



Report on legal and regulatory recommendations for the target countries – Designing an enabling framework to foster citizen financing for energy efficiency and renewables on national level in line with the EU Green Deal

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CitizEE

*Scaling up Public Energy Efficiency Investments via Standardising
Citizen Financing Schemes*

www.citizee.eu



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TECHNICAL REFERENCES

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EXECUTIVE SUMMARY

For the development of investment platforms in the CitizEE pilot regions and the success of the CitizEE project it is crucial to look at the relevant legal framework existent in each of the pilot regions to find out where there are chances that should be taken but also what difficulties exist that will be encountered.

Deliverable D2.10 “Legal & regulatory investment framework analysis report”¹ was a compilation of the initial situation of CitizEE’s four pilot regions Portugal (GoParity), Belgium (VEB), Croatia (REGEA) and Lithuania (VIPA). The focus was set on the planned activities and the opportunities that arise from them but also the barriers that were encountered. With the help of a questionnaire, follow-up questions and discussions, it was possible to develop a comparing overview of the legal and regulatory situation in the pilot regions (separated into two main categories: The energy related and the investment related barriers). Especially the barriers that needed to be solved in order to develop and implement working investment platforms in each of the countries were highlighted. As already mentioned in D.2.10, these barrier analysis formed the initial point for D5.2 (reduced in some aspects, expanded in others).

With a further questionnaire (see ANNEX I) it was able to update the initial barrier analysis and to develop recommendations for the pilot regions in order to encounter as many of the existing barriers as possible. The already existing tables from the prior barrier analysis are updated and complemented with the following indications:

- **SOLVED:** Was listed as barrier in D2.10 and is now solved;
- **PARTLY SOLVED:** Was listed as barrier in D2.10 and is now partly solved/expected to be solved in the near future;
- **NOT SOLVED:** Was listed as barrier in D2.10 and is still a barrier;
- **NOT RELEVANT:** Was listed as barrier in D2.10 and is not solved but not described as a barrier anymore;
- **NEW:** Was not mentioned in D2.10 as barrier but is now described as such.

¹ *Wimmer/Pause*, CitizEE, D2.10 – Legal & regulatory investment framework analysis report, https://www.citizee.eu/wp-content/uploads/2020/02/D2.10-Legal-regulatory-investment-framework-analysis-report_PU.pdf.

¹ All results can be found under: <https://www.citizee.eu/results/>.



Table 1 – Comparison of legal & regulatory barriers – Overview – UPDATED

Barriers\Cases	GoParity	VEB	REGEA	VIPA
Energy related	Rules for public procurement foresee mandatory tendering <u>SOLVED</u>	Selection and awarding criteria need to be in accordance with the Law on Public Procurement <u>SOLVED</u>	Energy Strategy of the Republic of Croatia is still not finished <u>SOLVED</u>	Inter alia low energy price and low energy self-consumption for prosumers <u>SOLVED</u>
				The amendment for the Law on Energy from Renewable Sources is not yet in force <u>SOLVED</u>
Investment related	Investment limitations for individuals <u>SOLVED</u>	Incompatibility of the Eurostat Regulation on ESA neutrality with a high level of ambition within the OEPIC <u>PARTLY SOLVED</u>	High bank and card processing transaction fees <u>NOT SOLVED</u>	The Law on Consumer Financing grants no right for VIPA to issue loans for the consumers <u>SOLVED</u>
	Upscaling limitations due to a campaign specific amounts <u>SOLVED</u>	Public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease which is prohibited <u>SOLVED</u>	Lack of basic legal framework for development of crowdfunding models <u>PARTLY SOLVED</u>	The price of the loans due to the required ROI of limited partner is slightly too high <u>NOT SOLVED</u>
		The potential for EIB contribution may be small <u>NEW</u>		Limitation of loan amount to 500 EUR <u>NEW</u>
Other	Development of public buildings is lagging behind <u>PARTLY SOLVED</u>			



1.1. Recommendations

With a view on the current legal development regarding energy efficiency, renewables, investment possibilities and crowdfunding the following recommendations are concluded from the CitizEE project partner countries Portugal (GoParity), Belgium (VEB), Croatia (REGEA) and Lithuania (VIPA):

- **Recommendation 1 – Apply the Crowdfunding Regulation on local and regional level:** The Crowdfunding Regulation is binding in its entirety and directly applicable in all Member States since 10 November 2021. It is crucial that all Member States recognise and realise these new rules in practice on a local and regional level.
- **Recommendation 2 – Establish a feasible and effective crowdfunding framework in the Member States:** There is still a strong need of supporting structures for crowdfunding projects, especially framework conditions for the establishment of investment platforms. A feasible and effective crowdfunding framework in the Member States is necessary for accepting crowdfunding as a financing mechanism for energy related projects and raising awareness among citizens and institutions.
- **Recommendation 3 – Implement the Renewable Energy Directive and the Electricity Market Directive in an effective manner:** The effective implementation of the Renewable Energy Directive and the Electricity Market Directive by the Member States is crucial in order to introduce principles and operating conditions for prosumers and renewable/citizen energy communities to unlock citizen participation.
- **Recommendation 4 – Strike a balance between investor protection and extensive investment capabilities:** Regarding investments, it is important to strike a balance between investor protection (consumer/prosumer) and extensive investment capabilities.
- **Recommendation 5 – Permit legal entities to invest into peer-to-peer platforms alongside citizens:** The permission for the legal entities to invest into peer-to-peer platforms alongside citizens is necessary for legal entities as partners of an investment platform to provide financing for prosumers.
- **Recommendation 6 – Establish a harmonising framework with strong emphasis on energy performance contracting and ESCOs on European level:** A harmonising framework with strong emphasis on energy performance contracting and ESCOs on European level can foster energy efficiency projects when entering the public sector.
- **Recommendation 7 – Combine renewable energy measures with building renovation:** To exploit the potential of renewable energy measures, these measures should be combined with building renovation.
- **Recommendation 8 – Develop fully negotiated and clear agreements between the implementing partners and the COM as well as more guidelines and technical documentation:** To foster InvestEU/EIB contribution and to clarify how an investment platform can be set up under the new InvestEU framework, fully negotiated and clear agreements between the implementing partners and the COM as well as more guidelines and technical documentation are crucial. After developing and publishing standardized criteria, those could be used in further capacity building measures.
- **Recommendation 9 – Mobilise citizens to become prosumers:** For the deployment of renewable energy and efficiency measures on a local level it is important to mobilise citizens to become prosumers. In terms of financing, this can be achieved through loan interest subsidies as they reduce the price of the loan, or state subsidies for the installed kw as they reduce the payback period.
- **Recommendation 10 – Reduce the administrative burden to foster European public funds:** Reducing the administrative burden through more flexible rules for public tendering/procurement accelerate the execution of European public funds.



1.2. Starting point

The barriers that existed in the beginning of CitizEE were separated into two main categories: The **energy related** and the **investment related** barriers.

Energy related barriers identified were:

- The rules for public procurement of energy efficiency (EE) projects, in particular because those rules foresee mandatory tendering and may hinder the development of specific selection and awarding criteria;
- Lack of development and completion of national legislation, e.g. the Energy Strategy of the Republic of Croatia is still not finalised and the amendment for the Law on Energy from Renewable Sources in Lithuania, where primary general principles and operating conditions for energy communities are introduced, is not yet in force;
- The energy price and the energy of self-consumption for prosumers is too low so new business models are not stimulated.

Investment related barriers identified were:

- Several Investment limitations, both, for individuals that want to become investors as well as for the upscaling of campaigns;
- The Eurostat Regulation on ESA neutrality, which may be a problematic aspect when it comes to a very high level of ambition in Energy Performance Contracts;
- The Law on Energy Performance Contracting leads to problems, e.g. in Belgium energy performance contracting is seen as financial lease, which is prohibited;
- There is a lack of business cases for in depth renovations (with payback times that are 30 years or higher);
- Lack of development of the Law on Consumer Financing and the creation of a basic legal framework that facilitates crowdfunding models;
- High bank and card processing transaction fees and the high price of the loans in some pilot regions;
- Development of an investment platform according to European Union law will be challenging/problematic for some regions.



Table 2 – Initial comparison of legal & regulatory barriers – Overview

Barriers\Cases	GoParity	VEB	REGEA	VIPA
Energy related	Rules for public procurement foresee mandatory tendering	Selection and awarding criteria need to be in accordance with Law on Public Procurement	Energy Strategy of the Republic of Croatia is still not finished	Inter alia low energy price and low energy self-consumption for prosumers
				The amendment for the Law on Energy from Renewable Sources is not yet in force
Investment related	Investment limitations for individuals	Incompatibility of the Eurostat Regulation on ESA neutrality with a high level of ambition within the OEPIC	High bank and card processing transaction fees	The Law on Consumer Financing grants no right for VIPA to issue loans for the consumers
	Upscaling limitations due to a campaign specific amount	Public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease which is prohibited	Lack of basic legal framework for development of crowdfunding models	The price of the loans due to the required ROI of limited partner is slightly too high
Other	Development of public buildings is lagging behind			

It can be stated that although every pilot region had its own initial situation and its own legal and regulatory characteristics, there are several aspects that are relevant for all regions or at least for more than one region. Especially the change of the Law on Crowdfunding was/is likely to offer new opportunities and to solve some of the existing barriers in the future. Also, the Law on Public Procurement – on European and on national level – needed to be observed during the development of the investment platforms and their specifics. However, it has to be highlighted that the date and extent of national implementation of the relevant European legislation (especially the Clean Energy package² and the EU Green Deal) depends on the level of effort of the respective Member State. Therefore, it is very important to encourage and accelerate these processes with the help of the CitizEE project.

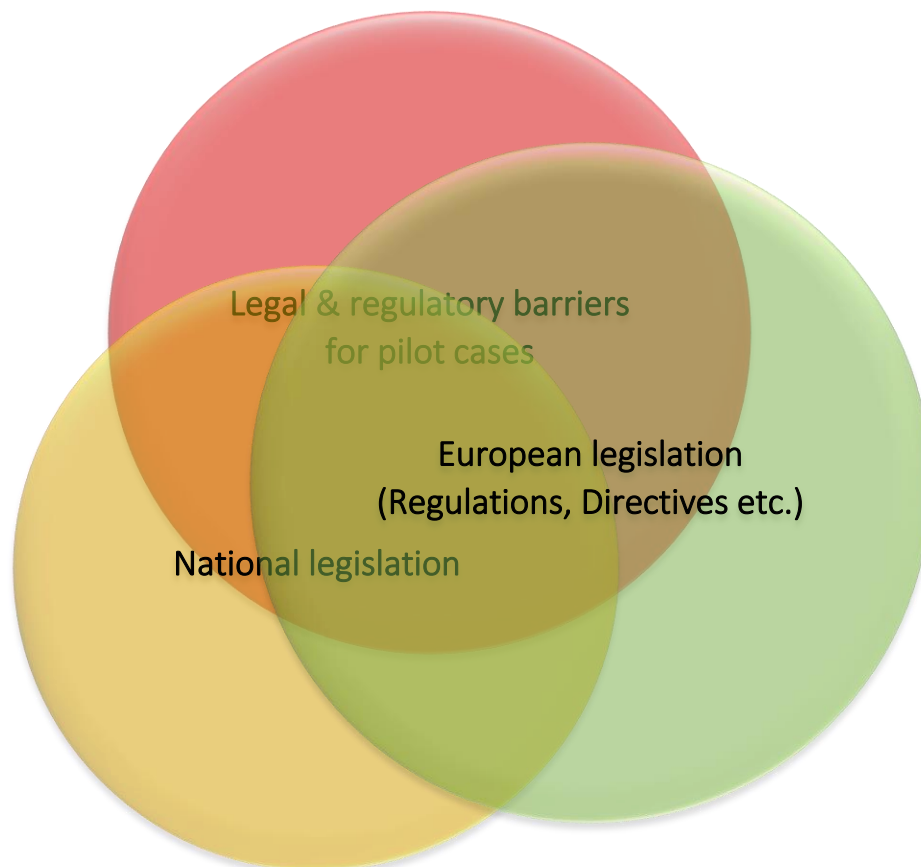
² COM, Clean energy for all Europeans package, https://energy.ec.europa.eu/topics/energy-strategy/clean-energy-all-europeans-package_en.



1.3. Interdependency of legislation levels

A relevant aspect already highlighted in D2.10 but still highly relevant is the existence of the two levels of legislation. There is the European level and the national/regional level, which both interfere with each other through a dynamic interdependency³. That means, on the one hand, the national legislation can be seen as the initial point for each of the pilot regions, as this legislation is the more concrete and more specific set of rules that has to be considered while developing the investment platform. On the other hand, the European legislation affects the national legislation as it is on a superior level and therefore national legislation must not contradict European legislation. But then again, the European legislation (as long as it is not a Regulation, which is directly applicable in all Member States) has to be implemented by the Member States and therefore transformed into national law. Here, a certain discretion exists and each Member State is allowed to create its own legislation as long as it is in line with the European set of rules. The implementation is likely to follow the already existing national legislation as far as it is allowed by European legislation. Thus, if there are changes at one level it is most likely that the other level will change as well, which then again may affect the other level. The following figure illustrates this dynamic interdependency:

Figure 1 – Dynamic Interdependency of Legislation Levels



³ See also: *Wimmer/Pause*, BestRES, Deliverables D5.2 – Enabling national legal and regulatory framework for business models for renewable energy aggregation and D5.3 – Enabling European legal and regulatory framework for business models for renewable energy aggregation, p. 8, http://bestres.eu/wp-content/uploads/2019/03/BestRES-5.2_National-framework-for-RES-aggregationSUER.pdf, http://bestres.eu/wp-content/uploads/2019/03/BestRES_D5.3_European_framework-for-RES-aggregationSUER.pdf.

1.4. Abbreviation list

COM	European Commission
EaSI	EU Programme for Employment and Social Innovation
ECSP	European Crowdfunding Service Providers
EFSI	European Fund for Strategic Investment
EIB	European Investment Bank
ESCO	Energy Service Company
ESMA	European Securities and Markets Authority
HVAC	Heating, Ventilation and Air Conditioning
MEPC	Maintenance and Energy Performance Contract
P2P	Peer to Peer
PV	Photovoltaic
RESCOOP	Renewable Energy Cooperative
ROI	Return on Investment
RRF	Recovery and Resilience Facility
SGP	European Stability and Growth Pact
SPV	Special Purpose Vehicle



1. BACKGROUND ASSESSMENT

In the following the legal links from the partner countries situation to each of the developed recommendations' are explained in further detail. This background assessment shall give a better overview of the reason for each of the recommendations and help to better sort the recommendations.

1.1. Recommendation 1: Apply the Crowdfunding Regulation on local and regional level

“The Crowdfunding Regulation is binding in its entirety and directly applicable in all Member States since 10 November 2021. It is crucial that all Member States recognise and realise these new rules in practice on a local and regional level.”

