



European  
Social  
Catalyst  
Fund

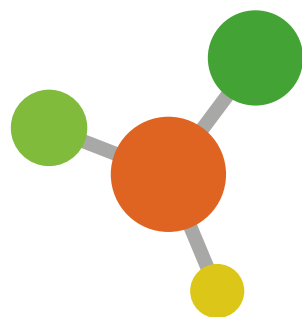


SUITE

SCALING UP INNOVATION  
TOGETHER FOR ENERGY  
VULNERABILITY



This project has been supported by the European Social Catalyst Fund which has been established and co-funded by the European Union's Horizon 2020 Research and Innovation Programme, Genio, the Robert Bosch Stiftung and the King Baudouin Foundation



# SUITE

SCALING UP INNOVATION TOGETHER  
FOR ENERGY VULNERABILITY

**PLAN WITH A NATIONAL COVERAGE**

# HUNGARY



This project has been supported by the European Social Catalyst Fund which has been established and co-funded by the European Union's Horizon 2020 Research and Innovation Programme, Genio, the Robert Bosch Stiftung and the King Baudouin Foundation

## NATIONAL COVERAGE PLAN

# HUNGARY

## **ASSIST Scalability Plan & Delivery model**

**Analysis of the Local context** PAGE 4

**Delivery Model** PAGE 7

**Stakeholders consultation** PAGE 12

**Economic viability of the scalability plan** PAGE 14

**Dissemination Strategy** PAGE 17

**Communication and Branding** PAGE 17

**Planning and Monitoring** PAGE 18

**Risk Management** PAGE 22

## Analysis of the Local context

According to the EU-SILC survey, the Household Budget Survey and the data of the National Statistical Office (KSH), in 2019, 5.4% of households reported that they were unable to keep their homes adequately warm in winter<sup>1</sup>. In parallel, with the implementation of the utility price reduction programme and the general recovery from the financial crisis, it started to drop and now it is at a record low level (5.4%). The number of households with arrears on utility bills peaked at 25% in 2012 and fell to 10.2% in 2019. These data do not reflect the effects of the economic crisis emerging due to the Covid-19 pandemic.

The median share of energy costs in the total expenditure was 12% in 2015, when most households spent 10-15% of their income on energy<sup>2</sup>.

Hidden energy poverty is less severe in Hungary than in the EU on average: the rate is only 9.3% compared to 14.6% in the EU<sup>3</sup>. Nevertheless, regional inequalities within the country are of particular concern. According to a recent research by *Rural Living Lab – Step-in project*, in the southern and eastern regions of Hungary energy poverty rates can exceed 50%, especially in small villages with a high share of Roma people in the population.

According to Habitat for Humanity Hungary's housing report from 2020, the social groups most vulnerable to energy poverty

are single pensioners, the unemployed, families with children, and single-parent families<sup>4</sup>. Based on the analysis of the recently published findings of the Com-Act Project, following two different methodologies in defining energy poverty indicators, two different figures indicate the share of households affected by energy poverty:

- According to the 2M method, 10% of Hungarian households were considered energy-poor: this share included twice as many single households as the average population, comprising half of all the energy-poor households.
- The other definition applied was the Low Income High Cost method (LIHC), according to which energy-poor households are those which spend more on energy than the median, and whose income remains under the poverty line after this expense. Based on the LIHC indicator, 21% of Hungarian households are considered energy-poor.

Within the poorest income quintile, almost 40% of the households use firewood for heating. As the utility price reduction programme does not include solid fuels, it means that the most vulnerable receive much less support from the state for covering their energy needs than those who use modern energy services, regardless of their social status.

1 Eurostat, "Inability to keep home adequately warm – EU-SILC survey," 2021.

2 N. Feldmár, "Energiaszegénység," in *Évesjelentés a lakhatási szegénységről 2020 [Annual Report on Housing Poverty 2020]*, 2020, pp. 42–56.

3 Energy Poverty Observatory, "Member state report – Hungary," p. 4, 2018.

4 N. Feldmár, "Energiaszegénység," in *Éves Jelentés a lakhatási szegénységről 2020 [Annual Report on Housing Poverty 2020]*, 2020, pp. 42–56.

Nowadays, within the Hungarian government, there is no designated ministry responsible for energy poverty and housing. The Ministry of Innovation and Technology is involved in many aspects, partly also the Ministry of Interior (e.g. social fuel wood) or the Prime Minister's Office (in connection with energy efficiency renovation); many people work in different related topics but there is no unified governmental concept on energy poverty/energy/housing.

According to the National Energy and Climate Plan (NECP), energy-poor households are households that spend more than 25% of their disposable income on energy, which roughly corresponds to double the median energy expenditure (2M). The NECP mixes the use of terms by mentioning households 'affected by energy poverty' and 'vulnerable consumers' in the same way. The government's interventions against energy poverty will be targeted at a) families with multiple children living in single-family homes in small settlements; and b) single pensioners in multi-apartment residential buildings.

According to the NECP, the Hungarian Government intends to continue the 'Utility price reduction' programme as a major policy instrument supporting the affordability of energy. Beyond this, the most highlighted interventions to be implemented are the support of smart devices and decentralised heating systems, the installation of prepayment meters, educational and communication campaigns, and the introduction of an Energy Efficiency Obligation Scheme (EEOS). There is no detailed public information available about the Hungarian implementation of the Recovery and Resilience Facility or the Renovation Wave, or how Hungary intends to handle the question of energy poverty.

