced criteria. DOOR has also been doing a lot of educational and informational activities targeting energy poor citizens. This call was open only for a few months in 2020 and after the long evaluation process, selected projects are currently in the implementation.

### Compensation for an endangered electricity consumer

In 2015 the Government of the Republic of Croatia adopted the Decision on the monthly amount of compensation for vulnerable energy consumers (OG, number: 140/2015). The Decision defines compensation for the vulnerable energy consumers, which amounts to 200 HRK per month. Electricity costs are compensated to the category of the vulnerable consumers if they are beneficiaries of guaranteed minimum benefits or if they have personal disability benefits, where these two categories are mutually exclusive. The amount of 200 kunas per month is barely enough to cover the electricity costs but only in those cases where electricity is not used as the main heating source. In cases where electricity is used for heating/cooling purposes costs are much higher and 200 kunas is not covering the costs.

According to the information gathered from social services centres and the local red cross organizations, a number of users have been disconnected from the electricity grid due to accumulated debts thus losing access to basic energy services. Even though DOOR tried to obtain official data from utility companies on the exact number of disconnected users in specific areas as well as on the exact reasons for disconnection we have not been able to obtain any official information.

In the future DOOR will try to collect data on the number of beneficiaries of the Compensation for Vulnerable Customers and the number of excluded customers, in order to analyse the effectiveness of the measure, identify mechanisms for customer exclusion and propose possible changes to provide basic access to energy, but this will not be one of the objectives of the advocacy campaign.

### Firewood fee

The allocation of compensation for heating costs is defined in the Welfare Act (Article 43). A single-person household of a family household being beneficiary of a guaranteed minimum fee for heating has the right to receive an annual grant equivalent to the value of 3 m³ of firewood. DOOR already collected the data on the number of beneficiaries in Zadar country and based on the data – the subsidy for firewood is creating a significant cost in the local budget. At the same time the impact of the measure is not monitored on the County level so wo cannot know how successful or unsuccessful the measure actually is. All we can conclude from the amount of allocated funds per beneficiary is that the amount cannot sufficiently cover the average heating needs of the beneficiary – and this conclusion is based on the average amount of subsidy and current firewood price. Having also in mind that based on the results of household visits a significant number of households are using electricity as their primary heating source DOOR will advocate for the revision of this particular measure. It is necessary to provide the same opportunities for both households using firewood and those using other heating sources – such as electricity- in both cases subsidies should cover at least certain (a significant part of the costs).

# 2 Data and conclusions from pilot sites

Zadar County, pilot site for the project, is settled in the central part of Adriatic coast in Croatia. According to the 2021 census Zadar County has population of 160340, 51% women and 49% men. Target group were households at risk of energy poverty, female households: single mothers, single households, pensioners, widows, households with women as primary caregivers but also households that spend significant amount of money on bills.

The survey included following activities:

- Education for volunteers about following topics: energy poverty, data collection and implementation of energy saving tips and devices
- Cooperation with Red Cross in Zadar
- Data gathering and distribution of energy saving boxes
- Data analysing

Goal of the survey, that was conducted within the project, was to map the energy poverty in Zadar County. Field data collection lasted from 7 June till 21 December of 2021, sample was consisted of 200 households, 71% (f=142) were women and 29% were men. Median age of total sample was 70 years.

First significant aspect is low socio-economic status as more than half of the people have just primary school education and 1/5 didn't even finished primary school. Also, most of the population are pensioners (72,5%) and unemployed person (13,5%). One-person households are most common family type (53,5). These results indicate main characteristics: elderly and uneducated people live in the area, and according to that, they probably don't have access to energy efficiency measures or knowledge and information.
People in Zadar County live mostly in private houses. The most common type of building

is family house (72%). From gender perspective, women are less likely than men to own homes, in eight of nine cases, man is owner of the building. Also, when building is owned by daughters/sons, in eight of nine cases, son is owner of the building.