The Crowdfunding Regulation⁴ was adopted end of October 2020 and marked the end of an almost ten-year legislative process to harmonise crowdfinancing in Europe⁵. This Regulation introduces uniform rules for crowdfunding in all 27 European Member States. As a European regulation, it is directly applicable and binding in its entirety in all Member States since 10 November 2021, Art. 51 Crowdfunding Regulation. The law, inter alia, requires all crowdfunding platforms across Europe to re-evaluate cross-border offerings and creates an opportunity to completely rethink cross-border cooperation on the new basis of uniformity. Art. 1 para. 1 Crowdfunding Regulation says:

“This Regulation lays down uniform requirements for the provision of crowdfunding services, for the organisation, authorisation and supervision of crowdfunding service providers, for the operation of crowdfunding platforms as well as for transparency and marketing communications in relation to the provision of crowdfunding services in the Union.”

However, as the case of REGEA has shown, Croatia is still missing the effects of the Crowdfunding Regulation in practice, which is problematic as a feasible and effective regulatory framework is necessary and crucial for accepting crowdfunding as a financing mechanism for energy related projects and to scale operations at a European level and to conduct cross-border business with a rather swift and sizeable reduction of market entry costs⁶.

In Croatia, the application of the Crowdfunding Regulation is of utmost importance not only for the possibility of promotion of other crowdfunding models, but also as a promotion of citizens investment possibilities. Also, the ongoing discussions and initiatives to accept crowdfinancing as part of financial construction for projects applied to ESIF funds/ESI loans would be accomplished through feasible and effective regulatory framework adjustments that will lead to increased utilization of alternative financial mechanisms.

Furthermore, the Crowdfunding Regulation can help to overcome upscaling limitations for individuals and projects. As seen in GoParity's case investment, limitations for individuals will be softened with the new European Crowdfunding Regulation as the focus will be financial literacy for risk appetite and not the level of income of the investor (Art. 21 para. 7 Crowdfunding Regulation) and the threshold for investment campaigns will be increased to 5 Mio EUR (The local CMVM Regulation No. 1/2016 has a threshold of 1 Mio EUR for retail offers, Art. 19 CMVM Regulation No. 1/2016) (Art. 1 para. 2 (c) Crowdfunding Regulation, but also relevant: Art. 49 Crowdfunding Regulation and recital 16 and 17).

⁴ Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1503>.

⁵ Wimmer/Kamm,/Pause, CitizEE, Deliverable D5.1 – Development and validation of template documents and contracts for the actors, p. 47, <https://www.citizee.eu/wp-content/uploads/2021/08/Report-on-development-and-validation-of-template-documents-and-contracts-for-the-actors.pdf>.

⁶ The new law on the implementation of the Crowdfunding Regulation (Official Gazette nr 144/21, https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_144_2458.html) has only been adopted In December 2021 and is valid since 4 January 2022. It defines the competent authority, the area of work and powers of the competent authority and the misdemeanour provisions for the implementation of the European Union regulation. The Agency in charge is CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY (HANFA).



Thus, the adoption of the Regulation is of utmost importance not only for the possibility of promotion of other crowdfunding models, but also as a promotion of citizens investment possibilities.

1.2. Recommendation 2: Establish a feasible and effective crowdfunding framework in the Member States

“There is still a strong need of supporting structures for crowdfunding projects, especially framework conditions for the establishment of investment platforms. A feasible and effective crowdfunding framework in the Member States is necessary for accepting crowdfunding as a financing mechanism for energy related projects and raising awareness among citizens and institutions.”

REGEA’s case has shown that the absence of the crowdfunding sector leads to a small overall awareness about crowdfunding opportunities among the general public and potential backers as well as national institutions in charge of legal framework and the absence of quality crowdfunding service providers. This is concluded by the inability of local and regional authorities to use crowdfunding financing models and a lack of support from business support organisations, which rarely possess the capacities to assist potential project developers with preparation of their campaigns.

A feasible and effective regulatory framework is crucial to solve problems related to consumer right protection, information for clients and following rules on how to become an authorised crowdfunding service provider as well as overall awareness raising about crowdfunding opportunities, and the use of crowdfunding financing models by local and regional authorities.

1.3. Recommendation 3: Implement the Renewable Energy Directive and the Electricity Market Directive in an effective manner

“The effective transposition of the Renewable Energy Directive and the Electricity Market Directive by the Member States is crucial in order to introduce principles and operating conditions for prosumers and renewable/citizen energy communities to unlock citizen participation.”

REGEA’s and VIPA’s cases show that the implementation of the Renewable Energy Directive⁷ and the Electricity Market Directive⁸ by the Member States fosters the development of business models that are connected to energy communities and/or prosumers.

In Croatia, the new Law on Electricity Market (Official Gazette nr 111/21⁹), was adopted on 22 October 2021 as an implementation of the Electricity Market Directive, and in December 2021 the new Law on Renewable Energy Sources and High-Efficiency Cogeneration (Official Gazette nr 138/21¹⁰) was adopted as an implementation of the Renewable Energy Directive, finally finishing the current Energy Strategy of the Republic of Croatia.

In Lithuania, the amendment for the Law on Energy from Renewable Sources¹¹ introduced general principles and operating conditions for prosumers and renewable energy communities This amendment implements the recast of the Renewable Energy Directive that entered into force in December 2018¹² as part of the Clean energy for all Europeans package.

⁷ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC.

⁸ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L0944>.

⁹ https://narodne-novine.nn.hr/clanci/sluzbeni/2021_10_111_1940.html.

¹⁰ https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_138_2272.html.

¹¹ XI-1375, Lietuvos Respublikos atsinaujinančių išteklių energetikos įstatymas, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.398874/asr>.

¹² Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC.



The Electricity Market Directive regulates the citizen energy community (Art. 2 (11), Art. 16) and the active customer (Art. 2 (8), Art. 15). The Renewable Energy Directive provides rules for renewable self-consumers (Art. 2 para. 2 (14), Art. 21), jointly acting renewables self-consumers (Art. 2 para. 2 (15)) and renewable energy communities (Art. 2 para. 2 (16), Art. 22).

1.4. Recommendation 4: Strike a balance between investor protection and extensive investment capabilities

“Regarding investments, it is important to strike a balance between investor protection (consumer/prosumer) and extensive investment capabilities.”

Both GoParity’s and VIPA’s cases have shown that investment limitations for individuals can be a barrier for peer-to-peer platforms as they are likely to make such a platform less attractive for investors who are willing to invest higher amounts of money. However, the complete lift of the loan amount limit, although it would solve the barrier, would completely abolish the consumer protection intended by the current limit. But nonetheless, an increase in the loan amount could be suitable to address both interests more appropriately and to make such business models more attractive for peer-to-peer platforms despite the risk bearing whilst retaining a sufficient level of consumer protection.

The Consumer Credit Directive¹³ currently generally applies to all credit agreements between 200 and 75.000 EUR (Art. 2 para. 2 (c)), and to higher amounts when the credit agreement in question is unsecured and for the purpose of a renovation of residential immovable property (Art. 2 para. 2 (a)). The scope of the directive is likely to widen to cover peer-to-peer platforms. A new proposal of the directive¹⁴ aims at closing regulatory gaps regarding peer-to-peer lending and covering loans below 200 EUR as well. However, the proposal does not address the protection of consumers granting credit through peer-to-peer lending platforms. The COM plans to address the protection of consumers investing through these platforms, and the responsibilities of the platforms towards these consumers will be assessed in another context and, if appropriate, followed up by a legal proposal¹⁵. Even though the Consumer Credit Directive sets no limit on the loan amount, an indication for what could be considered an appropriate amount balancing the interests between the financial market and consumer protection can be found in Annex I of the current directive in Chapter I (h), which outlines the conditions for the calculation of the annual percentage rate of charge: in cases where no applicable ceiling to the credit has yet been agreed upon, that ceiling is assumed to be 1.500 EUR.

The option to address the barrier of facilitating the access for the license for peer-to-peer platforms likewise has to be considered in a balance between a protection of the functioning of the market and the efficient enabling of business models operating on the market. Easing the administrative burden for license applicants and holders should be a constant focus when reevaluating the legal framework as lesser administrative burden is advantageous both for the respective market participants and the regulatory authority.

¹³ Directive (EU) 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, last amended by Regulation (EU) 2019/1243 of 20 June 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02008L0048-20190726&from=EN>.

¹⁴ COM (2021) 347 final, Proposal for a Directive of the European Parliament and of the Council on consumer credits of 30 June 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0347&from=EN>.

¹⁵ COM (2021) 347 final, Proposal for a Directive of the European Parliament and of the Council on consumer credits of 30 June 2021, p. 7, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM:2021:347:FIN>.



1.5. Recommendation 5: Permit legal entities to invest into peer-to-peer platforms alongside citizens

“The permission for the legal entities to invest into peer-to-peer platforms alongside citizens is necessary for legal entities as partners of an investment platform to provide financing for prosumers.”

With the amendment of the Lithuanian Law on Consumer Financing on 15 December 2020¹⁶ the definition of peer-to-peer lending has been widened in scope (to expand the definition of consumer credit providers to legal entities) and amended to the following meaning:

“Peer-to-peer lending shall mean an activity whereby, through a peer-to-peer lending platform, persons grant or undertake to grant consumer credit consumer borrowers.”

Such a widened definition is crucial for cases like VIPA where legal entities want to invest into peer-to-peer platforms alongside citizens for the legal entities as partners of an investment platform to provide financing for prosumers.

Prior to the amendment, according to Article 2 para. 11 of the Law on Consumer Financing, the loan providers reaching prosumers through peer-to-peer platforms could only be natural persons. Furthermore, only institutions included in the list of consumer credit providers could issue loans for consumers. But because the list of consumer credit providers is formed and supervised by the Bank of Lithuania, additional responsibilities, obligations and difficult administrative processes exist for institutions that are included.

1.6. Recommendation 6: Establish a harmonising framework with strong emphasis on energy performance contracting and ESCOs on European level

“A harmonising framework with strong emphasis on energy performance contracting and ESCOs on European level can foster energy efficiency projects when entering the public sector.”

As seen in GoParity’s and VEB’s cases for energy performance contracting and ESCOs, partnerships can be necessary or at the very least beneficial for energy efficiency projects when entering the public sector. Energy performance contracting is a mechanism for organising the energy efficiency financing involving an ESCO providing various services (finances, guaranteed energy savings etc.). Both are mostly found in the public sector¹⁷.

Several relevant provisions can already be found in the Energy Efficiency Directive¹⁸, the Renewable Energy Directive and the Energy Performance of Buildings Directive¹⁹. However, these provisions are mostly not binding for the Member States and do not lay much emphasis on energy performance contracting as a key tool in the energy transition.

¹⁶ XIV-80, Lietuvos Respublikos vartojimo kredito įstatymo Nr. XI-1253 2 straipsnio pakeitimo įstatymas, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/3afda842410b11ebb394e1efb98d3e67>.

¹⁷ https://ec.europa.eu/energy/content/energy-performance-contracting_de.

¹⁸ Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0210.01.ENG.

¹⁹ Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0844>.



1.7. Recommendation 7: Combine renewable energy measures with building renovation

“To exploit the potential of renewable energy measures, these measures should be combined with building renovation.”

The Belgium and the Croatian Recovery and Resilience Plans both were well received by the COM²⁰. However, both plans show that there is still untapped potential when it comes to renewable energy deployment. This could be further exploited by combining renovation measures with renewable installations as simple windfall profits would be wasted if PV modules, for example, were not also installed during renovation when the buildings are scaffolded anyways.

1.8. Recommendation 8: Develop fully negotiated and clear agreements between the implementing partners and the COM as well as more guidelines and technical documentation

“To foster InvestEU/EIB contribution and to clarify how an investment platform can be set up under the new InvestEU framework fully negotiated and clear agreements between the implementing partners and the COM as well as more guidelines and technical documentation are crucial. After developing and publishing standardized criteria, those could be used in further capacity building measures.”

Detailed instructions and guidelines as well as examples on the process on how to go with InvestEU would be an important approach, especially as the EIB recognises itself that the investment platform set-up and implementation were not efficient in the previous EFSI²¹. The rules applicable to the operations with investment platforms will be adopted by the steering board, Art. 21 para. 3 f) InvestEU Regulation²². However, the steering board is still working on the “framework operations under InvestEU” which are supposed to define the financial products and counterparts for InvestEU intervention. The successful implementation of InvestEU relies on a timely announcement of the implementing partners and the underlying implementing agreements, as those might vary considerably between the different implementing partners. To this date, such instructions/guidelines as well as information on who are the implementing partners in the Member States and for which investment sectors they are allowed is not available to a sufficient extent. The Flemish PMV (Flemish national promotional institute (NPI)) has successfully performed the selection to become an implementation partner²³, but little is known about the ongoing selection processes with other partners. However, especially given that Investment Platforms as such are eligible under InvestEU, it seems prudent to create legal certainty and planning security by predetermining the general criteria for investment platforms in a more standardized manner, e.g. in the Investment Guidelines. After developing and publishing the relevant information, one option to widespread said information could for example be the promotion of investment platform models through a technical “roadshow” organised by the EIB/implementing partners targeting active specialized fund managers in the energy sector (renewables and energy efficiency) but also ESCO market players and crowdfunding platforms as those actors have the knowledge and/or the capacity to engage such a development or to crowd-in other investors.

²⁰ COM (2021) 349 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Belgium of 23 June 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0349&qid=1639560896446&from=EN>; COM (2021) 401 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Croatia of 8 July 2021, Annex, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0401&qid=1639581506322&from=EN>.

²¹ With very long delays for due diligence and approval in the latest EFSI evaluation report: European Investment Bank, Evaluation of the European Fund for Strategic Investments 2021 – Thematic Report, 2021, p. 61, https://www.eib.org/attachments/ev/ev_report_evaluation_of_efs_i_2021_en.pdf.

²² Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32021R0523>.

²³ <https://www.pmv.eu/nl/nieuws/pmv-slaagt-met-succes-voor-eu-pijlerbeoordeling-eu-pillar-assessment>.



1.9. Recommendation 9: Mobilise citizens to become prosumers

“For the deployment of renewable energy and efficiency measures on a local level it is important to mobilise citizens to become prosumers. In terms of financing, this can be achieved through loan interest subsidies as they reduce the price of the loan, or state subsidies for the installed kW as they reduce the payback period.”

Low energy prices and low energy self-consumption for prosumers are problematic as low prices are likely to hinder potential prosumers to invest in becoming a prosumer as seen in VIPA’s case. An increasing (centralised) energy price as well state subsidy for prosumers (linked to the installed kW) and the supply of solar farms leads to a shorter payback period and thus is an important incentive for private persons to become prosumers. As another option/additionally, loan interest subsidies would decrease the price of the loan and thus also encourage prosumers.

1.10. Recommendation 10: Reduce the administrative burden to foster European public funds

“Reducing the administrative burden through more flexible rules for public tendering/procurement accelerate the execution of European public funds.”

For GoParity, the new flexible rules introduced with the Portuguese Law No. 30/2021²⁴ soften the tight and bureaucratic structure of public procurement that led to limitations in the past. The main purpose of this legislative initiative is to accelerate the execution of European public funds, namely those under the recovery and resilience plan umbrella. Article 2 of Law No. 30/2021 defines pre-contractual procedures for the execution of projects financed or co-financed by European funds. Another option is to simplify the rules below a certain threshold. In Flanders, the rules for public tendering are more flexible when the value of contract is equal or less than 30.000 EUR and 140.000 EUR (two categories). In these cases, there are simplified publication and award procedures applicable on the tendering procedure²⁵.