## How Energy Poverty is currently being tackled in Hungary

In Hungary, energy-poor people are currently supported in two ways:

- As vulnerable consumers via social benefits and direct reductions of their energy costs.
- As recipients of the utility price reduction programme without targeted energy poverty categories.

The vulnerable consumer status has been in use for a long time as the legal basis for social benefits for low-income consumers. Vulnerable consumers can request instalment payment for utilities, payment deferment or prepayment meters. The vulnerable consumer status is based either on extremely low income or physical or mental disability. There is also a socially targeted subsidy for firewood available for low-income people living in villages. In 2015 the Hungarian state withdrew from financing the housing allowance which was available for low-income consumers for covering housing or energy costs. Currently municipalities decide whether they will keep financing the allowance or not, which has resulted in a dramatic shrinkage of the programme. Even in settlements, where the municipality still provides the subsidy, the amounts are marginal due to the low budget conditions of municipalities.

Energy efficiency improvement and energy poverty reduction are not connected in Hungarian policies.

Moreover, Hungary counts with the National Energy Network, established in 2017, has the role to promote the energy-efficient operation of public institutions and businesses and to provide advice to the citizens on how to reduce energy consumption. When it was set up, it focused mainly on public institutions, with no significant provision of advice to the general public or businesses. Nevertheless,



in the first half of 2021, the government is trying to reorganise their work, so the Hungarian Chamber of Engineers is taking over some of the tasks of the National Energy Network. On this basis, the Chamber provides free advice to the public and businesses from now on. The National Energy and Climate Plan strengthens the National Energy Network and foresees the provision of free online and face-to-face consultation services for the public, involving energy and engineering experts, economists and architects. Nevertheless, interviews suggest that the scheme is not yet well known.

Finally, several domestic NGOs have commented on the available version of Hungary's Recovery and Resilience Plan, unfortunately, several organisations felt that a stronger document would have been needed in order to have a higher impact over the Hungarian population. Additionally, the Habitat for Humanity HU has called on the government to include a comprehensive renovation programme for low-income households, and the National Society of Conservationists (member of Climate Alliance Hungary (CAH)) pointed out that the plan's entire energy component fails to mention an impact assessment despite the "do no significant harm" assessment being an EU requirement, plus the component in the version shared for public consultation did not include a budget. So, even though some specific regulations are starting to move, there is nothing concrete yet.

## Innovation scalability proposal

For the first time, thanks to the attention on the theme of energy poverty, various NGOs, authorities and companies sat down to discuss the potential of an advisory network to be established. Due to the various backgrounds of the organisations, the time seems to be right to start building a HEA Network involving organisations with a different background but similar interests. As the theme needs further lobby and communication activities to raise awareness, the

grass-root work of NGOs in collaboration with local authorities and nation-wide organisations offer the potential to direct the spotlight on the issues around energy poverty and start not only a dialogue towards establishing policy measures but also concrete actions directly benefiting energy poor households.

Moreover, the proposed model will allow introducing a collaborative concept of training solution for actors on the field. As the ASSIST training needs to be adapted to Hungarian circumstances, this also allows to introduce not only skills, knowledge and competences related to consultancy on energy poverty but also to match these with environmental learning issues and thus establish environmental consciousness, highly correlated with climate change, energy use and energy poverty.

### Private sector potential

Energy poverty is a complex issue in Hungary, nevertheless, it is still a "new topic" and there is no dedicated system in place to deal with it. For Hungary it was the first time, as part of the SUITE Focus Groups sessions, to invite people from different sectors around the same table to talk about energy poverty, therefore there is a chance that more organisations could be involved because the relevant actors have started to talk about it.

There is still a lot of lobbying work to be done, since companies are relying on state regulations and even though companies may find the model interesting, they are not willing to be the first to start. The moment that regulations change, the role of private actors will be more likely to improve, since besides the regulations issue, the private sector seeks for the same sort of benefits seen in other countries:

1. Increase their visibility and improve their reputation. It gives them some assets and knowledge to explain to their stakeholders and their consumers/clients.

2. Economic incentives opening the possibility to new contracts (commercial action).
3. Corporate Social Responsibility mechanisms.

Moreover, based on the interview with the EON utility and energy service company, there are advisory programmes that are regularly financially supported by EON. The fact that there exist advisory services funded by a private company can also be used as an example when talking to other private actors, it is believed that this will increase the possibility for reaching and involving them.

Finally, in order to secure the private sector potential, it will be essential to invite the Ministry and private companies to collaborate so that they could initiate a discussion about this issue.

## Delivery Model

This Scalability and Delivery model will be at **national level** in Hungary, even though the initial intention is to start small (regional), the collaboration with national partners is foreseen, therefore resulting in a plan with a “national” coverage, which will build the network from zero. Therefore, to build the model, it is essential to involve **active civil society actors**, because (1) they have a well-established direct link to the target groups concerned and are open to being approached, and (2) because in Hungary there is lack of interest on behalf of the private sector, at least for now.

This model will be built by networking with organizations that already work in the social and civil society sectors, and will mainly consist of

**building a network of different organizations** working on different sectors that share interest in energy poverty and energy efficiency. This network will work providing training to social operators, who will later provide assessment to vulnerable people. Since some of these organizations work with poverty and environmental issues, the model will also help **setting the basis for setting a common definition for Energy Poverty** including energy efficiency in Hungary and raising awareness about it.

