

Date of decision: 26.3.2009

Class: UP/I 430-01/2009-83/001

Case: ENVIRONMENTAL PROTECTION AND ENERGY EFFICIENCY FUND - Programme of measures for the reduction of pollutant emissions of road vehicles N2, N3 and M3

Type of case: State aid (scheme)

Type of decision: Decision on authorisation (Compatible aid - Temporary framework)

The Environmental Protection and Energy Efficiency Fund has submitted to the Agency a proposal of the said aid programme envisaging award of state aid of up to EUR 500,000 under the Temporary Framework.

The basic goal of the programme is the reduction of harmful gas emissions and level of noise generated by road motor vehicles of categories N2 (road vehicles used for transportation of freight whose maximum allowable total mass does not exceed 3.5 t), N3 (road vehicles used for transportation of freight whose maximum allowable total mass exceeds 12 t) and M3 (motor vehicles for passenger transportation that besides the driver's seat have more than 8 seats and whose maximum allowable total mass exceeds 5 t), in line with the objectives provided for under Article 6 of the Environmental Protection Act¹.

Namely, in accordance with the explanation of the programme, transport sector as one of the factors of economic growth and the quality of living represents one of the biggest environmental polluters, primarily because of the large harmful gas emission of means of transportation, whereas, in addition to causing air, water and soil pollution, it causes greenhouse gas emissions, the global warming, noise, vibrations, the climate change, depletion of biodiversity, changing landscape, but also traffic accidents.

The programme provides for the measure of reduction of harmful gas emissions in the categories of road vehicles N2, N3 and M3, in accordance with prescribed standards (EURO 1, EURO 2, EURO 3, EURO 4 and EURO 5). Standards of harmful gas emissions are established for vehicles in the form of a gram of emitted matter per kilometre, on average for a typical driving cycle. The standards limit the emission of carbon monoxide (CO), hydrocarbon (HC), nitrogen oxides (NO_x) and particulate matter (PM) (for comparison sake, one vehicle of the EURO 1 standard has the emission as three vehicles of the EURO 4 standard, or one lorry as ten cars).

On 1 October 2009 in the EU member states came into force the EURO 5 standard, whereas the same standard in the Republic of Croatia will start to be implemented from 1 October 2010. On the basis of the measures under the programme, it is planned to replace approximately 3,000 environmentally unacceptable vehicles with road vehicles of the EURO 5 standard.

Improvement of environmental standards of vehicles of undertakings engaging in road transportation is significantly aggravated with the emergence of the global financial and economic crisis, in particular, the reduction of possibility of obtaining loans in the financial market. Therefore, the measures envisaged under the programme are aimed at eliminating such problems, while the award of state aid will have a positive impact on this economic activity.

¹ OG 110/2007.

Aid beneficiaries are small, medium-sized and large enterprises. An aid beneficiary, among other things, may not belong to the category of firms in difficulty, except if it acquired this status after 1 August 2008, due to the financial and economic crisis.

The state aid instrument is a grant amounting to up to HRK 70,000 per vehicle, for small and medium-sized enterprises, and in the amount of up to HRK 50,000 per vehicle for large firms. The amount of state aid, together with de minimis aid and aid under other programmes, per individual beneficiary, may not exceed EUR 500,000, for the same eligible costs, in Kuna countervalue, on the day of the award of state aid according to the Croatian National Bank mean rate, in the period between 1 January 2008 and 31 December 2010.