²⁴ <https://dre.pt/dre/detalhe/lei/30-2021-163728569>.

²⁵ <https://overheid.vlaanderen.be/draaiboek/plaatsingsprocedures-overheidsopdrachten#opzb>.



2. CURRENT SITUATION

In the following, the current situation in each of the four pilot regions is described, looking back at the initial legal framework analysis (D2.10)²⁶ and the other prior deliverables (especially D2.3 – Action plan for the establishment of the citizen investment platforms, D3.1 – Citizen funding market assessment report and WP4 – CFs4EE Financing schemes development and implementation)²⁷. The already existing tables from the prior barrier analysis are updated and complemented with the following indications:

- **SOLVED:** Was listed as barrier in D2.10 and is now solved;
- **PARTLY SOLVED:** Was listed as barrier in D2.10 and is now partly solved/expected to be solved in the near future;
- **NOT SOLVED:** Was listed as barrier in D2.10 and is still a barrier;
- **NOT RELEVANT:** Was listed as barrier in D2.10 and is not solved but not described as a barrier anymore;
- **NEW:** Was not mentioned in D2.10 as barrier but is now described as such.

2.1. GoParity

GoParity's case is a CFs4EE financing scheme to fund EE/RE investments in private and public buildings with crowdfunding co-financing at project level or investment platform level (through existing GoParity Platform):

- Eligible projects: Single Energy Measures (includes RE);
- Citizen funding: Crowdlending model;
- Buildings: Public and private buildings;
- Implementation: Separate based contracting;
- Investment platform structuring: Public-private investment platform under the form of co investment at project level between crowdlending with GoParity and investment fund with BlueCrow. Total investment volume: aprox. 25 Mio EUR (five years period) to kick off as a private investment platform with direct investment from co-investors at project level;
- We will not advance with a formal debt fund but with a compromise for
- Potential investment platform/Fund Sponsor: BlueCrow;
- Potential co-investors: BlueCrow, citizens.

GoParity will revise the initial ambitions of the project, with reasonable achievable goals until the end of the project. The focus will be put on the following objectives:

- Finalising the partnership with Adene (national energy agency) and RNAE, in order to engage as soon as possible investment projects;
- Finalising the partnership with BlueCrow, in order to make the specific lending line operable as soon as possible.

In any case, GoParity will engage solo direct crowdfunding for energy efficiency via its existing peer-to-peer platform as a way to match the committed pipeline of citizen funding the project during the course.

²⁶ Wimmer/Pause, CitizEE, D2.10 – Legal & regulatory investment framework analysis report, https://www.citizee.eu/wp-content/uploads/2020/02/D2.10-Legal-regulatory-investment-framework-analysis-report_PU.pdf.

²⁷ All results can be found under: <https://www.citizee.eu/results/>.



2.1.1. Public procurement

The rules for public tendering still foresee mandatory tendering. However, new flexible rules under certain conditions were introduced with the Portuguese Law No. 30/2021²⁸, which soften the tight and bureaucratic structure of public procurement that led to limitations in the past²⁹. The main purpose of this legislative initiative is to accelerate the execution of European public funds, namely those under the recovery and resilience plan umbrella. Article 2 of Law No. 30/2021 defines pre-contractual procedures for the execution of projects financed or co-financed by European funds. It provides that for the conclusion of contracts intended for the execution of projects financed or co-financed by European funds, the contracting authorities may:

- Initiate and process public tender procedures or restricted tender procedures by prior simplified qualification under the terms of this law, when the contract value is below the thresholds referred to in Art. 474 para. 2, 3 or 4 of the Public Contracts Code³⁰, as the case may be;
- Initiate and proceed with simplified prior consultation procedures, with invitation to at least five entities, under the terms of this law, when the contract value is simultaneously below the thresholds referred to in Art. 474 para. 2, 3 or 4 of the Public Contracts Code, as the case may be, and less than 750 000 EUR;
- Start simplified direct award procedures under the terms of Art. 128 of the Public Contracts Code, when the value of the contract is equal to or less than 15.000 EUR;
- Reduce the deadline for submitting proposals and candidacies in public tenders and restricted tenders by prior qualification pursuant to Art. 136 para. 3, Art. 174 para. 2, Art. 191 para. 5 of the Public Contracts Code, respectively, with exemption from the reasons provided for in these provisions.

2.1.2. Energy performance contracting /ESCOs

An ESCO-partnership can be an advantage when entering the public sector, especially regarding the two following aspects:

- An initial partnership with ESCOs could streamline the entrance to public projects as ESCOs are a relevant way to enter the public sector without the complementary bureaucracies of direct financing to public entities, especially in the crowdfunding sector. ESCOs already work in the public sector and have proper procedures in place for this segment, so this could be an easy and rapid way to enter public sector through the direct finance of ESCOs.
- An ESCO partnership can indirectly help to surpass aversion from public entities for private/crowdfunding. To have a sound case study will be the best way to enter into the public segment. That might happen indirectly via an ESCO, where the funding will be on ESCO side but the communication and reference of the project to the citizen investors will be on the public entity side.

2.1.3. Investment limitations

Limitations regarding the investment, both for individuals or a whole campaign can be problematic from the perspective of the business model when it comes to financing.

Investment limitations for individuals will be softened with the new European Crowdfunding Regulation. The focus will be financial literacy for risk appetite and not the level of income of the investor. Thus, the new thresholds are able to balance investor protection with higher capability for them to invest in crowdfunding. It has to be noted that the CMVM Regulation No. 1/2016³¹ applies to those operating under the regime of the CMVM Regulation while the

²⁸ <https://dre.pt/dre/detalhe/lei/30-2021-163728569>.

²⁹ As a comparison, in Flanders the rules for public tendering are more flexible when the value of contract is equal or less than 30.000 EUR and 140.000 EUR (two categories), in these cases there are simplified publication and award procedures applicable on the tendering procedure, <https://overheid.vlaanderen.be/draaiboek/plaatsingsprocedures-overheidsopdrachten#opzb>.

³⁰ <https://www.base.gov.pt/Base4/pt/documentacao/codigo-dos-contratos-publicos-consolidado/>.

³¹ https://www.cmvm.pt/en/Legislacao/National_Legislation/Regulamentos/Pages/Regulation-No-12016.aspx?v=.



Crowdfunding Regulation applies to those operating under the regime of the Crowdfunding Regulation (e.g. the Crowdfunding Regulation does not apply to crowdfunding services that are provided to project owners that are consumers). However, for models that are Crowdfunding Regulation activities as per definition, the CMVM Regulation will be overwritten (the latest as of November 2022).

Connected to the investment amount, Art. 21 para. 7 Crowdfunding Regulation foresees several obligations for the crowdfunding service provider. Each time before a prospective non-sophisticated investor or non-sophisticated investor accepts an individual crowdfunding offer and thereby investing an amount that exceeds the limit of either 1.000 EUR or 5 % of that investor's net worth as calculated in accordance with paragraph 5, the crowdfunding service provider shall ensure that such investor:

- Receives a risk warning;
- Provides explicit consent to the crowdfunding service provider;
- Proves to the crowdfunding service provider that the investor understands the investment and its risks.

Upscaling limitations for projects are affected by the Crowdfunding Regulation as well. The Crowdfunding Regulation will apply to everything that is in its definition below 5 Mio EUR, Art. 1 para. 2 (c) Crowdfunding Regulation. Member States with a different threshold can derogate for a short time frame (until November 2023) before the 5 Mio EUR threshold will apply for Crowdfunding Regulation transactions, Art. 49 Crowdfunding Regulation³².

Thus, the Crowdfunding Regulation increases the threshold for investment campaigns to 5 Mio EUR (The local CMVM Regulation has a threshold of 1 Mio EUR for retail offers, Art. 19 CMVM Regulation No. 1/2016), which is appropriate for the type of business model intended for crowdlending at the moment. This limit is typical the minimum threshold before a mandatory public offer needs to be put in place, so the intention was to somehow accommodate with other European/local regulations.

2.1.4. Recovery and resilience plans

Regarding the general development of efficiency measures in public buildings, which are lagging behind, Resolution No. 8A/2021 of the Council of Ministers was approved in February 2021³³ as the national long-term strategy for building renovation to hopefully introduce a proper framework and strategy to accelerate this area. Additionally, although with a lack of ambition, the Recovery and Resilience Plan brings complementary funds to foster energy efficiency in buildings. The COM has endorsed the reworked Recovery and Resilience Plan of Portugal³⁴ after initial criticism (see report 5.1). According to the COM assessment, now 37.9 % of the plan support climate objectives³⁵. Other calculations see the share of climate protection measures much lower at 17 %³⁶. Regardless of the actual share of climate protection measures in the plan, both assessments agree that the renovation of buildings is not picking up in Portugal³⁷ and is deemed as one of the most important measures with effect on green transition in the recovery package³⁸. In order to tackle this to maximum effect, more focus should be laid on renovation measures. It seems likely that the lifting of the barrier regarding public procurement through Portuguese Law No. 30/2021 (see above) was at least in part motivated by the COM's assessment that "The renovation of buildings is not picking up in Portugal.

³² See also recital 16 and 17 Crowdfunding Regulation.

³³ <https://dre.pt/dre/detalhe/resolucao-conselho-ministros/8-a-2021-156295372>.

³⁴ COM (2021) 321 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Portugal of 16 June 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0321&qid=1639562076962&from=DE>.

³⁵ COM (2021) 321 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Portugal of 16 June 2021, Recital 32, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0321&qid=1639562076962&from=DE>.

³⁶ <https://www.greenrecoverytracker.org/country-reports/portugal>.

³⁷ COM (2021) 321 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Portugal of 16 June 2021, Annex, Chapter 2.3. "Challenges related to the green and digital transition", <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0321&qid=1639562076962&from=DE>.

³⁸ Green Recovery Tracker Report: Portugal, Annex, Most Important measures of the Recovery Package by Sector, https://assets.website-files.com/602e4a891047f739eaf5dfad/609e2d5b2f548fc26f4e743b_Portugal_Green%20Recovery%20Tracker%20Report.pdf.



For public buildings, it remains hampered by tight public procurement rules. For private buildings, there is little demand for renovation. More pro-active and well-designed building renovation programmes are needed to promote energy efficiency renovations (...)”³⁹. More efforts tackling these barriers would be in line with the current plan as the implementation of the Recovery and Resilience Plan comes with a certain amount of flexibility on how the specified milestones shall be achieved. Even if an amendment were necessary, Art. 21 of the RRF Regulation⁴⁰ allows for Member States to make a proposal for amendment. Art. 21 primarily covers the situation in which a member state could not achieve milestones of the plan. Conversely, this must be possible if more ambitious targets are to be set.

The progress of the implementation is monitored and publicly available under the Recovery and Resilience Scoreboard⁴¹ launched on 15 December 2021.

2.1.5. Result

Table 3 – Legal & regulatory barriers for GoParity – UPDATED

GoParity	
Energy related	Rules for public procurement foresee mandatory tendering <u>SOLVED</u>
Investment related	Investment limitations for individuals <u>SOLVED</u>
	Upscaling limitations due to a campaign specific amount <u>SOLVED</u>
Other	Development of public buildings is lagging behind <u>PARTLY SOLVED</u>

³⁹ SWD (2021) 146 final, Commission Staff Working Document of 16 June 2021, Analysis of the recovery and resilience plan of Portugal accompanying the proposal for a Council Implementing Decision referencing Castellazzi L, Zangheri P and Paci D. Synthesis Report on the assessment of Member States’ building renovation strategies . EUR 27722. Luxembourg (Luxembourg): Publications Office of the European Union; 2016. JRC97754; and Castellazzi L. et al., Assessment of second long-term renovation strategies under the Energy Efficiency Directive, EUR 29605 EN, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-79-98727-4, doi:10.2760/973672, JRC114200.

⁴⁰ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 057 18.2.2021, p. 17, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02021R0241-20210218&from=EN>.

⁴¹ The Recovery and Resilience Scoreboard is a public online platform and gives an overview of how the implementation of the RRF and the national recovery and resilience plans is progressing, https://ec.europa.eu/economy_finance/0zert1457zert84zertzert/index.html?lang=en.



2.2. VEB

VEB's case is a revised scheme to develop a Cfs4EE financing scheme based on the cooperative model to co-finance energy efficiency upgrades through energy performance contracting.

Intended investment level and modalities of the pilot project:

- Educational sector:
 - 35% subsidies based on CAPEX, target = 45% CO2 reduction;
 - 10 Mio EUR investment platform -> 28,6 Mio EUR total investment with 18,6 Mio EUR of (R)ESCO;
 - 5 Mio EUR extra Infrastructure dotation of GO! for deep retrofit ambition;
 - Pilot 'Call' will lead to at least 33,6 Mio EUR total investment.
- Healthcare sector (24/24, 7/7 regime):
 - 30% subsidies based on CAPEX, target = 45% CO2 reduction;
 - 10 Mio EUR investment platform -> 33,3 Mio EUR total investment with 23,3 Mio EUR of (R)ESCO;
 - Extra Infrastructure dotation of public entities for deep retrofit ambition;
 - Pilot 'Call' will lead to at least 33,3 Mio EUR total investment.

Projects will focus on buildings with a replacement need of HVAC (heating) and upgrading building envelope in the meantime (building age 30- 40 years), in line with the ESCO-business model and the subsidy | infrastructure dotation.

Next to the pilot ESCO-call, VEB calculated pilot-cases for on ongoing ESCO-projects of municipalities combining ESCO and Rescoop (Citizen) financing on project level to get grip on the possible impact on their individual business model and the need of risk sharing between the 2 delivering parties:

- Rescoops (citizen financing through renewable energy cooperatives) will be asked to operate the PV-installations in an ESC-model, integrated in the ESCO-model;
- 3 projects are prepared and discussed with the client, ESCO and RESCOOPS in order to mitigate detected barriers and to be able to roll-out this part of the business model sooner.

2.2.1. Energy performance contracting/ESCOs

VEB mitigates the risk to combine citizen financing on energy performance contracting projects. Crowdfunding or citizen financing will not be enrolled in the pilot investment platform but on energy performance contracting project level. VEB selected pilot-cases for ongoing ESCO projects of municipalities combining ESCO and Rescoop financing on project level to get grip on the possible impact on their individual business model and the need of risk sharing between the two delivering parties: Rescoop will be asked to operate the PV installations in an energy performance contracting model, integrated in the ESCO model.

Thus, the initial barrier that selection and awarding criteria need to be in accordance with law on public procurement (related to incorporate the obligation to enhance at least one cooperation in the consortium (ESCO/RESCOOP) in the selection criteria) is solved due to this solution that is in line with the law on public procurement to tender the projects in two subprojects.

The Flemish Government has agreed in principle to the financing of the pilot investment platform by using the Flemish Climate Fund (VKF) as a financing channel for School infrastructure and Care infrastructure.

- The central bodies of the education sector (GO!) and Care sector (VIPA) have to co-finance in the investment platform;
- 75% of the investment platform funding comes from the Climate fund, 25% of the grant budget comes from the central bodies;
- VEB is program and fund manager.