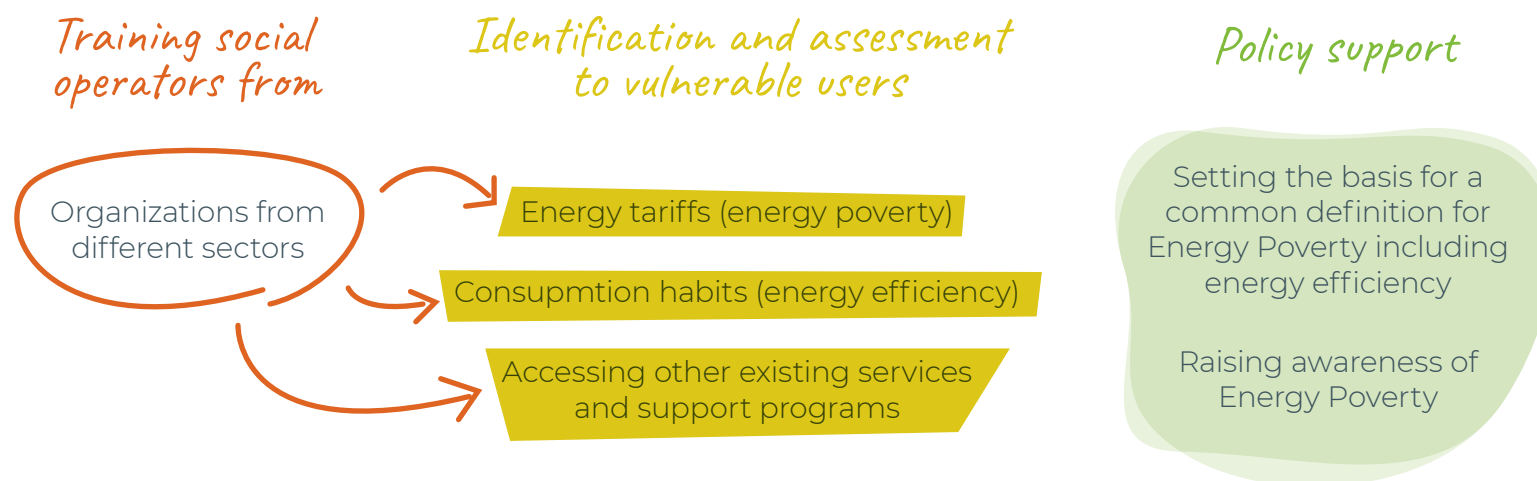
In order to start with the model, the **next steps** will be followed:

1. Ensuring the conditions of operation, financial planning (definition and allocation of tasks, identification of resources, setting of objectives).
2. Selection of a coordinator, CAH would take on the task.
3. Further negotiation with key stakeholders to be involved. During the interviews, specific interest has already been expressed by: Habitat for Humanity Hungary; Hungarian Charity Service of the Order of Malta, Hungarian Network of Eco-counselling Offices (KÖTHÁLÓ); Energiaklub Climate Policy Institute, Climate Alliance Hungary members, nevertheless, no concrete arrangements have been done. Some of the potential stakeholders have stated that they need to know what the training material will be in order to accept to cooperate or be part of the network.
4. Transfer of training material to Hungarian context, translation into Hungarian. All training materials, tools and resources will be adapted from the existing ones of the ASSIST model.
5. Recruitment of consultants.
6. Training of energy consultants (2-3 per county).
7. Monitoring, evaluation, adaptation of training as needed.

## Objectives and functions

The main objective of the model is to implement the entire resources and methodologies from the ASSIST model at **national level**, meaning that after training materials are adapted and translated to the local language, this training will be launched through the established network of organisations in order to provide social operators with the specific knowledge to assess people suffering or in risk of suffering from energy poverty situations.

The trained energy consultants will be able to **identify situations of energy poverty and provide the necessary support** to the affected people. This support will not just include some tips for reducing energy consumption and on how to consume in a more efficient way, since studies have shown that precisely energy poor people tend to already have low energy consumption. Therefore, the energy consultants will also help people accessing other existing services and support programs which could help them more.



**Figure 1:**  
Network working structure



Moreover, the model will try to continuously **bring together new organizations** to work together, and will increase their efforts in involving both the public and the private sector. At the moment, the public sector is interested, nevertheless, they do not count with the necessary resources to commit, and as for the private sector, lobbying work will be made and similar collaboration will be shown as an example to enhance their participation. Therefore, at first the intention will be to have a **public-private** model.

It is worth noting, that the creation of the **EU-network** (see **“Potentiality of building a EU-Network of energy agents”** and **Annex 2**) will act as a catalyser to enhance the participation of other actors, since the idea has had a great positive acceptance at European level by other existing initiatives and Hungary will be a pioneer to it, being one of the first national network of HEAs (Household Energy Advisor) to be part of it.

## Stakeholders' needs covered by the model

Based on preliminary mapping, the following stakeholder needs have emerged and will be addressed by the proposed model:

1. **Training material in Hungarian** • One of the key elements of effective training is to provide participants with training material in Hungarian. This not only makes the task of the trainees easier, but in many cases it is also an essential criteria, as foreign language deficiency is a common problem in Hungary. If Hungarian language material is not available, the number of people who can be involved in counselling may be significantly reduced.
2. **Effective, tailor-made responses** • It is important that advisers are able to provide practical, rather than theoretical, and

genuinely useful answers to the question/problem at hand, and that the answers are effective/feasible solutions in the given context. It is also important that the training material is adapted to the needs and problems of the different target groups. People living in extreme poverty, housing poverty, approach advisors with fundamentally different questions and options (or lack thereof) than a non-disadvantaged person/family living in energy poverty to some extent; this range is very wide. It is also important to differentiate between rural/urban/regional areas, as this also has a major impact on the problems and opportunities of target groups in different areas.

