



***Project preparation practices and a concrete project idea of LNG-CNG urban transportation***

# Our team in the CE

## Where we operate?

**Sustainability Consulting Central Europe** helps our private and public sector clients expand their perspective from one-dimensional, profit-oriented to multidimensional one, taking into account their wider economic, social and environmental impact. We help our clients design, execute and report their sustainability strategies, and support them in their transformation to become more responsible businesses. This fits well with Deloitte global purpose statement of “making impact that matters”.

We are a Centre of Excellence for the CE Region in an area of sustainability and a group of experienced consultants with diverse educational and professional background (e.g. economic, environmental engineering, communication, management, public policy, accounting, risk & compliance) providing a significant portfolio of relevant services.

Currently we have got over 20 team members based in Warsaw and a number of consultants across the CE, including among others Hungary, the Czech Republic and Slovakia. The Sustainability Consulting Central Europe is led by Irena Pichola, a Partner based in Poland and supported by the Deloitte’s Partnership in other CE countries.



# What do we do?

## Selected areas of focus

### Sustainability and environment:



Economics



Impact



Relations



Transformation

- Non-financial and integrated **reporting**
- **LIFE project proposals**
- **Assurance** of non-financial reporting & other non-financial data
- Measurement of the organization's/industry/issues **impact**
- Management of relations with stakeholders
- **Sustainability strategies**
- Environmental performance, **energy efficiency** and low-carbon economy strategies; **circular economy** solutions
- **Ethics** management system
- Sustainable management of the **supply chain**
- Foundation and **social programs**

### Climate change



Mitigation



Adaptation



Risk Assessment

- **Climate finance** advisory for developing country investments
- **Climate strategies** for public and private sector
- **ISO50001, energy audit and energy efficiency** related services
- **Climate risk assessments** and environmental impact assessments related to EU funded infrastructure

### Communications



Reputation



Influence

- Strategic communications, employer branding, social dialogue for investments, change management communications, crises communications

# Personal background



**Máté Olti**

Economist | International relations analyst

Senior consultant

January 2014 - June 2016: climate policy desk officer, then Head of Unit, Department for Climate Policy, Ministry of National Development, Hungary. Responsibilities:

- as desk officer, Participation in the elaboration of Hungary's position on climate policy issues, mainly the EU's 2030 climate and energy policy framework, market stability reserve, Energy Union (National Energy and Climate Plans), CO2 emissions of air and maritime transport
- as Head of Unit, the coordination of the development of Hungary's climate policy legislation and strategies, including the ones dealing with climate adaptation and the preparation of climate policy reports based on international and EU legal obligations. E.g. second National Climate Change Strategy, Hungary's Second Biennial Report under the United Nations Framework Convention on Climate Change (UNFCCC).

July 2016-: senior consultant, Sustainability and Climate Change Service Line, Deloitte Hungary