This is the approved in principle by all stakeholders (Flemish Government – board of GO! and VIPA) and is in preparation of ratification by the Flemish Government. This means:

- Education sector: 7,5 Mio EUR VKF and 2,5 Mio EUR GO! = 10 Mio EUR investment platform;
- Care sector: 7,5 Mio EUR VKF and 2,5 Mio EUR VIPA= 10 Mio EUR investment platform.

Through this pilot investment platform, investments can be subsidised 30-35% of the CAPEX. Combining subsidies with the regular infrastructure dotation and a long term ESCO contract, there will be no need for finding extra financing through financial leasing or borrowing by the public schools themselves. Focus of the energy performance contracting deep retrofit projects will focus on buildings with a replacement need of HVAC (heating) and upgrading building envelope in the meantime (building age 30- 40 years), in line with the ESCO business model and the subsidy/infrastructure dotation.

Thus, the barrier that public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease (which is prohibited) is not relevant anymore as VEB has an agreement with the education sector and care sector for a pilot call for OEPC deep retrofit. By using the subsidies integrated in the investment platform, borrowing additional resources will not be necessary anymore within the scope for these projects.

2.2.2. EIB contribution

The potential for EIB contribution may be small due to the preference for small projects before scaling up and the cost of capital being esteemed higher.

VEB will analyse the overall conditions for the investment platform under the form of a public dedicated credit line from the Flemish government (or alternative) in close cooperation with PMV (Participatie Maatschappij Vlaanderen). The creation of an investment platform will depend upon different factors:

- The outcome of the analysis of the pilot investment platform (see supra);
- The scale of the investment target (pilot or dedicated pipeline, one target sector or overall public sector);
- The commitment of a potential fund manager;
- Potential investors depending upon the investment target (EIB, PMV, Private banks).

EIB contribution will not be taken into account during the roll out of the pilot project. Nevertheless, with the results of the pilot outcome, EIB contribution can be considered as an element in the investment platform financing product in the longer term.

2.2.3. Compatibility with the Eurostat Regulation on ESA neutrality

The VEB pilot case is currently designed as an ESCO-pilot of a School Group of GO! which is in contracting phase (BAFO negotiations). VEB assumes that the CitizEE-VKF ESCO call would be in line and compatible with the Eurostat Regulation on ESA neutrality, because it will not be treated as “on balance”, as the VKF-fund is funded by EU ETS revenue and these funds are transferred from the public budget to VEB (not consolidated) and directly subsidized to the local school to pay Capex to the ESCO upfront.

The financial means for VEB’s pilot came from the following resources:

- Grants (NextGenerationEU) pays long term investments;
- ESCOS/RESCOOPS will provide third part financing for short-term investment measures, without being considered as financial leasing (confirmed by financial expert of GO!-central) following the rules as mentioned underneath;
- Own means by the local school (not the group, not the central department).

An ESCO contract should be considered a financial lease if:

- The contractor enters into financing (i.e. not the ESCO firm itself) with a financing company, and



- The contractor automatically becomes the owner of the financed installations at the end of the ESCO contract.

But an ESCO contract cannot be considered a financial lease if:

- The contractor finances the installations from its own resources, or
- The ESCO firm finances or finances the installations with a finance company, or
- The contractor does not automatically become the owner of the financed installations at the end of the ESCO contract, i.e. if a purchase option is foreseen in the contract.

However, the pilot case will be evaluated by the INA - National accounts institute on ESR-neutrality and also the financial construction of the CitizEE-VKF ESCO call will be evaluated by the INA before bidding the ESCO-facilitation contract.

2.2.4. Recovery and resilience plans

Not for the pilot project, but for future citizen energy projects there is untapped potential in the implementation of national measures under the Recovery and Resilience Facility.

The COM has endorsed the Belgian Recovery and Resilience Plan on 23 June 2021⁴², inter alia citing the large-scale public investment into energy-efficient renovation of buildings and the support for private investment in energy-efficiency in its reasoning for the endorsement (Rec. 16) and estimates its green spending share to be around 49,6 % (Rec. 26), a number that is only slightly lower according to third party calculations putting it at 41 %⁴³ and in any case well above the required threshold. The largely positive assessment by the COM also emphasizes the fact that Belgium plans to invest in social infrastructure, including in the renovation and construction of social housing and childcare facilities (Rec. 22), contributing both to sustainability and social cohesion. The plan entails improved energy subsidy schemes as well as measures to stimulate renovations in the public sector⁴⁴. Especially on regional level, several measures are outlined, e.g for the renovation of schools. Renewable energy however only plays only a minor role in the currently envisaged energy subsidy schemes and only finds mention in the envisaged Reform R-1.01 in the improved energy subsidy scheme of the Flemish Region. The integration of renewable energy in other energy efficiency measures would be advisable. Simple windfall profits would be wasted here if PV modules, for example, were not also installed during renovation when the buildings are scaffolded anyways. How this will play out in practice, especially regarding public buildings, remains to be seen. It seems advisable to streamline and clarify this with current initiatives that already take renewable energy into account in energy performance contracting projects.

⁴² COM (2021) 349 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Belgium of 23 June 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0349&qid=1639560896446&from=EN>.

⁴³ Green Recovery Tracker, <https://www.greenrecoverytracker.org/country-reports/belgium>.

⁴⁴ See COM (2021) 349 final, of 23 June 2021, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Belgium, Annex, Component 1.1., <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0349&qid=1639560896446&from=EN>.



2.2.5. Result

Table 4 – Legal & Regulatory Barriers for VEB – UPDATED

VEB	
Energy related	<p>Selection and awarding criteria need to be in accordance with the Law on Public Procurement</p> <p><u>SOLVED</u></p>
Investment related	<p>Incompatibility of the Eurostat Regulation on ESA neutrality with a high level of ambition within the OEPC</p> <p><u>PARTLY SOLVED</u></p>
	<p>Public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease which is prohibited</p> <p><u>SOLVED</u></p>
	<p>The potential for EIB contribution may be small</p> <p><u>NEW</u></p>



2.3. REGEA

REGEA's case is a CFs4EE financing scheme to fund solar PV investments in public and private buildings with cooperatives and/or crowdfunding platforms as co-investors at investment platform level.

- Eligible projects: Solar PV projects;
- Citizen funding: Crowdlending model;
- Buildings: Public and private buildings/ Residential buildings;
- Implementation: Separate based contracting;
- Investment platform structuring: SPV that invests directly in solar PV projects;
- Total investment volume: app. 27,5 Mio EUR.
- Total number of projects: app 550 (small to medium (30-250 kW) projects);
- Total investment volume per project: app. 50.000 EUR;
- Potential investment platform/Fund Sponsor: City of Zagreb;
- Potential co-investors: Commercial banks in Croatia, citizens;
- Financing Product: Direct investments in PV systems.

The investment strategy is based on the project portfolio, i.e. the investment sector will consist of a large number of small PV projects installed.

The investment platform will directly invest in PV building integrated projects which will be realized either as PPA (Power Purchasing Agreement) or guaranteed premium price.

The total volume of investment is estimated at 27,5 Mio EUR, where possible co-investment from citizens is estimated at maximum of 5 Mio EUR. The citizens will get a guaranteed return rate of 5%.

2.3.1. Crowdfunding

A relevant legal aspect for REGEA's case is the legislation for and the general development in the crowdfunding sector. The initial barrier that no crowdfunding legislation was existent in Croatia is addressed by the new Crowdfunding Regulation⁴⁵ from November 2020 on European level. According to Art. 51 Crowdfunding Regulation it applies from 10 November 2021 and as a European regulation is binding in its entirety and directly applicable in all Member States.

By 10 May 2022, the COM shall make an assessment, after consulting ESMA, on the application of this regulation to crowdfunding service providers that provide crowdfunding services only on a national basis and on the impact of this regulation on the development of national crowdfunding markets and on access to finance. On the basis of that assessment, the COM shall be empowered to adopt delegated acts in accordance with Article 44 to extend the period referred to in paragraph 1 of this Article once by a 12-month period.

However, Croatia is still missing the effects of the Crowdfunding Regulation in practice (relevant sublaws which should provide all necessary details for implementation), which is problematic as feasible and effective regulatory framework adjustments are necessary and crucial for accepting crowdfunding as a financing mechanism for energy

⁴⁵ Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1503>.



related projects⁴⁶. This leads to a small overall awareness about crowdfunding opportunities among the general public and potential backers as well as national institutions in charge of legal framework and the absence of quality crowdfunding service providers. The situation is concluded by poor development and mistrust in e-business/payment (Croatia boasts one of the lowest percentages of internet users in the EU), the inability of local and regional authorities to use crowdfunding financing models and a lack of support from business support organisations, which rarely possess the capacities to assist potential project developers with preparation of their campaigns.

A feasible and effective regulatory framework is mainly important for enabling crowdfunding platforms to scale up their operations at a European level and to conduct cross-border business with a rather swift and sizeable reduction of market entry costs (currently campaigns are mostly geographically centralised), solve problems related to consumer right protection, information for clients and following rules on how to become an authorised crowdfunding service provider. This is even more important in the crowdfunding sector as the framework there is difficult to navigate already because crowdfunding is affected by several legislations.

Currently, most of the platforms in the Croatian market are reward/donation model based, and, considering that the market is rather small (the biggest potential for crowdfunding projects comes from start-ups and companies which do not possess adequate collaterals required by traditional financial institutions), the adoption of the Regulation is of utmost importance not only for the possibility of promotion of other crowdfunding models, but also as a promotion of citizens investment possibilities. Also, the ongoing discussions and initiatives to accept crowdfunding as part of financial construction for projects applied to ESIF funds/ESI loans would be accomplished through feasible and effective regulatory framework adjustments that will lead to increased utilization of alternative financial mechanisms.

Thus there is still need for extensive negotiations and bilateral meetings with respective ministries, commercial banks and possible fund managers regarding the new Crowdfunding Regulation. To facilitate the change of the current framework and to make it more favourable to innovative financing mechanisms and social innovations, a crowdfunding interest group, consisting of different stakeholders gathering together to discuss crowdfunding topics, was formed in order to approach together towards defining a strategy to engage relevant ministries.

2.3.2. Law on Electricity Market/Energy communities

Citizen investments are becoming more popular in Croatia, especially with the fact that cooperatives are stepping into mainstream (the only crowdlending projects in Croatia were initiated through cooperatives). This is strongly supported by the new Law on Electricity Market (Official Gazette nr 111/21⁴⁷), which was adopted in October 2021 as an implementation of the Electricity Market Directive⁴⁸ and the Law on Renewable Energy Sources and High-Efficiency Cogeneration (Official Gazette nr 138/21⁴⁹), adopted in December 2021 to implement the Renewable Energy Directive⁵⁰. These laws/adoptions solve the initial barrier of the unfinished Energy Strategy of the Republic of Croatia.

The new Law on Electricity Market defines the term energy community of citizens for the first time in Croatia as a legal entity established in the territory of the Republic of Croatia, whose shareholders or members voluntarily associate in order to realise the benefits of energy exchange produced and consumed in a certain spatial scope of the local community. Real control in the energy community of citizens can have shareholders and members of the energy community of citizens who are not medium-sized enterprises and large companies, while shareholders and

⁴⁶ The new law on the implementation of the Crowdfunding Regulation (Official Gazette nr 144/21, https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_144_2458.html) has only been adopted in December 2021 and is valid since 4 January 2022. It defines the competent authority, the area of work and powers of the competent authority and the misdemeanour provisions for the implementation of the European Union regulation. The Agency in charge is CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY (HANFA).

⁴⁷ https://narodne-novine.nn.hr/clanci/sluzbeni/2021_10_111_1940.html.

⁴⁸ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L0944>.

⁴⁹ https://narodne-novine.nn.hr/clanci/sluzbeni/2021_12_138_2272.html.

⁵⁰ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC.



members of the energy community of citizens exercise voting rights independently of ownership in the energy community of citizens, according to the principle one member - one vote. The energy community may participate in all electricity markets directly or through aggregation in accordance with the rules governing individual electricity markets.

The underlying definition in Art. 2 (11) Electricity Market Directive defines citizen energy community as a legal entity that:

- Is based on voluntary and open participation and is effectively controlled by members or shareholders that are natural persons, local authorities, including municipalities, or small enterprises;
- Has for its primary purpose to provide environmental, economic or social community benefits to its members or shareholders or to the local areas where it operates rather than to generate financial profits; and
- May engage in generation, including from renewable sources, distribution, supply, consumption, aggregation, energy storage, energy efficiency services or charging services for electric vehicles or provide other energy services to its members or shareholders.

The Law on Renewable Energy Sources and High-Efficiency Cogeneration defines renewable energy communities as legal entities that, in accordance with applicable national law, are based on open and voluntary participation, independent and effectively supervised by shareholders or members located in the vicinity of renewable energy projects owned or operated by that legal entity, whose shareholders or members are natural persons, small and medium-sized enterprises or units of local or regional self-government, and whose primary purpose is to provide environmental, economic or social benefits to the community for its shareholders or members or local areas in which it operates, and not financial gain.

The underlying definition in Art. 2 para. (16) Renewable Energy Directive defines renewable energy community as a legal entity:

- Which, in accordance with the applicable national law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located in the proximity of the renewable energy projects that are owned and developed by that legal entity;
- The shareholders or members of which are natural persons, SMEs or local authorities, including municipalities;
- The primary purpose of which is to provide environmental, economic or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits.

2.3.3. InvestEU

Regarding the InvestEU programme⁵¹ and a potential contribution, a memorandum of understanding between the EIB and the Ministry of Economy and Sustainable Development⁵² was signed in January 2021 with the aim of expanding cooperation on the development and financing of key energy, sustainable and climate projects. Croatia was the first country to sign this type of agreement with the EIB. The agreement confirmed that joint operations in sectors such as infrastructure for the production and transmission of electricity from renewable sources will be continuously developed as well as clean energy and energy efficiency measures, renovation and conversion of buildings, green mobility and to support the transformation of the Croatian economy into a circular economy.

⁵¹ https://europa.eu/investeu/home_en.

⁵² <https://mingor.gov.hr/vijesti/europska-investicijska-banka-podrzala-hrvatsku-i-njena-veca-ulaganja-u-projekte-energije-klime-i-odrzivosti/7680>.