3. **Modules** • A ready-made, developed module or framework that responds to a given problem. It would be important not to leave it to the consultant to work out in detail an effective solution matrix. Obviously, personalised advice can be refined based on knowledge of local conditions, opportunities and interfaces, but a kind of “module database” would be useful.
4. **A secure operating base** • The structure of the HEA system in Hungary will need long-term, ongoing funding. Counselling can operate on a well-paid basis. That is way the model will be built by putting together organization that already work in the social and civil society sectors, and will try to get funding from different existing sources (see **“Sustainability of the model”**)
5. **Defining the scope of action** • In a given assessment situation, it will be key to clearly define what is the scope and role of the HEAs, since it may be different for a social actor or an public administration official (e.g. a municipal employee or a public family support worker can be involved in the start-up of social assistance, whereas an NGO has no such right.)

## Procedure and offered services

1. Adapting and translating the training material according to the local context.
2. Introducing the Network and training scheme to the different organizations interested in being part of the National HEA Network. During this process, the different social operators will be trained to become HEA consultants.
3. The HEA consultants, belonging to different organisations, will reach the vulnerable users through different targeted communication activities (e.g. leaflets, media, and promotion to the public social network). Each of them according to the specific channels and means used by their organization. Moreover, they will make use of their existing databases and ongoing programs to reach users which are harder to reach.
4. Finally, services to vulnerable consumers will be performed by network partners, thus being independent from each other, resulting in different procedures and services according to the specific organization performing them. Nevertheless, all actions and services will be focused on addressing energy poverty and energy efficiency issues, even though depending on the organizations' expertise area they will be focusing more on some sort of actions and less on others.

The concrete workflow and procedures of the National HEA Network will be more defined when actually building the network, since concrete agreements will need to be reached with the different involved actors for the definition of the different responsibilities.

## Offered services

- Energy contracts and Tariff's assessment (bills)
- Tips on habits at home for reducing energy consumption
- Information on existing public benefits user can access to

## Training and accompaniment

As for the training, it is expected to train 50 advisors along the two years.

The training is planned to be 100% online, consisting of a course of between 25 and 35 hours depending on the necessary adaptations to be made to the Hungarian context. The course will be designed to provide the necessary resources and tools for the identification and proper assessment of energy poverty situations.

## SWOT matrix

The following SWOT matrix is drawn taking into consideration the local context of Hungary, the expertise and lessons learnt from the implementation of ASSIST and all the input provided by the different actors participating in the focus group and interviews. It consists of the identification of Strengths, Weaknesses, Opportunities and Threats that will be included in the further overall analysis to help to determine different strategies to follow in the decision-making process.

## Strengths

- Easy to involve social actors.
- Direct access to target groups through already existing organisations.
- Direct contact of the involved organisations with people living in extreme poverty.
- Local/people knowledge of field advisors.
- Climate of trust.
- Useful experiences with Hungarian participants through international projects on energy poverty.
- Positive evaluation of the ASSIST model.

## Weaknesses

- Limited involvement of municipalities.
- Limited domestic tendering opportunities.
- Lack of public energy awareness and knowledge.
- No designated "responsible person" in the public system for energy poverty.
- Turnover in the civil sector due to low salaries.

## Opportunities

- The approach to energy poverty is still quite new, so there is an opportunity to contribute to laying the foundations.
- New European funding cycle.
- Awareness rising.
- New area of knowledge for consultants.

## Threats

- Resource-poor municipalities (centralisation, COVID)
- Residential energy efficiency programmes and loans are not available to all, and do not reach those most in need
- Private sector involvement is a question.

## Potential Users

As already stated there is not a unified definition for energy poverty in Hungary, but poverty levels are very high affecting vulnerable people in very different manners. In Hungary, energy poverty cannot be addressed without addressing housing poverty and debt management, in case of people living in extreme poverty.

A greater reach is likely to be achieved among those who have some financial resources to achieve energy-saving, energy-efficient solutions (e.g. creditworthy, eligible for public subsidy programmes, etc.).

In order to be able to reach vulnerable people, the model will make use of the existing NGOs and charities working on the ground with different types of poverty situations. This way, it is expected to reach **between 500 and 750 people.**

## Stakeholders Consultation

The aim of having a focus group session and interviews with different actors, representing different sectors that may play a role in the overall proposed model was to validate its viability. As already stated, the model pursues a **national coverage**, mainly counting on existing NGOs and charities that are already involved in counselling and field work.

With this purpose, interviews were held in April, May and June, while the focus group session was held on the 12th of May including different actors from different sectors.

Relevant information and data were gathered through internet research and analysis of different potential stakeholder groups and to better understand the general situation of energy poverty in Hungary. As a result, a list of potential stakeholders was compiled in Hungary, including NGOs, charities, municipalities, and professional policy institutes (NGOs). In addition, in order to obtain a more complete picture, the Ministry of Innovation and Technology, which is responsible for climate change issues, the Ministry's Research and Decision Support Office (National Adaptation Center - Climate Change Planning and Strategy Unit), a national energy supplier (EON) and a market analysis and consultancy company (Ariosz Consulting Ltd.) were contacted.