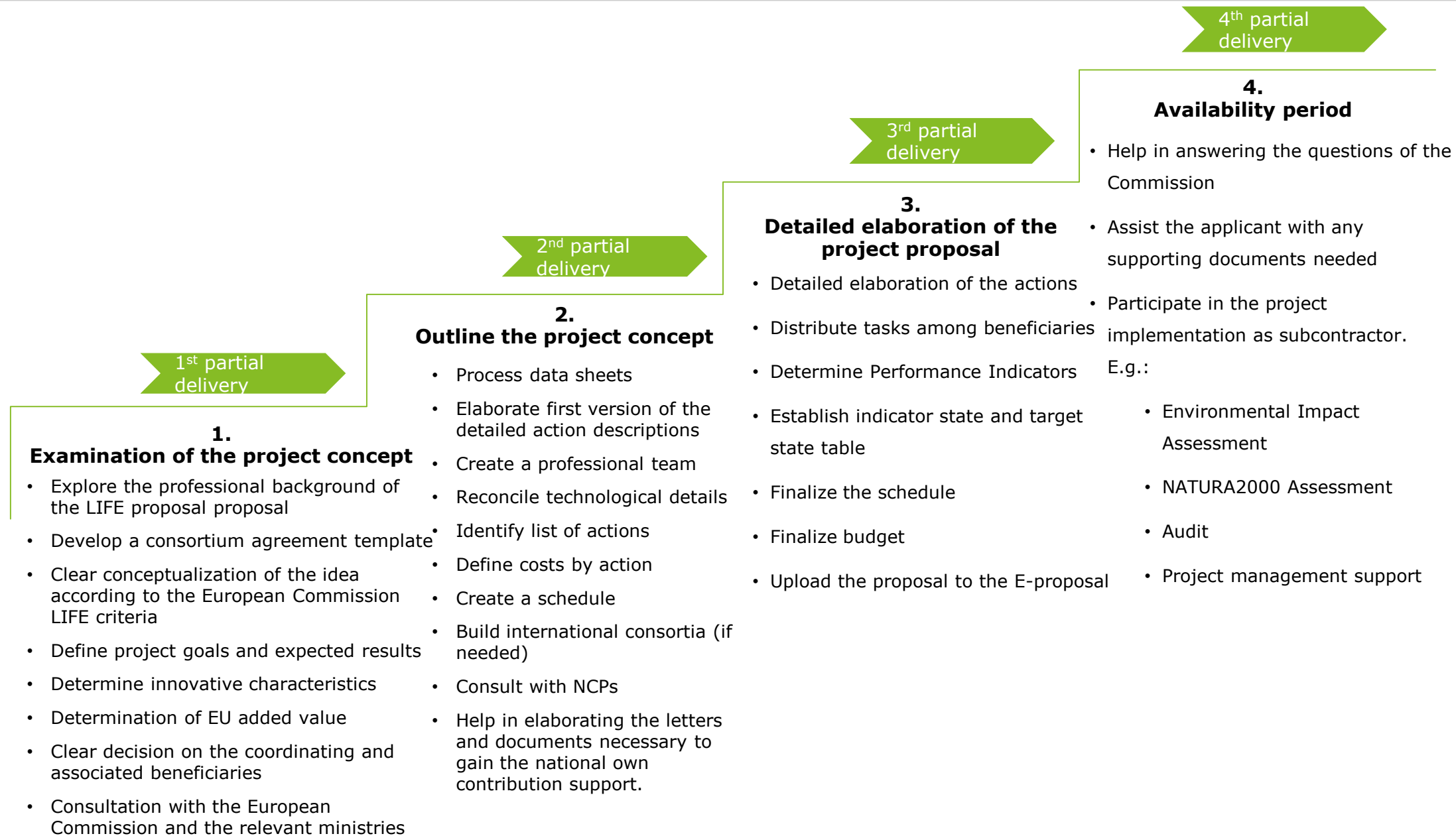
## **LIFE experience:**

January 2014 - June 2016: LIFE Climate Action National Contact Point (NCP) in Hungary and Primary Contact Point (PCP) for the European Environment Agency „Climate Change Impacts, Vulnerability and Adaptation” and „Mitigation of Air Pollution and Climate Change” National Reference Centres (NRCs).

2015- July 2016: Elaboration and deputy project manager of Hungary's LIFE Capacity Building project

2016-2017: Elaboration of project proposals in different fields: agriculture (ENV), water management (CCM), renewable energy (CCM), transport (ENV), forestry (NAT), waste management (ENV)

# Professional consulting process



# Deloitte Added Value

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- Linking the project topic with the proper priorities within LIFE Sub-programmes
- Particular attention is paid to coherence and the development of mutually reinforcing actions that help to develop a realistic project duration and data collection
- The detailed, clear, yet concise presentation of the novelty or innovative character of the proposed technology highlighting the EU added value – why the proposed technology is better than other technologies or how it can be realized.
- Developing / examining the size of the project budget according to the objectives of the project.
- Precise description of the target audience and stakeholders
- Clarify the cost of the project's communication elements.
- Clarify the location of each project action
- Develop the schedule of the application
- Definition of preparatory activities.
- Clear indicators such as progress indicators and measurable result indicators for each project.
- Strategy-oriented development.
- Find and develop additional possible synergies with other existing projects.
- Insert the necessary procurement processes and outline the possibility of green public procurement.

# Some typical faults – Based on case studies

## AW1 - Technical coherence and quality

The pre-operational context lacks a clear description of the city/town vulnerability

The registered patent is not sufficiently elaborated, and no concrete location was identified for the demonstrator.