2.3.4. Recovery and resilience plans

Further, the Croatian Recovery and Resilience plan was adopted in July 2021, worth 6.5 billion EUR. The institution in charge in Croatia for InvestEU is the Croatian Bank for Reconstruction and Development (HBOR) and has issued guidelines for investors and national coordinators. The plan consists of 146 investments and 76 reforms. They will be supported by €6.3 billion in grants. According to the COM's assessment, 40.3% of the plan will support climate objectives. The plan has various renovation measures regarding the public sector. For example, the plan for example entails energy efficiency measures of 20 judicial system buildings⁵³ and childhood education and care (ECEC) buildings⁵⁴. In its ambition level, the envisaged renovation measures usually aim at "at least medium depth level as defined in the COM Recommendation on Building Renovation⁵⁵ or at least 30 % reduction of direct and indirect GHG emission compared to the ex-ante scenario⁵⁶. The COM's assessment points out that the residential sector accounts for over a third of total energy consumption, well above the EU average. Croatia has great potential to increase its energy efficiency, in particular in the building sector. The national contribution to the energy efficiency target specified in Croatia's NECP is low, at 8.23 Mtoe for primary energy and 6.85 Mtoe for final energy consumption. Croatia has significantly increased its plans for annual renovation rate, from 0.7 % to 3 % in 2030, aiming for energy renovation investments in multi-dwelling buildings, family homes and public buildings⁵⁷. Additionally, even though Croatia has exceeded its 2020 target for renewable energy deployment, Croatia has further untapped potential for renewable energy development which could partially be addressed by combining renovation measures with renewable installations. Simple windfall profits would be wasted here if PV modules, for example, were not also installed during renovation when the buildings are scaffolded anyways.

The progress of the implementation is monitored and publicly available under the Recovery and Resilience Scoreboard launched on 15 December 2021.

2.3.5. Other

High bank and card processing transaction fees are still present in Croatia and are still an obstacle for the croenergy.eu peer-to-peer lending model as they can eat up a significant share of the profits. However, this aspect remains as a national barrier where a possible solution has not yet been found.

2.3.6. Result

Table 5 – Legal & regulatory barriers for REGEA – UPDATED

REGEA		
Energy related	Energy Strategy of the Republic of Croatia is still not finished# <u>SOLVED</u>	
Investment related	High bank and card processing transaction fees <u>NOT SOLVED</u>	Lack of basic legal framework for development of crowdfunding models <u>PARTLY SOLVED</u>

⁵³ Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Croatia, p. 138, <https://data.consilium.europa.eu/doc/document/ST-10687-2021-ADD-1/en/pdf>.

⁵⁴ Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Croatia, p. 173.

⁵⁵ COM Recommendation (EU) 2019/786 of 8 May 2019, OJ L 127, 16.5.2019, p. 34–79, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019H0786>.

⁵⁶ Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Croatia, p. 226.

⁵⁷ COM (2021) 401 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Croatia of 8 July 2021, Annex, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0401&qid=1639581506322&from=EN>.



2.4. VIPA

VIPA's case is a CFs4EE financing scheme to fund prosumer solar PV investments in residential buildings through peer-to-peer crowdfunding platforms as financial intermediaries and co-investors at project level.

Regarding the CFs4EE implementation status there is only one legal barrier left to solve to make the scheme operational, which is the limitation of loan amount from investment platform to one borrower to 500 EUR. However, there are already possible ways to solve this barrier (further explained below).

The exact way the barrier will be solved is discussed with the peer-to-peer platform operators and should finally be approved by the Ministry of Finance.

2.4.1. Law on Consumer Financing

For VIPA's case an important legislative aspect is the Lithuanian Law on Consumer Financing, which was amended during the duration of the CitizEE-project on 15 of December 2020⁵⁸. Previous to this amendment, Article 2 para. 11 of the Law defined peer-to-peer lending as an activity where a natural person grants or promise to grant to a consumer credit through a peer-to-peer lending platform. This definition has been widened in scope and amended to the following meaning: Peer-to-peer lending shall mean an activity whereby, through a peer-to-peer lending platform, persons grant or undertake to grant consumer credit consumer borrowers. With this amendment an initial barrier for VIPA's case was solved as the main idea of the amendment was to expand the definition of consumer credit providers to legal entities. Thus, the opportunity for the legal persons to invest into peer-to-peer platforms alongside citizens was created (However, VIPA still cannot provide loans and collect paybacks from consumers directly).

Prior to the amendment, according to the Law on Consumer Financing, the loan providers reaching prosumers through peer-to-peer platforms could only be natural persons. Furthermore, only institutions included in the list of consumer credit providers could issue loans for consumers. But because the list of consumer credit providers is formed and supervised by the Bank of Lithuania additional responsibilities, obligations and difficult administrative processes exist for institutions that are included.

Another barrier, also located in the Law on Consumer Financing and not solved with the amendment, is the fact that a limitation of loan amount to 500 EUR is applied for all investors who are willing to invest into the peer-to-peer platforms. This is a significant investment barrier imposing on the business model, as investing more would allow VIPA to keep the price for consumers as low as possible. As it is, this limits the percentage of each loan that can be invested.

Under the assumption the barrier remains, VIPA considers two possible ways to solve the barrier:

- Scheme 1: The Investment platform issues loans to the peer-to-peer platform operator. The peer-to-peer platform operator then distributes those funds through loans to prosumers with the attracted citizen funding
- Scheme 2: The Investment platform and the peer-to-peer platform operator enter into a cooperation agreement. Under this agreement, the peer-to-peer platform operator issues loans (involving citizen funding) to prosumers. The Investment platform then buys the rights to claim from these issued loans.

Both of those alternatives would present a workaround to the original business model and have their advantages and disadvantages. They would technically work, but each shifts the main risks either almost entirely to the peer-to-peer platform or to the investment platform. Accordingly, the cost burden shifts either to the financing costs of the prosumers or to the profitability of the investment platform. The economic feasibility of these workarounds therefore also essentially depends on whether prosumers and peer-to-peer platforms can still see an attractive return despite increased costs and risks in scheme 1, or whether the investment platform can still operate economically under scheme 2 with higher administrative costs and the prosumer default risk. This is still being

⁵⁸ XIV-80, Lietuvos Respublikos vartojimo kredito įstatymo Nr. XI-1253 2 straipsnio pakeitimo įstatymas, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/3afda842410b11ebb394e1efb98d3e67>.



evaluated by VIPA, in particular regarding whether a peer-to-peer platform is willing to accept the increased risk model under Scheme 1.

To address the barrier under a legal perspective, the following approaches could be considered:

- Raising the limit of the loan amount
- Making an exemption from the loan amount limit for peer-to-peer platforms financing certain projects

Technically, the complete lift of the loan amount limit would also solve the barrier. However, this would also abolish the, among other things, consumer protection intended by the current limit. Given that this restriction is only existent in Lithuania and not in the other pilot case countries, further reflection on a national level of the reasoning for this limit seems advisable. However, even with upholding some restriction level, an increase in the loan amount could be suitable for balancing the one-sided imbalance of risks and costs in both schemes, making the business model more attractive for peer-to-peer platforms despite the risk bearing whilst retaining a certain level of consumer protection.

Under EU Law, there currently doesn't seem to be an equivalent limit that requires such a loan amount limitation on a national level. The setting of such a limit falls under the discretion of the Member States. The Consumer Credit Directive⁵⁹ currently generally applies to all credit agreements between 200 and 75.000 EUR (Art. 2 para. 2 (c)), and to higher amounts when the credit agreement in question is unsecured and for the purpose of a renovation of residential immovable property (Art. 2 para. 2 (a)). The scope of the directive is likely to widen to cover peer-to-peer platforms. A new proposal of the directive⁶⁰ aims at closing regulatory gaps regarding peer-to-peer lending and covering loans below 200 EUR as well. Insofar as credit is offered directly to the consumer via the digital and publicly accessible platforms, the crowdfunding credit service provider has to apply the requirements of the directive and is to be considered as a creditor. Otherwise, the provisions for credit intermediaries are to be applied (see especially Art. 20, 21). The previous Consumer Credit Directive provided for an exception for credit leases in Art. 2 para. 2 (d). This is to be dropped according to the current reform proposal, so that in future the regulations are also to be applied to this type of financing agreement.

However, it has to be noted that the proposal does not address the protection of consumers granting credit through peer-to-peer lending platforms. The COM plans to address the protection of consumers investing through these platforms, and the responsibilities of the platforms towards these consumers will be assessed in another context and, if appropriate, followed up by a legal proposal⁶¹.

Even though the Consumer Credit Directive sets no limit on the loan amount, an indication for what could be considered an appropriate amount balancing the interests between the financial market and consumer protection can be found in Annex I of the current directive in Chapter I (h), which outlines the conditions for the calculation of the annual percentage rate of charge: in cases where no applicable ceiling to the credit has yet been agreed upon, that ceiling is assumed to be 1.500 EUR. For the pilot case business model, this would pose a workable compromise, even though the ideal limit would be 2.000 EUR. Again, it has to be pointed out that such a limit is not implemented in other pilot countries.

Specifically for CitizEE projects, however, the idea of addressing this barrier by making an exemption for peer-to-peer lending when financing certain projects, holds merit. This is because, whilst the loan amount limit aims at generally protecting consumers, the relevant financed projects play an important role in the risk structure of the investment and the corresponding need for consumer financing protection measures. Whilst the default risk with CitizEE projects naturally is not zero and varies depending on the structuring between investment platform, peer-to-peer and prosumer, there are certain safety measures lessening the risk when the financed projects are also financed

⁵⁹ Directive (EU) 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, last amended by Regulation (EU) 2019/1243 of 20 June 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02008L0048-20190726&from=EN>.

⁶⁰ COM (2021) 347 final, Proposal for a Directive of the European Parliament and of the Council on consumer credits of 30 June 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0347&from=EN>.

⁶¹ COM (2021) 347 final, Proposal for a Directive of the European Parliament and of the Council on consumer credits of 30 June 2021, p. 7, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0347&from=EN>.



publicly, e.g. through InvestEU. Given the requirements applicants have to fulfill and prove in order to obtain access to public financing, several risk mitigating procedures are already proven to be in place. As such, an exemption could mirror the lesser risk structure in comparison to other peer-to-peer platforms. This would also be in line with heightened public interest in financing climate protection measures.

2.4.2. Law on Renewable Energy Sources/Prosumers

Also, the Amendment for the Law on Energy from Renewable Sources entered into force in Lithuania during the duration of the CitizEE project⁶². This amendment implements the recast of the Renewable Energy Directive that entered into force in December 2018⁶³ as part of the Clean energy for all Europeans package. Thus, the initial barrier of missing primary general principles and operating conditions for prosumers and renewable energy communities is solved. The amended Lithuanian Law on Energy from Renewable Sources envisages no geographic limitation for the prosumers. Therefore, both, natural and legal persons can become prosumers. Solar power plants can be installed at the place of consumption (e.g. on the roof), or can be installed or purchased remotely (remote prosumer renewable farms).

Art. 2 para. 2 (14) Renewable Energy Directive defines the renewables self-consumer as a final customer operating within its premises located within confined boundaries or, where permitted by a Member State, within other premises, who generates renewable electricity for its own consumption, and who may store or sell self-generated renewable electricity, provided that, for a non-household renewables self-consumer, those activities do not constitute its primary commercial or professional activity.

According to Art. 2 para. 2 (15) Renewable Energy Directive, jointly acting renewables self-consumers means a group of at least two jointly acting renewables self-consumers in accordance with point (14) who are located in the same building or multi-apartment block.

According to Art. 2 para. 2 (16) Renewable Energy Directive, renewable energy community means a legal entity which is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located in the proximity of the renewable energy projects that are owned and developed by that legal entity. The shareholders or members have to be natural persons, SMEs or local authorities, including municipalities and the primary has to be to provide environmental, economic or social community benefits rather than financial profits.

Art. 22 Renewable Energy Directive regulates the renewable energy communities and foresees several obligations for the Member States. The obligations for the Member States are:

- They have to ensure that final customers are entitled to participate in a renewable energy community without being subject to unjustified or discriminatory conditions or procedures that would prevent their participation in a renewable energy community, Art. 22 para. 1 Renewable Energy Directive;
- They have to ensure that renewable energy communities are entitled to produce, consume, store and sell renewable energy, including through renewables power purchase agreements, share, within the renewable energy community, renewable energy that is produced by the production units owned by that renewable energy community, and access all suitable energy markets both directly or through aggregation in a non-discriminatory manner, Art. 22 para. 2 Renewable Energy Directive;
- They have to carry out an assessment of the existing barriers and potential of development of renewable energy communities and provide an enabling framework to promote and facilitate the development of renewable energy communities from which the main elements shall be part of the updated integrated national energy and climate plans and progress reports, Art. 22 para. 3, 4, 5 Renewable Energy Directive.

⁶² XI-1375, Lietuvos Respublikos atsinaujįnų išteklių energetikos įstatymas, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.398874/asr>.

⁶³ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC.



2.4.3. Recovery and resilience plans

The COM has endorsed the Lithuanian Recovery and Resilience Plan on 2 July 2021, estimating its green spending share to be 38%⁶⁴. The plan supports the green transition through reforms and investments of 218 Mio EUR in energy efficiency renovations of buildings in order to foster a sustainable urban environment and 242 Mio EUR in generation and storage of renewable energy. For note and future monitoring, the plan also aims at green public procurement measures. Whilst green procurement rules have a large amount of Member State discretion⁶⁵, experiences gained could be fruitful examples for other Member States. Lithuania plans to increase energy efficiency in buildings through building renovation packages and standards, municipal development plans, sustainable urban development methodologies and district renovation projects as well as promoting services that speed up the renovation and provide funding for renovation. The funding shall be facilitated through Sub-measure 4, providing support in a form of a compensation equal to 30 % of the renovation works for building owner having renovated buildings achieving energy efficiency class A or B⁶⁶. Whilst the energy efficiency measures of the Recovery and Resilience Plan appear to be relatively detailed, the mobilisation of private funds through a facilitation in the policy framework is a relatively easy measure to implement that is not listed in the catalogue of measures in this regard. More efforts tackling these barriers would be in line with the current plan without having a detrimental impact on the budget.

The progress of the implementation is monitored and publicly available under the Recovery and Resilience Scoreboard launched on 15 December 2021.

2.4.4. Other

Low energy prices and low energy self-consumption for prosumers is no longer a barrier for VIPA's case. The energy price is increasing and private persons are willing to become prosumers because there is state subsidy for prosumers (linked to the installed kW) and the supply of solar farms is increasing⁶⁷. In this way the payback period for the prosumer decreases.

The price of the loans due to the required ROI of limited partner is still slightly too high. As the final price for the consumer consists of VIPA ROI, citizens funding ROI and the peer-to-peer platform operator costs and therefore it is still too high compared to the banking sector. VIPA cannot regulate it on its own or make any impacts.

⁶⁴ COM (2021) 386 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Lithuania of 2 July 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0386&qid=1639583702365&from=EN>.

⁶⁵ See Art. 1, Art. 4 of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, last amended by Commission Delegated Regulation (EU) 2019/1828 of 30 October 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02014L0024-20200101&from=EN#tocId3>.

⁶⁶ COM (2021) 386 final, Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Lithuania of 2 July 2021, Annex, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0386&qid=1639583702365&from=EN>.

⁶⁷ Each year the call for subsidy is announced at the beginning of the year for everybody who is interested to apply; the subsidy is 323 EUR for 1 kW; see also: <https://renewablesnow.com/news/lithuania-plans-eur-45m-residential-solar-support-call-651337/>, <https://m.delfi.lt/en/article.php?id=80958977>.