As the table below shows, the Scalability Plan was improved and validated by representatives of both the public and the private sector. Through the focus group session it was possible to contrast different points of view from the economic, the public and the social perspective, allowing to shape a plan that not only foresees for its sustainability but it addresses in the best possible way the existing needs of vulnerable people in Hungary.

**Table 1:**

List of participants to the Focus Group Session and interviews



11 people

### Focus Group Participants

1. Habitat for Humanity HU
2. Hungarian Charity Service of the Order of Malta
3. Hungarian Network of Eco-counselling Offices (KÖTHÁLÓ)
4. Energiaklub Climate Policy Institute
5. Municipality of Szeged
6. National Adaptation Center - Climate Change Planning and Strategy Unit (NAKFO)
7. Ariosz Consulting Ltd. (STEP-IN project)
8. Climate Alliance (CA)
9. Climate Alliance Hungary (CAH)

12 people

### Interviewed actors

1. Habitat for Humanity Hungary
2. Hungarian Charity Service of the Order of Malta
3. National Society of Conservationists – Friends of the Earth Hungary
4. Real Pearl Foundation
5. Hungarian Network of Eco-counselling Offices (KÖTHÁLÓ)
6. Energiaklub Climate Policy Institute
7. Győr-Moson-Sopron County Local Government
8. Municipality of Szeged
9. Ministry of Innovation and Technology (ITM)
10. National Adaptation Center - Climate Change Planning and Strategy Unit (NAKFO)
11. EON Energy Services
12. Ariosz Consulting Ltd. (STEP-IN project)

Based on the picture that emerged from the interviews conducted, the groups of potential stakeholders to be involved in the Scalability and Delivery model in Hungary are:

- **NGOs** – Actors active and experienced in advisory, awareness-raising and field work, well-established in the field (climate protection, social issues), with an established direct link to groups affected by energy poverty. Furthermore, organisations working on policy, research and surveys on energy/energy poverty. NGOs in Hungary are generally very resource-poor and project-dependent. National funding for NGOs is rather limited, so they seek international partnerships too. The head of KÖTHÁLÓ also participated in the interview; although this network is currently inactive due to lack of resources, it is **open to cooperation**. KÖTHÁLÓ was established in 1997 by experienced environmental NGOs providing free ecological advice to the general public, with 19 offices across the country, accessible in person, by telephone, and by e-mail.
- **Charities** – Active and experienced in consultancy and field work, well-established in the field, with a network with national outreach. It is able to reach mainly those living in extreme poverty, i.e. those most affected by energy poverty. The trust and experience already built up between the staff of the charity and the affected population allows it to provide effective advice. The Hungarian Charity Service of the Order of Malta, which has a close relationship with the State, as reflected in the support it receives and the tasks it performs, was involved in the interview. In February 2019, the Government launched a long-term, comprehensive programme called “Catching-up Settlements” to help the 300 most disadvantaged settlements to catch up, and appointed Miklós Vecsei, Vice-President of the Hungarian Charity Service of the Order of Malta, as Prime Minister’s Commissioner to lead the programme. The implementation of the programme is coordinated by the Hungarian Maltese Charity Service, with

the cooperation of church and civil organisations (including the Real Pearl Foundation, interviewed during the interviews). The programme is still ongoing, with the municipalities being involved in phases: in 2019, 31 municipalities were involved in the catch-up measures, and in 2020, 67. The municipalities concerned are home to 320,000 people. The sites selected under the programme are concentrated in the north-east and south-west of the country, where economic underdevelopment and skills shortages are combined with a concentration of social problems.

- **Village and farm manager network** – An operational, state-funded (normative subsidy) national network services, operating in municipalities in rural areas of less than 800 inhabitants (by 2022 it will operate in municipalities of less than 1000), currently employing 1500 public employees. This service is a form of primary social care. The training of the network’s staff is currently the responsibility of the county municipalities; the possibility of linking the current training provided here with ASSIST training (synergy) should be explored in the future, as previously stated, some stakeholders need to see first what the training materials will be like.
- **Municipalities** – Although it is a question whether municipalities can participate in this kind of consultancy from the point of view of budget, decision-making and manpower (it depends on the possibilities and commitment of the given municipality), the majority of the actors interviewed **consider their involvement important**. At present, due to the centralisation and reallocation of resources by the state, many public administrations are under-resourced, overworked and understaffed. This situation has been made even more difficult by the COVID pandemic, which has led the State to take additional taxes, revenues and resources away from local authorities.

- **Family support service** – The task of the services run by municipalities in the form of regional associations is, among other things, to provide social care (including counselling) to families and persons with social problems living in their area of operation. They are in direct contact with the target group; their workload, according to both field workers and municipal actors, is considerable. It is possible, but uncertain, whether they can be included in the system.

All the sectors interviewed confirmed the validity of the model. They see the development of such a scheme as very useful and beneficial, as it would help to support people living in energy and housing poverty in a number of ways. At present, there are actors that have been providing this type of sub-counselling for a longer or shorter period of time, but it cannot be considered as a coherent process or solution with a high impact.

The energy supplier EON involves the Maltese Charity Service in its own programmes in the areas where it operates, which is essentially - in a kind of intermediary role - constantly present in the affected areas. Prior to the upcoming planning periods, the charity is regularly consulted on what new points of contact and tasks it sees in connection with the target groups. The service provider also tries to involve local authorities in problem areas, with limited success. In general, local authorities are not involved in solving problems, but rather see it as a task for the service provider (e.g. theft of electricity, irregular connections, etc.). By its own admission, EON is also trying to address energy poverty from a social perspective - at system level.