Average size of home is 70m2, and more than 10% of buildings are more than 100m2, but in average, people use 50m2 for the living in their buildings. It is important that 91,5% of the population doesn't have sleeping room as separated room from kitchen and rooms for everyday activities.

Although almost 20% of people estimate that age of houses are 25-35 years and another 20% of citizens say that their houses are more than 60 years old, buildings were not renovated in last 5 years for 86,5% of people, probably regarding low socio-economic status. In these old house more than 70% of people have wooden windows and doors, the most common problems that people face are drafty windows and doors (36,5%), damp on walls and floors (27%), rot around windows, doors, and floors (25%). Minority of people, only 7,5%, did some of the energy efficiency measures.

*Table1: Age of the dwelling*

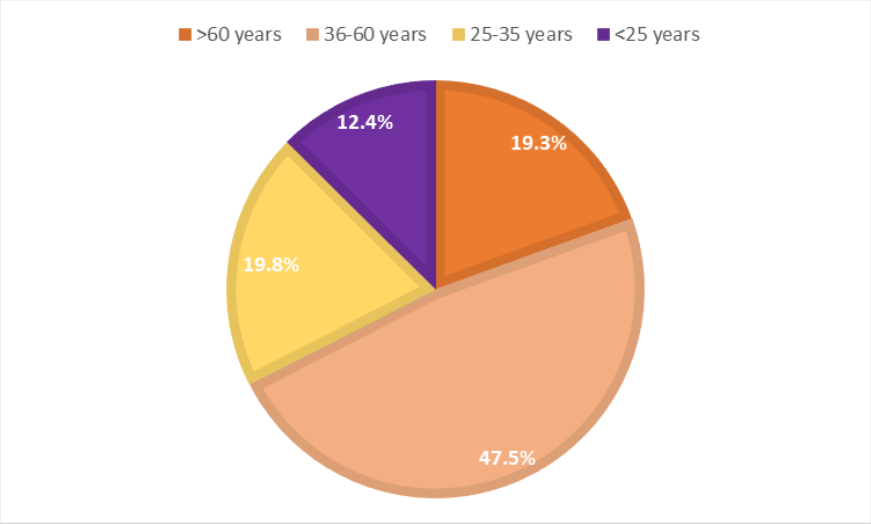



*Table 2: Installations*

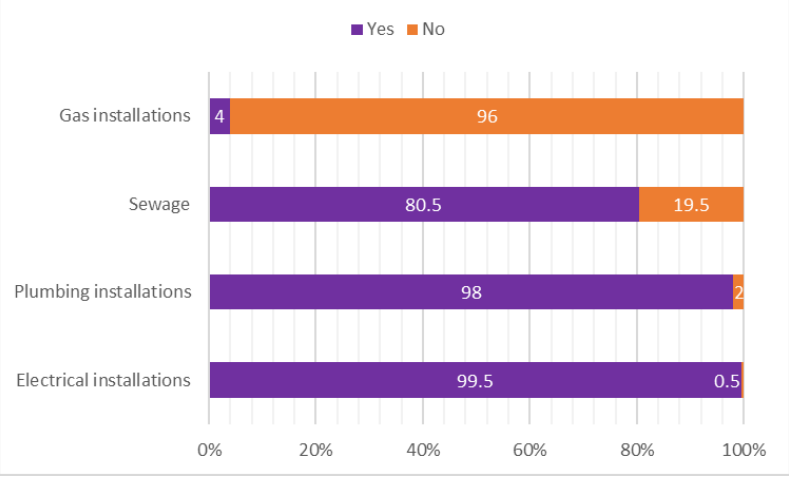
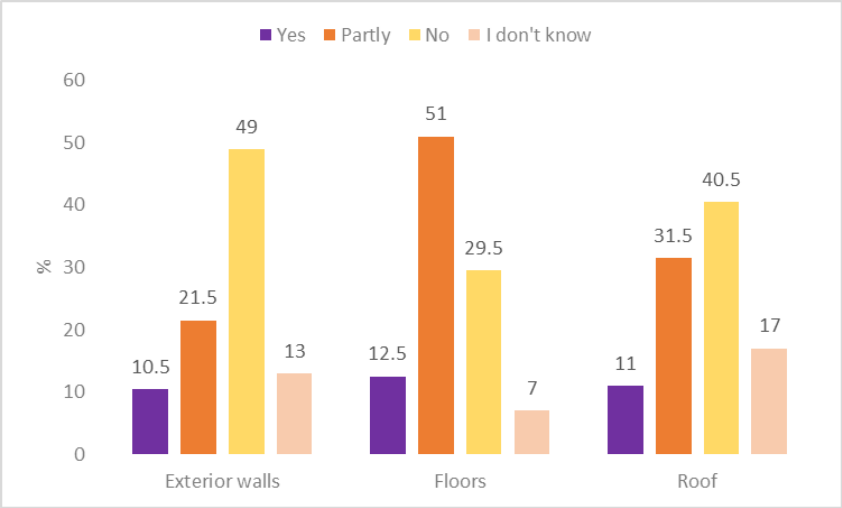