2.4.5. Result

Table 6 – Legal & regulatory barriers for VIPA – UPDATED

VIPA			
Energy related	Inter alia low energy price and low energy self-consumption for prosumers <u>SOLVED</u>	The amendment for the Law on Energy from Renewable Sources is not yet in force <u>SOLVED</u>	
Investment related	The Law on Consumer Financing grants no right for VIPA to issue loans for the consumers <u>SOLVED</u>	Limitation of loan amount to 500 EUR <u>NEW</u>	The price of the loans due to the required ROI of limited partner is slightly too high <u>NOT SOLVED</u>



3. RECAP: INITIAL SITUATION IN THE PARTNER COUNTRIES

In the following the initial situation of CitizEE's four pilot regions Portugal (GoParity), Belgium (VEB), Croatia (REGEA) and Lithuania (VIPA) is described via an overview of the results of the questionnaire, follow-up questions and discussions in D2.10 "Legal & regulatory investment framework analysis report".

3.1. GoParity

3.1.1. Risks for the pilot case

Until the needed amount of money in a campaign of the pilot project is not successfully reached, the funds are kept in a project wallet segregated from the promoter. If the needed amount of money cannot be not collected and the project cannot be financed by other means, the collected capital is paid back to the investors. Therefore, the risk arises that the loan stops performing and eventually the investor will lose part or the total amount of the investment in the event the project doesn't perform and the owner entity starts having difficulties in perform the service debt or even goes bankrupt. However, institutional partners as co-investors in specific projects aligned with their mission and a guarantee mechanism supported by institutional partners could lower the risk of the projects.

Investors prefer to invest in short term projects, mainly because of the liquidity risk. To mitigate that, a marketplace for position assignment between investors was created. Other insecurities are the guarantees, so investors feel more comfortable when the project has a pledge or a personal guarantee.

3.1.2. Relevant legal aspects

The relevant development regarding energy efficiency projects is the Decree-law 162/2019 that approves the communities of energy, mainly directed to solar. Main novelties are:

- Easier to turn on self-consumption facilities:
 - To date all installations up to 1.5 kW were subject to prior notification to the Directorate General for Energy and Geology (DGEG). Above 1.5 kW it was mandatory to register and obtain the respective operating certificate. With the Decree-law 162/2019 the prior notice to the DGEG is extended to 30 kW and only installations above 100 kW require a pronouncement from the network operator. In practice, the law aims to facilitate the creation of larger facilities and to streamline the licensing process;
- Creation of the collective self-consumption modality:
 - With this change, self-consumption no longer limits the production of an installation to a single point of consumption, and the installation of solar panels and associated production may be spread over a set of consumers. This leads to the advantage that if two or three families want to, they can jointly invest in a larger photovoltaic installation and share the investment;
- Creation of the Renewable Energy Communities Scheme (REC):
 - This regime allows a legal entity that owns and develops renewable energy projects, constituted based on the open and voluntary adhesion of its members, partners or shareholders, located in the vicinity of said projects, whose main purpose is to provide the members or the locations where the community operates environmental, economic and social benefits rather than financial profits to become a Renewable energy community. The new regime was created from the perspective of complementarity with the National Electric System.

3.1.3. Legal & regulatory barriers

For GoParity **four main legal & regulatory** were identified:

- In the public segment the rules regarding public procurement for energy efficiency projects are tight and bureaucratic which leads to some limitations. For projects above 75.000 EUR investment public tendering is



mandatory. This leads to the result that for projects that are in this investment range (up to 1Mio EUR) the responsible municipalities might not make an effort because of the overwhelming bureaucracy of launching public tendering;

- Limitations to investment in crowdlending projects are a problem. By Portuguese law individuals with annual net worth below 70.000 EUR are not allowed to invest more than 3.000 EUR per project or more than 10.000 EUR in accumulated investments in crowdlending platforms in 12 months (Article 12º of the Regulation 1/2016 of CMVM (Portuguese Securities Commission));
- For public lighting, the implementation of ESCO models in municipalities is well developed while the implementation for public buildings is lagging behind. Furthermore, the implementation of energy efficiency measures in public buildings is in many cases pending on major retrofitting of the building itself;
- When it comes to upscaling the basic crowdfunding model to an energy efficiency crowdfunding model in general, there are no specific limitations in crowdfunding rules by the fact of it being an energy efficiency project. However, there are limitations with the size of the campaign in general. It can't surpass 1 Mio EUR over a 12-month period by entity promoting the campaign if it is directed to retail investors, or EUR 5 Mio EUR if it is directed for qualified investors.

Table 7 – Initial legal & regulatory barriers for GoParity

GoParity			
Energy related	Rules for public procurement foresee mandatory tendering		
Investment related	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Investment limitations for individuals</td> <td style="width: 50%;">Upscaling limitations due to a campaign specific amount</td> </tr> </table>	Investment limitations for individuals	Upscaling limitations due to a campaign specific amount
Investment limitations for individuals	Upscaling limitations due to a campaign specific amount		
Other	Development of public buildings is lagging behind		



3.2. VEB

3.2.1. Risks for the pilot case

In general, the risks for are low for the citizens and the beneficiary. However, there risks and thresholds do exist for the ESCO to start with crowdfunding. When a citizen becomes a shareholder of the cooperation, she/he is subjected to the general risks of shareholder, but the liability of the cooperatives is limited. The ESCO and the cooperative have to make binding agreements with the school in case the program of the building changes (for example when the school is being demolished, the number of pupils increases or decreases). To lower the risk for investing citizens, the cooperation spreads the risks over several projects. Thus, the investment of the citizen is not linked to one particular project, i.e. when one project fails the investment of the citizens is not lost because it is not linked to one particular project.

By outsourcing the citizen investments, it is the ESCO which is responsible for collecting the money. It is expected that the existing ESCO will form a temporary consortium with cooperatives to participate in the tender. In case the expected level of citizen investment is not raised, most ESCOs can get bank loans at favourable rates, or they use their own equity to finance the investments. In previous tenders with citizen investments VEB specified service level agreements with fines when the executor has not been able to collect the necessary means were defined. However, it is expected that citizen financing will be more expensive than the current rates.

3.2.2. Relevant legal aspects

The regulatory framework for energy performance contracts is based on the Energy Efficiency Directive that has been amended in 2018⁶⁸.

The Law on Crowdfunding, which has been operational since 1 February 2017, introduces a licensing requirement for crowdfunding platforms. All companies providing alternative financing services have to comply with a number of rules. These include verifying that investors have sufficient knowledge and experience to invest in the investment vehicles on offer. If this is not the case, they must be warned accordingly. However, since cooperations do not offer their shares via crowdfunding platforms, the Regulation seems not relevant for VEB's case.

On 1 May 2019, the new Company Code entered into force. The number of company forms has been reduced from 17 to four basic forms. One of the forms which remained and has been updated is the cooperative society (CV), which has a full-fledged book in which the cooperative identity and values (economic participation, democratic control, transparency, etc.) are firmly anchored. The cooperative society is reserved for companies that subscribe to the specific cooperative values. Both existing and new cooperatives, will have to implement the new legislation in their statutes. Companies that used the cooperative society structure because of its flexibility will have to take a different form. For citizens, it is becoming clearer that the legal entity of the cooperatives is reserved for ethical companies such as the REScoops.

Furthermore, the new Flemish government has been launched and published the government agreement, which has no legal value, but several paragraphs can be interesting for the CitizEE project. However, they are mostly a translation of the Clean Energy package:

- The government agreement installs a binding energy efficiency target of 2,09% per year for municipalities and provinces. Although some schools are under the authority of the municipality or the province it is still unclear whether the patrimony of the schools also has to reach this efficiency targets. It remains to be seen to what extent the objective will therefore have an effect on the energy saving measures and the need for energy performance contracts in schools;

⁶⁸ Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0210.01.ENG.



- In order to reduce the climate footprint of non-energy efficient tertiary buildings, they must be thoroughly renovated in terms of energy consumption by 2021 at the latest five years after a notary transfer in full ownership;
- The government buildings on Flemish territory need to comply with a minimum energy performance label in 2028;
- The government will work on a regulatory framework for the development of local energy communities so citizens, local authorities and businesses can play an active role in the energy transition;
- The Flemish government will increase the awareness of the various governments for producing renewable energy on their real estate and for opening up these projects to participation where possible.

3.2.3. Legal & regulatory barriers

For VEB **three main legal & regulatory** barriers were identified:

- The development of adequate selection and awarding criteria in response to the demands of stakeholders which are in accordance with the Law on Public Procurement is problematic. In particular, the question arises to which extent a so called cooperative model can be set as a selection criteria. For example, if an energy performance contract for a school is tendered, could it be defined in a way that the consortium needs to consist of at least one cooperation? As most REScoops follow the ICA guidelines, it would be helpful to know if those can be set as awarding criteria or if the principles should be rephrased;
- The Eurostat Regulation on ESA neutrality is not compatible with a high level of ambition within the MEPC (Onderhouds- en Energieprestatiecontract – OEPC in Dutch), because the costs over the term of the contracts are greater than the energy savings, as all of VEB's energy performance contracts also contain an obligation for the ESCO to maintain the technical infrastructure. In general, the term energy performance contract is both used for regular energy performance contract as well as MEPCs. The maintenance contract is obliged for all the measures (energy savings measures and non-energy saving measures) executed by the ESCO and optional for other already existing technical installations of the client.

The SGP imposes a set of budgetary standards on all Member States of the European Union and is enforced by Eurostat⁶⁹. Due to the size of the Belgian public debt, alternative forms of financing for public infrastructure projects such as energy performance contracts are increasingly being used. When considering the implementation of energy performance contracts each time the question is raised whose balance sheet (the ESCO or the public institution) should carry the energy performance contract assets (energy saving measures). At first sight, public schools (or the state school system) need to comply with the SGP Regulation, as opposed to non-state or “free” subsidised education which stems from private initiative. With the latter, the need for budget neutrality is based on a lack of available funding. Currently the VEB pilot case focuses on Kitos vzw, which is a subsidised private school. However, to map the full potential of energy savings in schools within the CitizEE project, VEB also wants to investigate the possibilities within the public sector. Here the Eurostat Regulation on ESA becomes relevant because it is of great influence in achieving energy saving in the public sector.

In September 2017, Eurostat issued a new Guidance note on the recording of energy performance contracts in Government accounts, which opened the door to a Government balance-neutral or off-balance sheet solution for energy performance contract investments in public buildings when certain conditions are met. It was not until May 2018 that this note was explained in a comprehensive guide “EPC- A guide to the Statistical Treatment of Energy Performance Contracts”, commonly known as the “Eurostat EPC-Guide”. Below some of the conditions which can form a barrier to deep renovation can be found. However, the guide

⁶⁹ https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/stability-and-growth-pact_en.



includes a very extensive set of rules and conditions to be followed in order to be able to record an energy performance contract off-balance in the Government accounts;⁷⁰

- For public schools it is problematic that no loan shall be granted without a prior loan authorisation entered in the expenditure budget regarding to the Law on Loans for Public Institutions of 16 March 1954. This ruling is also applied to an energy performance contract since the schools are the legal owner of the measures taken, which leads to the conclusion that energy performance contracting for public schools is seen as a financial lease which is prohibited.

Table 8 – Initial legal & Regulatory Barriers for VEB

VEB	
Energy related	Selection and awarding criteria need to be in accordance with the Law on Public Procurement
Investment related	Incompatibility of the Eurostat Regulation on ESA neutrality with a high level of ambition within the OEPC
	Public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease which is prohibited

⁷⁰ Guidelines Eurostat: <https://ec.europa.eu/eurostat/documents/1015035/7959867/Eurostat-Guidance-Note-Recording-Energy-Perform-Contracts-Gov-Accounts.pdf>; further explained in the Guide to the Statistical Treatment of Energy Performance Contracts: https://www.eib.org/attachments/pj/guide_to_statistical_treatment_of_epcs_en.pdf.



3.3. REGEA

3.3.1. Risks for the pilot case

The risks for REGEA are the same as for other crowdfunding platforms where lending models are involved (primary involved with the loss of their investments). That risks can be minimized (for citizens) in a way of fixing the interest rates for campaigns (example of Green energy cooperative ZEZ and fixed interest rate at 4,5 %) and transfer all the risk to campaign initiator and/or platform.

If the necessary amount of money is not collected and a project cannot be financed both options, pay back of the money or not, will be taken into concern, depending on the project financing structure. Combination of various financial mechanisms is possible, i.e. part of financing can be suggested through lending, part through subsidies, part through own resources.

3.3.2. Relevant legal aspects

The relevant legal framework connected with possible additional subsidies and financing is intertwined with following laws/regulations:

- Law on State Subsidies (Official Gazette Nr. 47/14, 69/17);
- Law on Investment Promotion (Official Gazette Nr. 102/15, 25/18, 114/18);
- Regulation on the submission of proposals of state subsidies, data on state subsidies and small subsidies and a register of state subsidies and small subsidies (Official Gazette Nr. 125/17);
- Regarding subsidies related to energy efficiency and renewable energy the Law on Renewable Energy Sources and high efficiency cogeneration (Official Gazette Nr. 100/15, 123/16, 131/17, 111/18).

3.3.3. Legal & regulatory barriers

For REGEA **three main legal & regulatory** barriers were identified:

- High bank and card processing transaction fees could eat up a significant share of the profits;
- Lack of basic legal framework that could support the further development of crowdfunding models. The characteristic of all crowdfunding models (therefore community energy projects with citizen participation as well) is a non-existence of basic legal framework that could support its further development.⁷¹ Each crowdfunding model (donation, reward, lending and equity model) is being addressed by different parts of Croatian legislation. Numerous acts scattered across the legal framework regulate crowdfunding investments: Value Added Tax Act, Local and Regional Government Financing Act, Income Tax Act, Companies Act, Profit Tax Act and Act on Contributions. Donating and sponsoring models, have limited potentials for upscaling of energy efficiency/renewable energy projects because investors cannot receive any kind of financial return with these investments meaning that the motivation for support is usually of philanthropic nature.

Crowdlending is strictly regulated by the Law on Obligations and Law on Capital Markets. Funds paid through crowdlending platforms are not secured by the national deposit insurance system run by the State Agency for Deposit Insurance and Bank Resolution under Deposit Insurance Act meaning that investors' capital is at constant risk. Furthermore, if the project initiator is a city/municipality, crowdlending is not possible because according to Croatian Law on Public Bodies must not be in debt with private persons.

In general, crowdfunding platforms have not been recognized by the current legislation as a kind of a financial institution. All current Croatian crowdfunding platforms are acting as an intermediary between

⁷¹ Up until today the exact details of the new Regulation are not very clear. However, harmonization will bring a common set of rules that have to be considered by the member states. Anyway, at the moment the exact impact of ECSP on the Croatian barriers cannot be assessed.



campaign initiators and backers/investors and therefore are not treated as a credit institution that would require approval from Croatian National Bank according to article 56 of the Credit Institutions Act. If any P2P lending platform decides to receive deposits or other returnable funds from the public and approve credits from these funds, for its own account, it will be classified as a credit institution.