Another important issue highlighted in several interviews is that energy poverty among people living in extreme poverty often **cannot be addressed separately from housing poverty or debt management.**

The following public and private actors have shown their interest and willingness to collaborate or to enter into further collaboration

discussions for the implementation of this Scalability and Delivery model in Hungary. (see [Annex 3](#))

## Economic viability of the scalability plan

- On the one hand, the **human resources** needed to establish the network and prepare the training will amount to **60.000,00 EUR** for the two years plan, by incorporating a:
  - A national coordinator (coordinating organisation) to coordinate the activities of the HEA Network.
- On the other hand, other **implementation costs** will amount to **67.125,00 EUR** and will include:
  - Setting up an expert stakeholder group to facilitate professional decision-making on network tasks and activities. This includes professional support, experts support in the adaptation of the training material, setting of objectives, and definition of the different types of energy poverty and how to address them.
  - Setting up and launching the network in Hungary. This includes the adaptation of the training material in Hungarian language, adapted to the Hungarian context and the recruitment of consultants.
- As a result, the total estimated necessary **financial resources** amount to **127.125,00 EUR** and are summarized in the following table:



**Table 2:**

Total estimated costs for the implementation of the Scalability and Delivery model in Hungary



Concept	Amount
Human resources (management, network support, HEA supervision)	60.000,00 EUR
Technical implementation and IT support for the learning platform	3.00,00 EUR
Update of training course for online learning, adaptation and translation of the training course and it's materials in Hungarian	7.000,00 EUR
Expert stakeholder group and network activities (management tools, webinars and meetings, site visits and networking tools, virtual office)	50.125,00 EUR
Communication campaigns, communication materials, online tools	7.000,00 EUR
<b>TOTAL COSTS</b>	<b>127.125,00 EUR</b>

In order to finance the implementation of this scalability model, it will be intended to make use of some of the possible options detailed in the “*Sustainability of the model*” point. It is worth noting that currently in Hungary, national funding is very limited, therefore, international funding is definitely needed to set up the advisory system.

## Steps to reach the financing and set up the model

- In order to guarantee the necessary financial resources for the proper implementation of the scalability and delivery model, the following step will be followed:
- Keep in constant update to the interested stakeholders to reach their commitment with the project.
- Identify and contact new potential stakeholders.
- Set meetings and focus group sessions, if necessary, with the interested stakeholder for discussing more concrete contractual and collaboration issues, presenting new information such as the training materials.
- Negotiate and reach collaboration agreements, setting requirements, justification material and defining responsibilities.
- Have a common meeting with the committed stakeholders (public and private) for defining rules and obligations in order to avoid any misunderstandings.

The Gantt chart on [page 20](#) plans the different tasks to ensure the financing of the initiative.

## Sustainability of the model

The **municipal sector** is underfunded and centralised. While central cuts are significant, the range of tasks outsourced to municipalities is growing. This means that municipalities now must prioritise how much extra spending they take on and for what purpose.

The **civil sector** is mainly dependent on grant funding, and the level of financial support from the general public (e.g. membership) is negligible (not measurable). Central, national funding for grants has been decreasing for years and the amounts available for such purposes have been diminishing year by year.

Based on the information received during the interviews, the following options are currently envisaged for the sustainability of the model.

1. **Energy efficiency obligation scheme (mechanisms requiring energy efficiency measures)** – In order to meet the energy reduction targets set in the National Energy Strategy and EU legislation, the government has introduced a new regulatory instrument: the Energy efficiency obligation scheme, which came into force at the beginning of 2021, requires energy suppliers (electricity, natural gas and transport fuel traders and/or universal service providers selling to end-users) to save energy in proportion to the energy they sell to end-users. Energy savings can be achieved through verified energy efficiency measures and investments. During the interview with the Ministry, it was suggested that the interest of the service provider side in the scheme could provide a basis for the involvement of energy companies in the ASSIST financing structure.
2. **Normative support** – As the civil and municipal sectors do not provide potential financial backing for such a scheme, the possibility of (partial) public funding is a line worth further discussion. This could be based on EU and national commitments, strategies and the new planning period.
3. **Project support** – In the new funding cycle, it will be necessary to monitor the opportunities for calls for proposals to part-finance and support the operation of the network.

4. **Energy providers** – EON has been working with the Hungarian Charity Service of the Order of Malta for many years. The company involves the charity in pre-defined programmes under a grant contract, including direct field counselling to people in need. The involvement of service providers in the model will be explored in more detail in the future.

## Dissemination Strategy

Climate Alliance Hungary (CAH) has an extensive dissemination base and network of contacts. Therefore CAH member organizations and member municipalities (local authorities), will be involved in communication activities, having a national reach. Moreover, green NGOs and networks will be mobilised, thanks to a long history of cooperation in Hungary for more than 30 years.

Additionally, during the interviews, several stakeholders expressed their interest in the possibility of getting involved; therefore, it is intended to count with the communication channels of all involved stakeholders, in order to gain visibility in a cross-sectorial manner.

The main communication **channels** will be:

- A well-established communication platform from CAH, the “Klí mavé ddVelem” Facebook page (<https://www.facebook.com/KlimaveddVelem>), which currently has more than 69,000 followers.
- Other CAH and involved stakeholders’ social media channels.
- Regional media, with which CAH has a good relation.
- The **Climate Alliance Hungary website and the ASSIST website** as well **Social Media accounts** (twitter) will be used to spread the word and inform the participants.