*Table 3: Isolation*




Biomass energy is used for energy supply for 54,5% of people and more than 80% people don't heat entire house, just certain rooms. Important observation is that during the summer and hot weather more than half of the people (56%) don't use air conditioners or cooling fans. It is worrying that most of the households can't afford to keep their homes warm in winter and cool down in summer. Regarding the high temperature and heat waves, cooling down in summer is even bigger financial issue than keeping the warm. Another indicator of low socio-economic status is that people from the area are poor - it is significant that 22% of them receive social welfare benefits. Also, a lot of people struggle to pay the bills, even 75,5%.

*Table 4 Comfort*

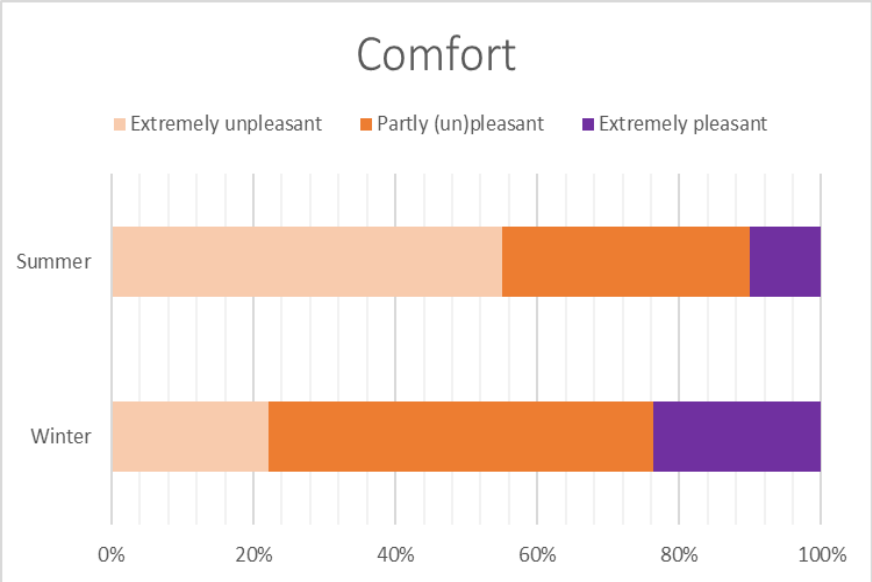
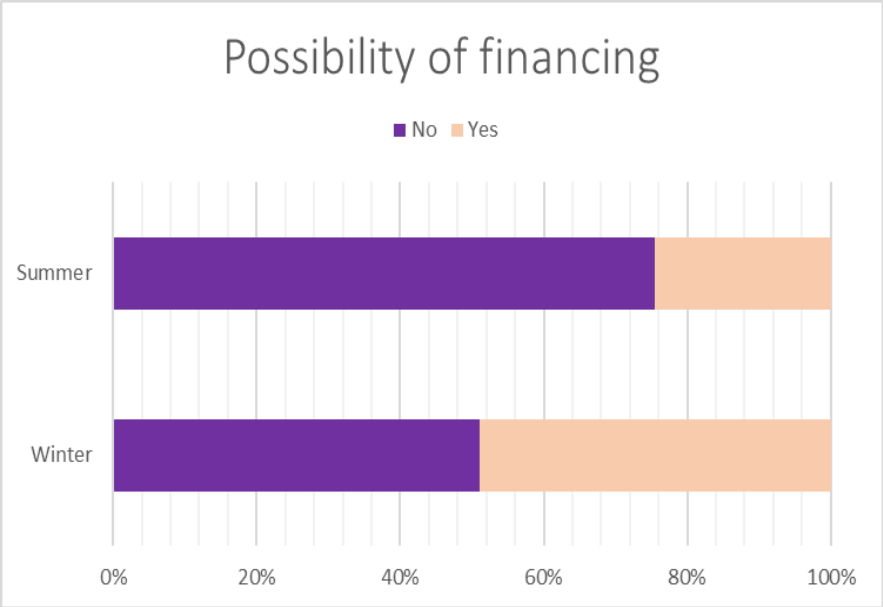