- The Energy Strategy of the Republic of Croatia, which will define priorities and key directions for the development of the domestic energy market until 2030 is still not finished. From the moment Croatia joined the European Union, a much bigger emphasis was put on development of long-term energy policies and programmes than before. However, the most important strategic document – the Energy Strategy of the Republic of Croatia, which will define priorities and key directions for the development of the domestic energy market until 2030 is still not finished. Current national energy strategy (for period until 2020) did little to support development of sustainable energy projects with its unambitious energy savings/targets for production from renewable sources and without a clear strategy for financing of their implementation. Therefore, one barrier to energy efficiency investment through innovative/market instruments is the lack of main national strategic document, which would set the course for development of the whole energy market. National programmes for support of energy renovation of buildings in all sectors (public, commercial, multi-apartment and households) did foresee gradual introduction of innovative financing mechanisms but until 2019 little was done in this regard and traditional instruments (grants) were still predominantly used for energy efficiency projects.

Table 9 – Initial legal & regulatory barriers for REGEA

REGEA		
Energy related	Energy Strategy of the Republic of Croatia is still not finished	
Investment related	High bank and card processing transaction fees	Lack of basic legal framework for development of crowdfunding models



3.4. VIPA

3.4.1. Risks for the pilot case

Regarding VIPA's case the possible risks for investors and citizens are:

- (Borrower/End) User does not perform its obligation under agreement. The general risk management is performed for the project financing under internal VIPA risk policy. Internal risk policy consists of three parts:
 - Risk management of issued credits;
 - Quality management, which supervises credit risks management procedures;
 - Internal audit, which reviews and evaluates credit risks process and internal controls to manage risks.
- (Technological) Installed equipment does not reach the planned energy savings and therefore a mismatch in project payback period and loan repayment period occurs;
- (Project implementation) Management procedures, general project risk management, project model risk etc.

If the necessary amount of money is not collected and a project cannot be financed, the further procedure depends on the possible financing schemes – 1) direct loan for final beneficiaries or 2) financing through selected financial intermediary (bank/specialized bank) or 3) financing under partnership agreement with crowdfunding platform, different instruments for project financing collection might be chosen. In case the citizens financing part would be insufficient for the necessary amount of money for the project, VIPA established an investment platform that could cover the lacking amount with a loan.

3.4.2. Relevant legal aspects

The requirements for investors depend on the legal status of the investment platform. As was mentioned above, VIPA's investment platform is established under the Law on Limited Partnership of the Republic of Lithuania. In this kind of investment platform, only informed investors could invest. In accordance with the law and the limited partnership agreement the liability of the limited partner is limited up to his investment amount whereas liability of the general partner is unlimited. Limited partners are not involved in investment process. Only informed investors can be limited partners in such a kind of investment platform.

The Law on Crowdfunding determines that a person who intends to invest into particular projects through a crowdfunding platform must provide information about his knowledges regarding investments to the operator of the crowdfunding platform. This is a very soft investor protection rule: currently it is solved with ticking boxes or downloading an agreement. Strict investor protection rules will also be part of the harmonized Regulations. Details are not clear, but the current key points of investor protection across Europe may remain:

- "Know your customer" rules: Conduct a suitability/appropriateness test as to reach investors with the appropriate offering;
- Disclosure requirements on issuers;
- Information and risk-warning requirements imposed on platforms, both in regard to the risks of crowdfunding offerings and on the platform itself;
- Obligations for platforms to perform due diligence: platform's role regarding the offering and the need to conduct some due diligence on the offerings in terms of mandatory review, disclosure and reporting;
- Limits on maximum investable amounts: different forms and range from fixed maximum ceilings to variable shares of personal income, wealth or financial assets. These ceilings can be calculated per each offering or on the basis of total investment in a given timeframe (for example one year). Typically, the ceilings vary on the basis of the categorisation of investors.



It is important to mention that there is different legal regulation for the crowdfunding and P2P platforms in Lithuania. Crowdfunding platforms are under regulation of the Law on Crowdfunding, P2P platforms under the Law on Consumer Financing.

The Renewable Energy Directive aims to develop clear guidelines for renewable energy communities and to unlock citizen participation. In accordance with the directive, all Member States should ensure that renewable energy communities can participate in available support schemes with large participants. These communities should be allowed to be remunerated through direct support with requirements of small installations or through tailored and community- focused bidding support schemes. Also, there must be reduction for administrative requirements and for permission complexity. Energy community empowers energy efficiency at household level and helps fight energy poverty through reduced consumption and lower supply tariffs.

The Ministry of Energy of the Republic of Lithuania drafted the amendment for the Law on Energy from Renewable Sources, where primary general principles and operating conditions for energy communities are introduced. However, the amendment is not yet in force and the timeline for its adoption as well as final principles and conditions for energy communities is unknown.

On 1 October 2019 the Laws on Renewable Energy and on Electricity were changed and opened opportunities for residents of apartment buildings to become remote electricity producing consumers. Lithuania is among the pioneers in Europe to implement the small green energy development model, when electricity can be generated and consumed in different locations. Until October, prosumers had only one option of installing renewable energy plants on the roof. After the amendment of the laws, residents willing to become electricity generating consumers will not necessarily have to build their own power plants – residents of private house or block of flats will be able to buy electricity capacity satisfying their needs from renewable energy projects developers. Additionally, the restrictions on capacity of power plants were removed – prosumers will be allowed to build renewable power plants up to 500 kW power. Until October prosumers (natural persons) could install power plants of maximum 10 kW and legal entities – 100 kW. Total permitted power of power plants built by prosumers was also increased from 100 MW up to 200 MW by distributing 100 MW to household and non- household electricity consumers each.

In addition, in the beginning of July the installation procedures for small power plans (up to 30 kW) were simplified by removing some permits and differentiating fees for power plant connection to the grid. Until July simplified conditions were applied to 5 kW power plants.

3.4.3. Legal & regulatory barriers

For VIPA **four main legal & regulatory** barriers were identified:

- The main legal barrier is The Law on Consumer Financing. VIPA as a general partner of the investment platform doesn't have a right to issue loans for the consumers and therefore cannot provide financing for prosumers. In accordance with the Law on Consumer Financing, only institutions which are included in the List of Consumer Credit providers can issue loans for the consumers. The List of Consumer Credit providers is formed and supervised by the Bank of Lithuania. This creates additional responsibilities and obligations for these institutions. Also, it should be noted that administration of the consumer credits is a difficult process requiring relevant IT systems and capabilities. Therefore, VIPA doesn't seek to be included in the List of Consumer Credit providers but sees a possibility to reach prosumers through P2P platforms. But in accordance with the Law on Consumer Financing the loan providers in the P2P platforms can only be natural persons. The operators of P2P platforms have initiated amendment of the Law on Consumer Financing which would create a possibility for the legal entities, institutional investors, fund managers etc. to become investors in P2P platforms but this amendment hasn't been accepted by the parliament of Lithuania yet.
- The price of the loans due to the required ROI of limited partner is slightly too high comparing to the market price. However, VIPA does not require collateral and can issue loans with longer maturity term;
- The low energy price and the low energy self-consumption for prosumers hinders the deployment of energy efficiency. The substantial insecurity for investors is related to reputation of crowdfunding, administrator's ability to estimate projects risks and to ensure risk management measures because the whole crowdfunding market in Lithuania is still in development stage and lacks experience and track record. Therefore, most of



investors might choose other investment opportunities and strategies. Thus, every crowdfunding platform should have strong marketing and PR strategy to reach and attract potential investors. The success of raising funds mostly depends on advertisements efficiency and reach on social media. Another reason why crowdfunding does not attract enough investment is that there are better investment opportunities in the market in terms of conditions such as IRR, duration, repayment method etc;

- The amendment for the Law on Energy from Renewable Sources, where general principles and operating conditions for energy communities are introduced, is not yet in force and the timeline for its adoption as well as final principles and conditions for energy communities is unknown.

Table 10 – Initial legal & regulatory barriers for VIPA

VIPA		
Energy related	Inter alia low energy price and low energy self-consumption for prosumers	The amendment for the Law on Energy from Renewable Sources is not yet in force
Investment related	The Law on Consumer Financing grants no right for VIPA to issue loans for the consumers	The price of the loans due to the required ROI of limited partner is slightly too high

4. ANNEX I: QUESTIONNAIRE

The following questionnaire was part of WP 5 “Recommendations for upscaling CFs4EE and improve market efficiency and regulation”. The aim of the questionnaire was to maximise the necessary input of the project partners for the conception and drafting of D5.2 and, to some extent, D5.3. It checked on status updates regarding previously listed barriers by the project partners as well as new developments regarding the regulatory framework.

None of the questions were exclusively addressed only to one respective project partner as input from other project partners was always welcome to identify cross-cutting issues and alternative solutions.

D5.2 will be based on the outcomes of WPs 2 to 4 and aims to provide stakeholders in the target countries with concrete recommendations for the enhancement of their respective national legal and regulatory framework for citizen financing. The aim of the task is to develop national recommendations for national policy makers and regulatory bodies in Portugal, Belgium, Croatia and Lithuania on how to implement the representative pilot cases and/or on how to overcome the barriers which are preventing their implementation.

Based on the outcomes of previous work packages as well as an ongoing monitoring of legal developments on an European level the following possible areas of relevance were identified.

- Energy Efficiency Directive;
- Energy Performance of Buildings Directive;
- Renewable Energy Directive;
- State Aid/General Block Exemption Regulation;
- InvestEU Regulation;
- Crowdfunding Regulation;
- Taxonomy Regulation and its delegated acts.



4.1. GoParity

Please read the following section carefully and try to answer the questions as detailed as possible:

- **Thesis 1:** Currently there are no legal & regulatory barriers left.
 - *Are there really no concrete legal & regulatory barriers left? Please check with the tables (Recap part 1 & 2) and explain how and why these barriers were solved.*
- **Thesis 2:** An overview on relevant criteria regarding an ESCO-partnership could be helpful, especially regarding the possibilities to surpass aversion from public entities for private/crowdfunding funding and because an initial partnership with ESCOs could streamline the entrance to public projects.
 - *Could you please further explain the meaning of initial partnership and inform us if you have any idea how this could streamline the entrance to public projects. Is the legal framework pertaining ESCOs/EnPCs also of relevance?*
- **Update:** Please check the listed barriers in the following that were mentioned earlier in the project and include all the information about the current state of these barriers (Are the barriers still relevant or are they already solved? If yes, how?). Further, please check if there are any new barriers you encountered!
 - Rules for public procurement foresee mandatory tendering;
 - Investment limitations for individuals;
 - Upscaling limitations due to a campaign specific amounts;
 - Development of public buildings is lagging behind.

4.2. VEB

Please read the following section carefully and try to answer the questions as detailed as possible:

- **Thesis 1:** It is not clear if legal & regulatory barriers are still relevant, however, several problematic aspects remain focusing on both, deep energy renovation via energy performance contracts and financing solutions.
 - *Please give us some more information if and how this aspect is problematic for you and how we could help you find a solution.*
- **Thesis 2:** The Potential for EIB contribution is small due to the preference for small projects before scaling up and cost of capital esteemed higher.
 - *Please give us some more information if and how this aspect is problematic for you and how we could help you find a solution.*
- **Update:** Please check the listed barriers in the following that were mentioned earlier in the project and include all the information about the current state of these barriers (Are the barriers still relevant or are they already solved? If yes, how?). Further, please check if there are any new barriers you encountered!
 - Selection and awarding criteria need to be in accordance with the Law on Public Procurement;
 - Public schools are not allowed to borrow money and energy performance contracting is seen as a financial lease which is prohibited.

4.3. REGEA

Please read the following section carefully and try to answer the questions as detailed as possible:

- **Thesis:** Missing crowdfunding law and the question if and how this is affected by the new Crowdfunding Regulation is a relevant aspect for the pilot project.
 - *Please explain if this is true and what the details are.*



- **Other points of discussion:**
- How is the current state of the potential for Invest-EU contribution?
- Regarding the citizen funding channel and the crowdfunding platform as co-investor (at investment platform level or project level) the consumer right protection is a relevant topic? There is need for extensive negotiations and bilateral meetings with respective ministries, commercial banks and possible fund managers.
- How are the perspectives for replication of the VIPA approach (crowdfunding platform as a distribution channel) in alignment with the new Crowdfunding Regulation?
- There is a small market and low awareness on the crowdfunding topics.
 - *Has this been cleared up for you (see report 5.1)? Do you still see barriers or have remaining questions and require further input?*
- **Update:** *Please check the listed barriers in the following that were mentioned earlier in the project and include all the information about the current state of these barriers (Are the barriers still relevant or are they already solved? If yes, how?). Further, please check if there are any new barriers you encountered!*
 - Energy Strategy of the Republic of Croatia is still not finished;
 - High bank and card processing transaction fees;
 - Lack of basic legal framework for development of crowdfunding models.

4.4. VIPA

Please read the following section carefully and try to answer the questions as detailed as possible:

- **Thesis 1:** The Law on Consumer Financing was already amended in Lithuania. This means a legal person can invest into platforms alongside citizens and there this is not a barrier anymore.
 - *Could you give us some further information and references on the amendment as this could be used as an example for all partner countries.*
- **Thesis 2:** The limitation of loan amount to 500 Euro is a problem.
 - *Where is the legal ground for this limitation? Is this a general problem for all partners?*
- **Thesis 3:** There is no local restrictions for prosumers, remote prosumers and remote prosumer renewable farms exist, which means energy generation and use does not have to happen at the same location.
 - *Where is this regulated? Maybe this could be an helpful example for the other partners.*
- **Update:** *Please check the listed barriers in the following that were mentioned earlier in the project and include all the information about the current state of these barriers (Are the barriers still relevant or are they already solved? If yes, how?). Further, please check if there are any new barriers you encountered!*
 - Inter alia low energy price and low energy self-consumption for prosumers;
 - The amendment for the Law on Energy from Renewable Sources is not yet in force;
 - The Law on Consumer Financing grants no right for VIPA to issue loans for the consumers;
 - The price of the loans due to the required ROI of limited partner is slightly too high.