These existing channels already count with a significant number of followers and the ASSIST name is already known in the sector at EU level. Climate Alliance will support by spreading the news on the EU level in case of relevant activities.

## Communication and Branding

The main communication vision will be that through the HEA network, CAH and its partners contribute to alleviating energy vulnerability in Hungary. Supporting message will be that participating municipalities directly support their citizens in living more sustainable and healthier homes, using less energy, and reduce their energy costs and thus invest in the future of their children.

In this line, the **target groups** for direct communication will be:

- Municipalities.
- Environmental and social service NGOs.
- Vulnerable citizens of the municipalities where the HEA network will be active.

In order to directly reach the contacts and experts present in the administrative and institutional structure, the already established cooperation with the Ministry of Innovation and Technology, the Győr-Moson-Sopron County Municipality, the Association of Climate Friendly Settlements and Energiaklub, will be used.

# Planning and Monitoring

## Specific objectives

As already stated, each local scalability plan will count with specific objectives and indicators to be accomplished along the implementation of the plan for the next 2 years, starting in 2022. This Scalability plan aims to:

1. Scale at **national level** – even though the initial intention is to start small (regional), the collaboration with national partners is foreseen, therefore resulting in a plan with a “national” coverage.
2. **Train 50** advisors, approximately 2 to 3 per county (Hungary has 19 counties), these advisors will be social operators either social actors from NGOs and charities or public social workers, the idea is to have representatives from different organizations and sectors as a way of having a wider coverage of the model in terms of vulnerable people.
3. **Support between 10 and 15 vulnerable people per advisor**, which means between 500 and 750 people.
4. **Count with the support of local, regional, and national entities** mainly existing NGOs and charities that are already working on the field. The ideal objective will be to get to involve some municipalities (as stated before, right now it is not the best moment).
5. **Find the necessary financial resources** for the proper implementation of the scalability plan. The project aims to

count with a public-private collaboration in terms of both financial and non-financial resources. As stated above, for finding the necessary financial resources, more meetings and further negotiations will be held with key stakeholders, to find a perfect balance collaboration point, which will guarantee the necessary financial resources for the implementation of the plan. In Hungary's current situation national funding is very limited, therefore, international funding is definitely needed.

6. **Secure the sustainability of the project in the long run** mainly by securing the financial resources. This objective goes in line with the fifth objective; therefore, similar actions will be done such as constant stakeholders mapping and negotiation with the most interested ones in order to set collaboration agreements. Moreover, always high-quality training material and assessment will be done and satisfaction questionnaires will be fulfilled by the end-users in order to show the real importance and impact the project generates.
7. **Adopting the Covenant of Mayors' Energy Poverty Indicators.**

Besides, the ongoing project POWERPOOR (2020-2023) from ENERGIACLUB's shows synergies with the ASSIST system, which could facilitate the dissemination of the model in Hungary. The first advice office was opened in Nagykanizsa, therefore, one of the objectives of the implementation of the ASSIST model in Hungary, will be to actually seek for these synergies, taking advantage of existing initiatives that allow a smoother implementation.

## Indicators and evaluation mechanisms/strategies

The following indicators and evaluation mechanisms will be followed in order to (1) guarantee the correct implementation of the proposed plan, together with the accomplishment of the expected objectives, and (2) for influencing both the policy makers and the people accessing the services in order to catalyse change and action.

**Table 3:**  
Indicators and evaluation mechanisms



Expected Objectives	
Geographical coverage	National
Number of trained advisors	50 advisors
Attended users	500 – 750 people
Number of stakeholders involved (private and public)	6
Municipalities commitment level (none – promised to have a look - just dissemination – implementation – policy adaptation)	Policy adaptation
Private sector commitment level (none – promised to have a look – just dissemination – non-financial – financial)	Financial and non-financial

### Environmental and social factors

Reduction in energy consumption (kWh)	Not applicable
Reduction in CO <sub>2</sub> emissions (CO <sub>2</sub> tons)	Not applicable
Comfort level improvement	Not applicable
Increase operator's empowerment	High
Increase users' empowerment (i.e., decreased vulnerability to the energy market) (qualitative)	High
Public acceptance of the model (qualitative)	High
Social operators' satisfaction (qualitative)	High
Training material usefulness (qualitative)	High

Indicators will be checked in a constant manner in order to identify possible deviations and apply the necessary corrections with time and in an effective way. It is worth noting that some of the indicators, the social ones, will be measured through the elaboration of questionnaires that will be fulfilled by the end-users after the energy assessment and also by the social operators who receive the training and do the identification and assessment services.





### Gantt for the Scalability Plan of Hungary

ID	Activity	YEAR 0	YEAR 1												YEAR 2												YEAR 3	
		MONTH 0	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	MONTH 25+	
5.	Recruitment of consultants																											
6.	Training energy consultants																											
7.	Communication and Dissemination																											
8.	Monitoring and Evaluation																											
9.	Sustainability of the model																											
9.1	Presentation of the project results																											
9.2	Search for new potential collaborators																											
9.3	Negotiation with potential stakeholders																											
9.4	Elaboration of written collaboration agreements																											
9.5	Updating and optimizing the training material																											
10.	Replication of the model in new regions																											
10.1	Stakeholders Mapping																											
10.2	Contacting new potential stakeholders for replicating the model																											

### Milestones

The Hungarian Scalability and Delivery model has established the following milestones:

1. Ensuring the conditions of implementation, adoption of the Covenant of Mayors' Energy Poverty Indicators.
2. Creation of the stakeholders group
3. Adaptation of training material
4. Selection and training of consultants
5. Monitoring & evaluation

### Controlling strategies

It is intended to keep a constant control of the overall project along its lifespan, in order to foresee any possible deviations and correct them in a timely manner, following the continuous improvement principles. Therefore, the following controlling strategies will be followed:

- **Managerial follow-up:** monthly meetings will be held with the project stakeholders for general financial and managerial issues. Independently, internal meetings will be held with the social operators, in case things are unclear or suggestions arise.