The link between the demonstration, a planned strategy and the Climate Change Action Plan is not sufficiently developed.

The proposal fails to reflect on still ongoing relevant EU-financed projects.

The audience of the dissemination effort is not clearly identified or quantified, and the proposal does not include a Networking action with other LIFE projects, as requested in the Guidelines for Applicants.

The proposal lacks the exact roles and responsibilities of the project management team.

The expected results are not detailed enough because neither a baseline, nor relative figures are included.

The proposal does not fully make clear which permits and authorisations are needed to perform the work.

The business plan to upgrade the demonstrator to full scale and for its long-term operation is not sufficiently reflected in the proposal.

# Some typical faults – Based on case studies

## AW2- Financial coherence and quality

External assistance costs represent a significant part of the budget but lack both description and justification.

Major construction activities and all dissemination actions do not foresee any personnel input.

The project does not present value for money, because it is mainly dedicated to the update of an existing system without sufficiently justifying its demonstration dimension.

The proposal has considered other funding sources only related to Horizon 2020.

**Several items listed under external assistance costs are likely to contain items that should be listed as durable goods**

**Prototype status of the tool is not sufficiently justified, it should be considered as equipment and adequately depreciated.**

The proposal does not sufficiently clarify whether the rules for public/private tendering will be applied.

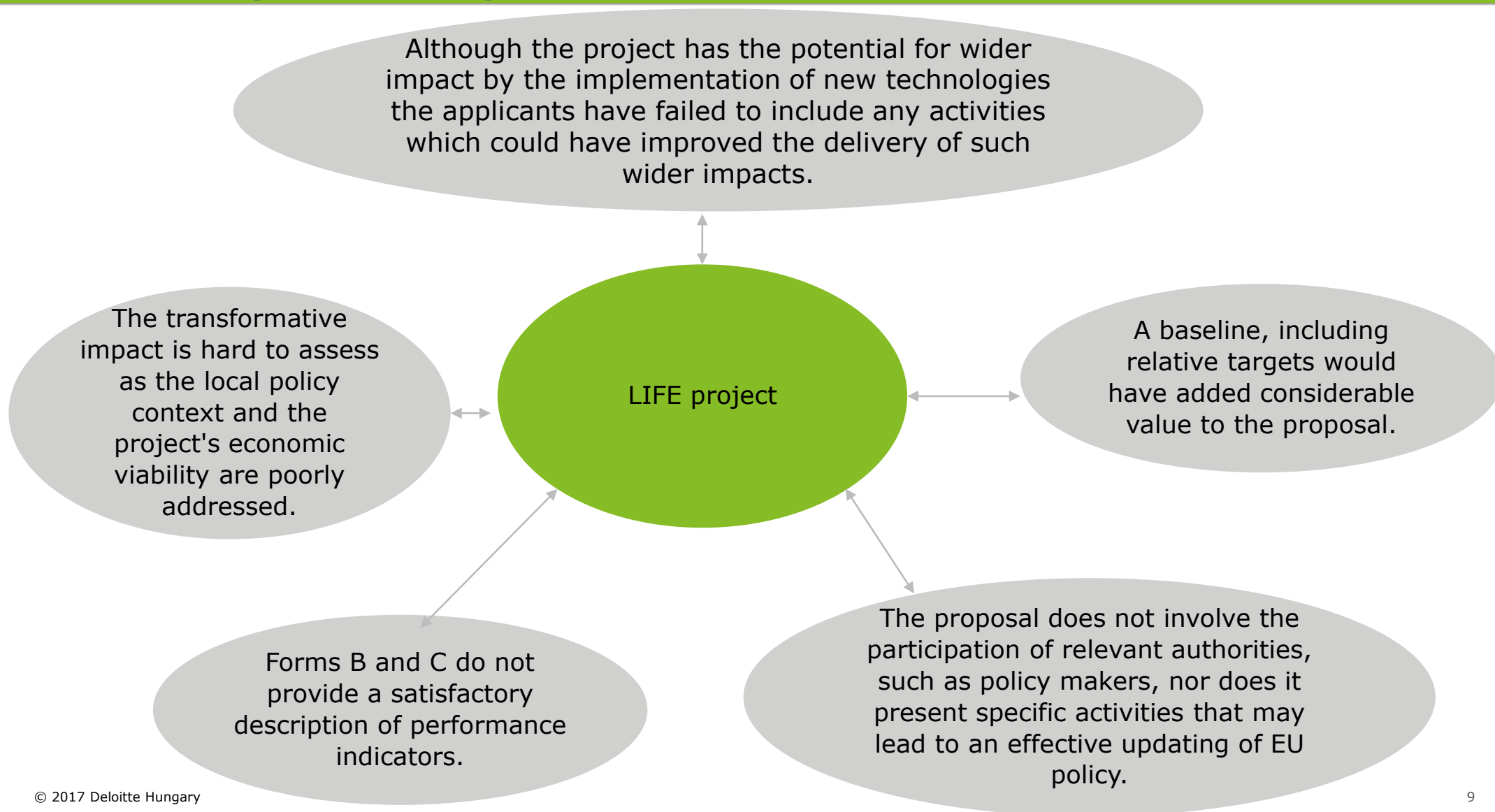
Although the proposal states that other EU funding sources have been previously considered, the explanation provided is deemed insufficient to assess that assertion.