5. ANNEX II: RECOMMENDATIONS IN LANGUAGES OF THE PARTNER COUNTRIES

The following contains the recommendations on national level in several languages (Portuguese, Dutch, Croatian, Lithuanian):



5.1. Portuguese

Recomendações:

- **Recomendação 1 – Aplicar o Regulamento de Financiamento Colaborativo a nível local e regional:** O Regulamento de Financiamento Colaborativo é obrigatório em todos os seus elementos e diretamente aplicável em todos os Estados-Membros desde 10 de novembro de 2021. É fundamental que todos os Estados-Membros reconheçam e apliquem na prática estas novas regras a nível local e regional.
- **Recomendação 2 – Estabelecer um enquadramento da atividade de financiamento colaborativo viável e eficaz nos Estados-Membros:** Existe ainda uma forte necessidade de estruturas de apoio a projetos de financiamento colaborativo e, especialmente, condições de enquadramento para a criação de plataformas de investimento. É necessário um quadro de financiamento colaborativo viável e eficaz nos Estados-Membros, no sentido de aceitar o financiamento colaborativo como mecanismo de financiamento de projetos relacionados com a energia e de sensibilização dos cidadãos e instituições.
- **Recomendação 3 – Implementar a Diretiva das Energias Renováveis e a Diretiva do Mercado de Eletricidade de forma eficaz:** A implementação efetiva da Diretiva de Energias Renováveis e da Diretiva do Mercado de Eletricidade pelos Estados-Membros é crucial para introduzir princípios e condições de funcionamento para os prosumers e comunidades de energia renovável que permitam desbloquear a participação dos cidadãos.
- **Recomendação 4 – Encontrar um equilíbrio entre a proteção ao investidor e maior capacidade de investimento:** Em relação aos investimentos, é importante encontrar um equilíbrio entre a proteção ao investidor (consumidor/prosumer) e uma maior capacidade de investimento.
- **Recomendação 5 – Permitir que as pessoas jurídicas invistam em plataformas peer-to-peer ao lado de cidadãos:** A permissão para que as pessoas jurídicas invistam em plataformas peer-to-peer ao lado de cidadãos é necessária para que pessoas jurídicas parceiras de uma plataforma de investimento forneçam financiamento a prosumers.
- **Recomendação 6 – Estabelecer uma estrutura harmonizada com forte ênfase na contratação de desempenho energético e ESCOs a nível europeu:** Uma estrutura harmonizada com forte ênfase na contratação de desempenho energético e ESCOs a nível europeu pode estimular mais projetos de eficiência energética no setor público.
- **Recomendação 7 – Combinar medidas de energias renováveis com renovação de edifícios:** Para explorar o potencial das medidas de energias renováveis, estas medidas devem ser combinadas com a renovação de edifícios.
- **Recomendação 8 – Desenvolver acordos claros e totalmente negociados entre os parceiros de implementação e a COM, bem como mais orientações e documentação técnica:** Para promover a contribuição do InvestEU/BEI e clarificar como uma plataforma de investimento pode ser criada no âmbito do novo quadro InvestEU, são cruciais acordos negociados e claros entre os parceiros de implementação e a COM bem como mais orientações e documentação técnica. Depois de se desenvolver e publicar critérios padronizados, estes poderão ser usados noutras medidas de capacitação.
- **Recomendação 9 – Mobilizar os cidadãos para se tornarem prosumers:** Para a implementação de energias renováveis e medidas de eficiência a nível local é importante mobilizar os cidadãos para se tornarem prosumers. Em termos de financiamento, isso pode ser alcançado através de bonificações de juros de empréstimos que permitam reduzir o custo do empréstimo, ou subsídios estatais para o kW instalado que permitam reduzir o período de recuperação do investimento.
- **Recomendação 10 – Reduzir os encargos administrativos para fomentar os fundos públicos europeus:** Reduzir os encargos administrativos através de regras mais flexíveis para concursos/contratações públicas, no sentido de acelerar a execução dos fundos públicos europeus.



5.2. Dutch

Aanbevelingen:

- **Aanbeveling 1 – Pas de regelgeving inzake crowdfunding toe op lokaal en regional niveau:** De regelgeving inzake crowdfunding is bindend in zijn volledigheid en rechtstreeks van toepassing in alle lidstaten vanaf 10 november 2021. Het is cruciaal dat alle lidstaten dit erkennen en deze nieuwe regels realiseren in de praktijk op een regionaal en lokaal niveau.
- **Aanbeveling 2 – Stel een haalbaar en effectief crowdfunding kader op in de lidstaten:** Er is een sterke behoefte aan ondersteunende structuren voor crowdfundingprojecten, voornamelijk met het oog op de randvoorwaarden voor de oprichting van investeringsplatforms. Een haalbaar en effectief crowdfunding-kader in de lidstaten is noodzakelijk voor de acceptatie van crowdfunding als financieringsmechanisme voor energiegerelateerde projecten en voor de bewustmaking van burgers en instellingen.
- **Aanbeveling 3 – De Richtlijn Hernieuwbare Energie en de Richtlijn Elektriciteitsmarkt op een doeltreffende manier implementeren:** De effectieve implementatie van de Richtlijn Hernieuwbare Energie en de Richtlijn Elektriciteitsmarkt door de lidstaten is van cruciaal belang om principes en operationele voorwaarden in te voeren voor prosumenten en hernieuwbare/burgerlijke energiegemeenschappen om burgerparticipatie te ontsluiten.
- **Aanbeveling 4 – Zorg voor een gezond evenwicht tussen de bescherming van investeerders en uitgebreide investeringsmogelijkheden:** Wat investeringen betreft, is het belangrijk een evenwicht te vinden tussen de bescherming van investeerders (consumenten/prosumenten) en uitgebreide investeringsmogelijkheden.
- **Aanbeveling 5 – Sta rechtspersonen toe om samen met burgers te investeren in peer-to-peer platforms:** De toestemming voor rechtspersonen om naast burgers te kunnen investeren in peer-to-peer platforms is noodzakelijk voor rechtspersonen als partners van een investeringsplatform om financiering te verstrekken aan prosumenten.
- **Aanbeveling 6 – Totstandbrenging van een harmoniserend kader met sterke nadruk op energieprestatiecontracten en ESCO's op Europees niveau:** een harmoniserend kader met een sterke nadruk op energieprestatiecontracten en ESCO's op Europees niveau kan energie-efficiëntieprojecten in de publieke sector bevorderen.
- **Aanbeveling 7 – Combineer hernieuwbare-energiemaatregelen met renovatie van gebouwen:** Om het potentieel van hernieuwbare-energiemaatregelen te benutten, moeten deze maatregelen gecombineerd worden met de renovatie van gebouwen.
- **Aanbeveling 8 – Ontwikkel volledig onderhandelde en duidelijke overeenkomsten tussen de uitvoerende partners en de COM, alsook meer krijtlijnen en technische documentatie:** Om de bijdrage van InvestEU/EIB te bevorderen en te verduidelijken hoe een investeringsplatform in het nieuwe InvestEU-kader kan worden opgezet, zijn volledig onderhandelde en duidelijke overeenkomsten tussen uitvoerende partners en de COM, alsook meer krijtlijnen en technische documentatie van cruciaal belang. Na de ontwikkeling en publicatie van gestandaardiseerde criteria kunnen deze worden gebruikt bij het verder uitbouwen van capaciteit.
- **Aanbeveling 9 – Moedig burgers aan om prosumenten te worden:** Voor de invoering van hernieuwbare-energie en efficiëntiemaatregelen op lokaal niveau is het van belang burgers te mobiliseren om prosumenten te worden. Wat de financiering betreft, kan dit worden bereikt door rentesubsidies voor leningen, aangezien deze de prijs van de lening verlagen. Ook overheidssubsidies voor geïnstalleerde kW zijn een mogelijkheid, aangezien deze de terugverdientijd van de installatie korter maken.
- **Aanbeveling 10 – Verminder de administratieve lasten om Europese publieke financiering aan te boren:** Verlaag de administratieve drempel door flexibelere regels voor openbare aanbestedingen in te voeren of de uitvoering van aanbestedingen met Europese middelen te versnellen.



5.3. Croatian

Preporuke:

- **Preporuka 1 – Primjena Uredbe o europskim pružateljima usluga skupnog financiranja na lokalnoj i regionalnoj razini:** Uredba o europskim pružateljima usluga skupnog financiranja obvezujuća je u cijelosti i izravno se primjenjuje u svim državama članicama od 10. studenog 2021. Ključno je da sve države članice prepoznaju i primjenjuju nova pravila u praksi na lokalnoj i regionalnoj razini.
- **Preporuka 2 – Uspostava izvedivog i učinkovitog okvira za skupno financiranje u državama članicama:** Još uvijek postoji snažna potreba za potpornim strukturama za projekte skupnog financiranja, posebice okvirnim uvjetima za uspostavu investicijskih platformi. Izvediv i učinkovit okvir za skupno financiranje u državama članicama neophodan je za prihvaćanje skupnog financiranja kao mehanizma financiranja energetske projekata i podizanja svijesti među građanima i institucijama.
- **Preporuka 3 – Provedba Direktive o promicanju uporabe energije iz obnovljivih izvora i Direktive o zajedničkim pravilima za unutarnje tržište električne energije na učinkovit način:** Djelotvorna provedba Direktive o promicanju uporabe energije iz obnovljivih izvora i Direktive o zajedničkim pravilima za unutarnje tržište električne energije od strane država članica ključna je kako bi se uvela načela i uvjeti rada za potrošače te energetske zajednice građana i zajednice obnovljive energije kako bi se omogućilo sudjelovanje građana.
- **Preporuka 4 – Uspostava ravnoteže između zaštite ulagača i opsežnih mogućnosti ulaganja:** Što se tiče ulaganja, važno je postići ravnotežu između zaštite ulagača (potrošača/aktivnih kupaca) i opsežnih mogućnosti ulaganja.
- **Preporuka 5 – Dopustiti pravnim osobama da zajedno s građanima ulažu u platforme za uzajamno financiranje:** Dozvola pravnim osobama za ulaganje u platforme za uzajamno financiranje uz građane, potrebna je pravnim osobama kao partnerima investicijske platforme za financiranje aktivnih kupaca.
- **Preporuka 6 – Uspostava poticajnog okvira s jakim naglaskom na Ugovor o energetske učinku (EPC) i ESCO na europskoj razini:** Usklađujući okvir sa snažnim naglaskom na Ugovor o energetske učinku i ESCO-u na europskoj razini može potaknuti provedbu projekata energetske učinkovitosti pri ulasku u javni sektor.
- **Preporuka 7 – Kombiniranje uvođenja mjera vezanih uz obnovljive izvore energije s obnovom zgrada:** Kako bi se iskoristio potencijal mjera obnovljivih izvora energije, te mjere treba kombinirati s obnovom zgrada.
- **Preporuka 8 – Razvoj potpuno dogovoreni i jasni sporazumi između provedbenih partnera i COM-a, kao i više smjernica i tehničke dokumentacije:** Za poticanje doprinosa InvestEU/EIB-a i razjašnjavanje načina na koji se investicijska platforma može postaviti u okviru novog InvestEU okvira, ključni su potpuno pregovarački i jasni sporazumi između provedbenih partnera i COM-a, kao i više smjernica i tehničke dokumentacije. Nakon izrade i objave standardiziranih kriterija, oni bi se mogli koristiti u daljnjim mjerama izgradnje kapaciteta.
- **Preporuka 9 – Mobilizacija građana da postanu aktivni kupci:** Za implementaciju mjera obnovljivih izvora energije i energetske učinkovitosti na lokalnoj razini važno je mobilizirati građane da postanu aktivni kupci. Što se tiče financiranja, to se može postići subvencioniranjem kamata na kredit jer snižavaju cijenu kredita ili državnim subvencijama za instalirane KW jer smanjuju vrijeme povrata.
- **Preporuka 10 – Smanjenje administrativnog opterećenja kao poticaj korištenju europskih javnih fondova:** Smanjenje administrativnog opterećenja kroz fleksibilnija pravila za javno nadmetanje/nabavu ubrzava izvršenje europskih javnih sredstava.



5.4. Lithuanian

Rekomendacijos:

- **1 rekomendacija - taikyti Sutelktinio finansavimo reglamentą vietos ir regionų lygmeniu:** nuo 2021 m. lapkričio 10 d. Sutelktinio finansavimo reglamentas yra privalomas ir tiesiogiai taikomas visose valstybėse narėse. Labai svarbu, kad visos valstybės narės pripažintų ir praktiškai įgyvendintų šias naujas taisykles vietos ir regionų lygmeniu.
- **2 rekomendacija - sukurti įgyvendinamą ir veiksmingą sutelktinio finansavimo sistemą valstybėse narėse:** vis dar labai reikia paramos sutelktinio finansavimo projektams, ypač bendrųjų sąlygų investavimo platformoms steigti. Siekiant, kad sutelktinis finansavimas būtų pripažintas finansuojant energetikos projektus, ir kad piliečiai bei institucijos būtų geriau informuoti, būtina valstybėse narėse sukurti įgyvendinamą ir veiksmingą sutelktinio finansavimo sistemą.
- **3 rekomendacija - veiksmingai įgyvendinti Atsinaujinančiųjų išteklių energijos direktyvą ir Elektros energijos rinkos direktyvą:** Atsinaujinančiųjų išteklių energijos direktyvos ir Elektros energijos rinkos direktyvos veiksmingas įgyvendinimas valstybėse narėse yra labai svarbus siekiant nustatyti principus ir veiklos sąlygas, kad gaminantys vartotojai ir atsinaujinančiųjų išteklių ir (arba) piliečių energetikos bendruomenės galėtų užtikrinti piliečių dalyvavimą.
- **4 rekomendacija - užtikrinti pusiausvyrą tarp investuotojų apsaugos ir plačių investavimo galimybių:** kalbant apie investicijas, svarbu rasti pusiausvyrą tarp investuotojų (vartotojų ir (arba) gaminančių vartotojų) apsaugos ir plačių investavimo galimybių.
- **5 rekomendacija - leisti juridiniams asmenims kartu su piliečiais investuoti į tarpusavio skolinimosi platformas:** leidimas juridiniams asmenims investuoti į tarpusavio skolinimosi platformas kartu su piliečiais yra būtinas, kad juridiniai asmenys, kaip investicinės platformos partneriai, galėtų teikti finansavimą gaminantiems vartotojams.
- **6 rekomendacija - Europos lygmeniu sukurti suderintą sistemą, kurioje didelis dėmesys būtų skiriamas energijos vartojimo efektyvumo sutartims ir ETPT (angl. ESCO):** suderinta sistema, kurioje didelis dėmesys skiriamas energijos vartojimo efektyvumo sutartims ir ETPT Europos lygmeniu, gali paskatinti energijos vartojimo efektyvumo projektus, kai jie patenka į viešąjį sektorių.
- **7 rekomendacija. Derinti atsinaujinančių energijos išteklių priemones su pastatų renovacija:** siekiant išnaudoti atsinaujinančių energijos išteklių priemonių potencialą, šios priemonės turėtų būti derinamos su pastatų renovacija.
- **8 rekomendacija - parengti visiškai suderintus ir aiškius susitarimus tarp įgyvendinimo partnerių ir COM, taip pat daugiau gairių ir techninių dokumentų:** siekiant skatinti InvestEU/EIB indėlį ir paaiškinti, kaip pagal naująją InvestEU sistemą galima sukurti investavimo platformą, labai svarbu parengti visiškai suderintus ir aiškius susitarimus tarp įgyvendinančių partnerių ir COM, taip pat daugiau gairių ir techninių dokumentų. Parengus ir paskelbus standartizuotus kriterijus, juos būtų galima naudoti tolesnėse gebėjimų stiprinimo priemonėse.
- **9 rekomendacija. Mobilizuoti piliečius tapti gaminančiais vartotojais:** kad atsinaujinančių energijos išteklių ir energinio efektyvumo priemonės būtų diegiamos vietos lygmeniu, svarbu sutelkti piliečius tapti naudos gavėjais. Kalbant apie finansavimą, tai galima pasiekti subsidijuojant paskolų palūkanas, nes jos sumažina paskolos kainą, arba skiriant valstybės subsidijas už įrengtą kW, nes jos sutrumpina atsipirkimo laikotarpį.
- **10 rekomendacija - mažinti administracinę našta, kad būtų skatinamas Europos viešųjų lėšų panaudojimas:** administracinės naštos mažinimas, taikant lankstesnes viešųjų pirkimų konkursų ir (arba) viešųjų pirkimų taisykles, pagreitina Europos viešųjų lėšų panaudojimą.



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