*Table 5 Possibility of covering financial costs*




These results suggest that households don't have conditions and knowledge for rational and efficient energy use and therefore, people are forced to use saving measures so they can pay bills for electricity, heating bills, gas bills… They have low level knowledge about energy use and consequently insufficient knowledge management in households about energy saving and energy efficiency measures is present.

As gendered perspective on energy poverty is important in this survey, therefore, significant fact is that the households are male-led households and bills are mostly assigned to men, in 52% cases.

Described poor living conditions and low socio-economic status affect human health and only 19% of people estimated their health condition as good and 2/3 of people have health problem.

This survey has shown that there are plenty of possibilities to improve living conditions and to introduce energy efficiency measures and rational energy management in Zadar County. People live in poor conditions and didn't renovate houses, especially didn't improve energy efficiency of buildings. Education about management of energy resources, investments in renewable energy and financial support would contribute to tackling energy poverty and quality of life in the area.

Important activity within the survey was distribution of energy saving boxes with LED lamps, seals for windows and tips for energy saving. In that way, energy efficiency management was shown as concrete, and real-life example.

# Key recommendations

**1. Clear and just criteria for energy poverty on the local level and national level.**

Local and national criteria for energy poverty should be compatible and adjustable for the local context. Without clear criteria citizens in need cannot be targeted, nor can the impact of the measures taken be estimated, therefore there is greater possibility that funds will not be spent in the optimal way. Criteria should include a strong gender perspective and be oriented toward different vulnerable subgroups – elderly; people with disabilities; workers living just above the poverty line; beneficiaries of the welfare system etc.

**2. Establish monitoring system on energy poverty**

A monitoring system for energy savings should be established on the national level. There still isn't clear data on the number of citizens in the risk of energy poverty nor is there a clear idea on the impact of so far implemented measures on the decrease of the energy poverty risk or increase of general well-being. The extent of energy and economy saving nor clear idea on the area of improvement is not known. For these reasons monitoring system is one of the first necessary steps.

**3. Establish data collection of nationally relevant data on energy poverty**

Because in Croatia energy poverty is still being identified with the category of vulnerable energy buyers the only official data on the energy poor citizens are the one on the vulnerable energy buyers – collected by welfare centers.

Energy poverty is a much wider category – and it needs to be represented by the official data. For this reason, national data collection on energy poverty should be established, and based on the data – criteria and future measures should also be planned.

**4. Establishment of a local centre for energy poverty**

Citizens need a place where they can get free of charge tips on saving energy, increasing comfort in the home, and information on relevant measures related to energy efficiency of households.