The person-days allocated would allow 22 full-time positions, which is not considered reasonable in comparison to expected outcomes.



# Some typical faults – Based on case studies

AW3- EU added value: Extent and quality of the contribution to the specific objectives of the priority areas of the two LIFE sub-programmes/Extent and quality of the contribution to an increased climate resilience and/or to the reduction of greenhouse gas emissions



# Some typical faults – Based on case studies

AW4- Contribution to the project topics/Extent and quality of the contribution to the specific objectives of the priority areas of the LIFE sub-programme for Climate Action

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The proposal only indirectly targets the policy priorities for 2016 of the LIFE sub-programme for Climate Action.

The project proposes an integrated approach to the circular economy concept, through the adoption of several procedures/technologies, but not enough evidence of the state of play is given and novelty is not demonstrated.

The proposal fails to make a link with the Covenant of Mayors for Climate and Energy despite the city having recently joined it.

If successfully implemented, the project could contribute to the implementation of Community environmental policy; however, this seems unlikely.

# **Some typical faults – Based on case studies**

AW5- EU added value: multipurpose, synergies, and integration

**The project does not include a multi-purpose delivery mechanism or concrete actions to create synergies with other EU policies beyond those already addressed by the LIFE programme**

**The project does not go beyond creating synergies with other EU policies.**

**The proposal does not sufficiently present what concrete societal benefits, economic benefits and benefits for other Union policies would be achieved as a result of the synergies and integration planned**

**Such synergies as mainstreaming of results into an urban water management strategy and climate proof city are not convincingly demonstrated.**

# Some typical faults – Based on case studies

AW6- EU added value: replicability and transferability

The approach is not sufficiently ambitious to reach a critical mass and mobilise a wider uptake.

The Indicator Table does not show any progress related to its replication targets apart from the Serbian partner.

The proposal includes a number of concrete actions to ensure replicability and transferability, but these do not go beyond dissemination, transfer of knowledge and networking.

E.g. market analysis access to financing sources, identification of other sites, entities, or regions, could have been included

# Some typical faults – Based on case studies

AW7- EU added value: transnational, green procurement, uptake

The proposal would only be implemented in Hungary and does not involve a convincing trans-national cooperation.

The Proposal does not foresee taking up results of environmental and climate-related research and innovation projects financed by Horizon 2020 or by preceding Framework Programmes

Green procurement will be covered in the proposal in a very general way only and there are no concrete actions described for that purpose.

It is mentioned that the beneficiary aspires to favour green companies, but the mechanism to achieve this is not presented in the proposal.