- **Indicators check:** some milestones will be set at the beginning of the project regarding the expected achievement of the project indicators, so every 6 months; indicators will be checked to see how the implementation is going. The idea is to follow the Earned Value methodology.
- **Reporting activities:** every 6 months a project status report will be done, concerning all different aspects of the project.
- **Reviewing the identified risks:** every time a new risk is identified the risks table will be updated. On Managerial monthly meetings, participants will be asked if they have identified any risk or foreseeable risk. Risks will be monitored and controlled along the project's lifespan, especially the high severity risks.
- **Apply preventive and corrective measures:** in case any risk is materialized the corresponding corrective or preventive strategy defined will be implemented.

## Risk Management

The table below summarizes the identified risks, and details a response strategy for each of them. From the 7 identified risks, 3 of them are considered of high severity, 3 of medium severity and 1 of low severity, this categorization will determine the prioritization of the risk both in terms of controlling and monitoring and in response.

**Table 5:**  
Risk analysis and  
management

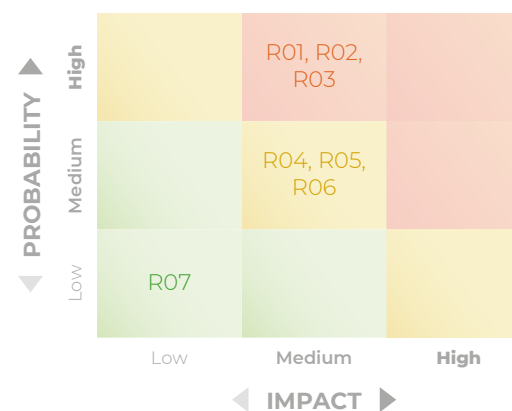


Risk Qualitative Analysis						Response Plan				
ID	Risk	Probability	Factor	Impact Factor	Severity	Name of the response		Description of the response	Strategy	Action
01	Limited involvement of local governments	70%	3	2	6 High	Defined stronger approaching strategies, involvement of municipalities in the network, joint lobbying at national authorities for a coherent energy poverty strategy		Have more effective strategies to approach the municipalities that have shown interest in supporting the network financially and at decision-making level	Mitigate	Preventive
02	Difficulties on getting resources from the municipalities (now underfinanced due to centralization and the Covid19 situation)	70%	3	2	6 High	Be aware of the current situation		Municipalities are expected to recover their own revenue sources in the post-COVID recovery period. Be aware of when this happens to act.	Accept	Corrective
						Raise awareness of new support programs		Raise awareness among decision-makers of the shortcomings of energy efficiency support programmes	Accept	Corrective

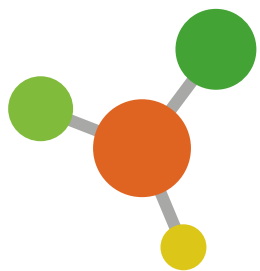
Risk Qualitative Analysis						Response Plan				
ID	Risk	Probability	Factor	Impact Factor	Severity	Name of the response	Description of the response	Strategy	Action	
03	Lack of commitment of the private sector	80%	3	2	6 High	Liaise with private sector representatives	Present ready-made training programme and set-up network when asking for funds	Mitigate	Preventive	
04	Lack of public awareness and knowledge on energy poverty	50%	2	2	4 Medium	Strong communication, joint lobbying at national authorities for a coherent energy poverty strategy	Develop strong communication materials to raise awareness regarding Energy Poverty	Accept	Corrective	
05	Turnover in the civil sector due to low salaries	40%	2	2	4 Medium	Lobby for possible funding	Develop employee success recognition system	Accept	Corrective	
06	Lack of commitment of the civil sector due to political fragmentation	30%	2	2	4 Medium	Strong communication, joint initiatives in energy poverty to establish mutual interest	Involve all interested parties in setting up the training programme and network when asking for funds	Mitigate	Preventive	
07	Negative perception of a new initiative on a field with almost no funds available - CAH can be perceived as competitor	15%	1	1	1 Low	Strong communication, joint initiatives in energy poverty to establish mutual interest	Setting up an inclusive profile network with open structure, strong communication	Mitigate	Preventive	

## Impact – Probability matrix

Through the use of the impact- probability matrix, it will be possible to identify the existing priority risks throughout the project through Severity, which is calculated by multiplying the corresponding probability and impacts defined for each identified risk. This matrix allows having a more visual image of the identified risks, making it easier to have a special focus on the high severity risks.



**Figure 2:** Impact – Probability matrix



# SUITE



**Climate Alliance**



**CEEC**  
Clúster de l'Energia  
Eficient de Catalunya



This project has been supported by the European Social Catalyst Fund which has been established and co-funded by the European Union's Horizon 2020 Research and Innovation Programme, Genio, the Robert Bosch Stiftung and the King Baudouin Foundation