Based on successful pilot energy poverty centre in the City of Zagreb, during the project implementation the knowledge of establishment of a local centre for energy poverty will be transferred to City of Zadar and Zadar County. The idea is to stimulate Zadar County to open a similar centre in Zadar County – through which County could help energy poor citizens but also collect data and monitor implementation and impact of particular measures.

**5. Connect energy poor citizens into the power grid**

Energy is one of the basic social rights and energy poor citizens should be able to use at least basic energy services.

Given the rise in energy prices – the issue of disconnected citizens will be in rise – DOOR will try to tackle the issue with welfare centres and utility companies in raising awareness on this issue.

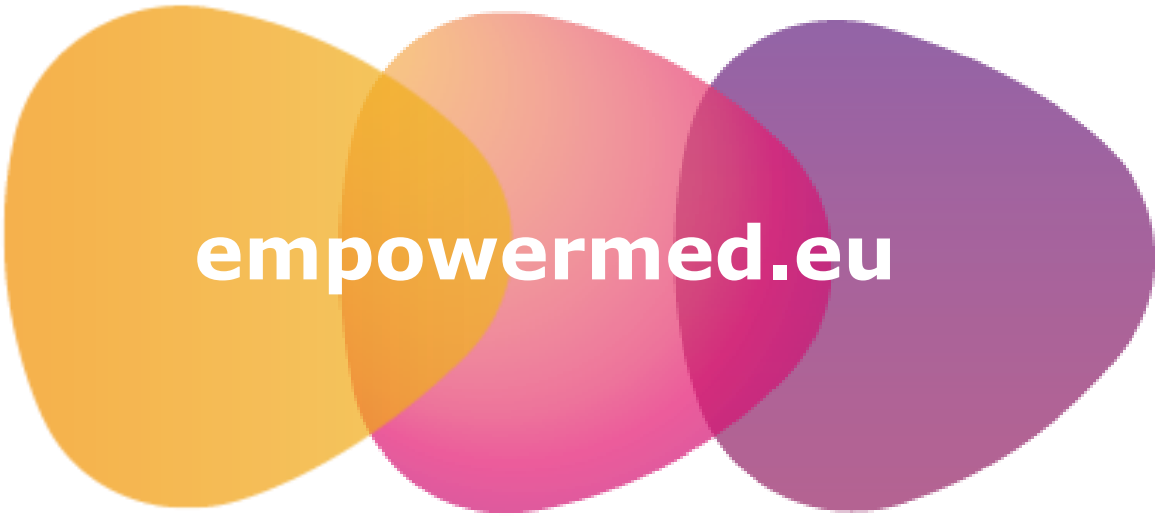
# 1. CONCLUSION

Definition of energy poverty is still under question mark and matter of discussions as it is still not clearly determined and adopted in Croatian public policies. For now energy poverty is still mainly related to the category of vulnerable consumers. Systemic approach and clear criteria are lacking, and energy poverty is not recognized as multidimensional problem. Different groups in society are disproportionately affected by energy poverty and social, gender, health, spatial, and many other dimensions must be included in definition of energy poverty.

Understanding the different dimensions of energy poverty should contribute to creation of criteria and variables for measuring energy poverty. At the moment, proper methodology for measurement of energy poverty on a national level is missing, so this should be important step for analysing energy poverty and consequently, suitable programmes and funds should be created for vulnerable groups.

The collected data in Zadar County indicate that measures for deprived groups, women, and elderly people, must be developed. Female one-person households are very common as women live alone because of their relatively longer life expectancy. Picture of low socio-economic status of elderly people and poor living conditions in houses that are not energy efficient, shows us that this area has a great potential for energy efficient measures which could drastically improve quality of life for citizens. Data collected both through nationally conducted questionnaire and data collected through household visits conducted under the Empowermed project will be useful for advocacy to include measures for vulnerable groups and to develop funds available to citizens.

Energy poverty should be alleviate at national and EU level, but also through local actions. Actors at local level should adjust measures to local context and could bring closer energy efficiency measures and measures for combating energy poverty.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