# LIFE Mobile Pollutant

## LNG-CNG urban transportation

**Sub-programme and priority:** LIFE Environment and Resource Efficiency - Air quality and emissions, including urban environment

**Coordinating beneficiary to be:** Pannon Fuel Ltd., Hungary

**Expected duration:** 3 years (2018. 07.01.- 2021. 06.31.)

**Expected total project budget – EU financial contribution requested:** 2.000.000 EUR – 1.200.000 EUR

### **EU legislation background:**

- Directive 2008/50/EC on ambient air quality and cleaner air for Europe
- Directive 2009/33/EK on the promotion of clean and energy-efficient road transport vehicles
- Directive 2009/28/EC on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC
- Directive 2014/94/EU on the deployment of alternative fuels infrastructure

### **Projects whose results the project is planned to be built on:**

- PAN-LNG (Pannon Fuel Ltd. is investor within it)
- Rhine-Danube LNG Masterplan
- GasOn project
- CoreOn project
- LNGAFT project

# LIFE Mobile Pollutant

## LNG-CNG urban transportation

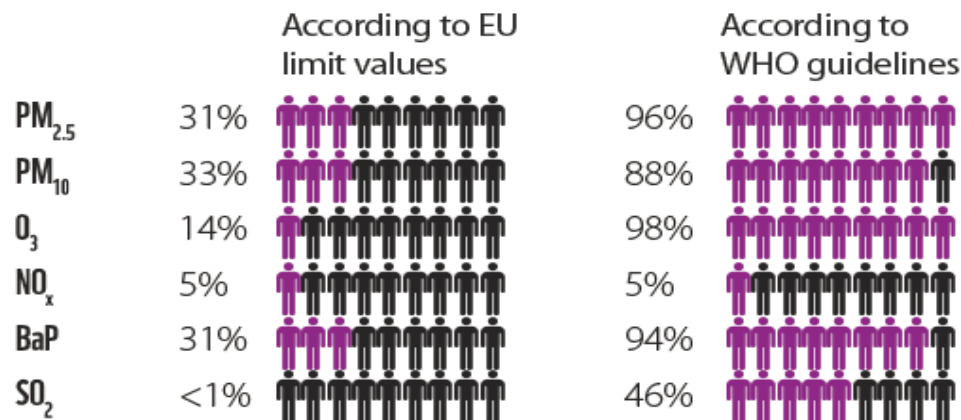
### Problem:

In many cities in Hungary the concentration of PM<sub>2.5</sub> and PM<sub>10</sub> regularly and significantly exceeds the level determined by the EU and the air quality is worse than it should be, the Commission launched infringement proceedings against Hungary.

According to an OECD analysis, almost 9400 deaths per year in Hungary are caused by illnesses caused by air pollution. External costs can costs of this situation can reach more than 40 million EUR.

One of the main reasons for high air pollution is emissions from transport. Especially, because the majority of the public bus fleets and the cars use gasoline and diesel oil causing high emission of not just CO<sub>2</sub>, but also ammonia, PM, N<sub>2</sub>O, NO etc.

### EU urban population exposed to harmful levels of air pollution



# LIFE Mobile Pollutant

## LNG-CNG urban transportation

### **Main aim:**

Show a proper, environment- and climate-friendly alternative (LNG and CNG) to diesel vehicles that run within numerous cities and towns in Europe. These diesel buses has a highly significant contribution to air pollution that has led to EU infringement cases within Central Europe.

### **Pilot/demonstration character:**

Elaboration of the the first, such comprehensive and detailed, geographically accurate public transport measurement, not only in Hungary, but also possibly in the whole Central and Eastern European region, the results of which can be replicated by other European states. Based on this, we are developing and developing a model that can be demonstrated in other European cities as to how much emissions can be achieved in the cities as a result of replacing diesel buses to CNG and/or LNG ones.

### **Key steps:**

- Measurements of GHG emissions of diesel buses working on the main public transportation routes of cities with serious air quality problems with an innovative Portable Emissions Measurement System (PEMS).
- The development of an innovative, brand new air pollution model (including GHG, PM 10 and PM 2,5 emissions)
- The establishment of an interactive map as an effective decision-making support tool
- The elaboration of local sustainable transportation strategies
- Dissemination of the project results bearing the replicability and transferability in mind.



# Main messages

- 1. Find and target the concrete problem*
- 2. Have a balanced and skilled partnership*
- 3. Have a budget coherent with foreseen actions, with national legislation, with other relevant project budget*
- 4. Have an innovative solution and clear vision about the stakeholders*

*Be in contact with the LIFE NCPs!*



## Thank you / Ďakujem

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