

Engagement of consumer groups

Hungarian Charity Service
of the Order of Malta





Our organisation

- ▶ One of the first civil associations founded in 1989
- ▶ National network, with 7 regional organisations, numerous local groups, more than 1500 employees and thousands of volunteers
- ▶ Mission: help the poor, the elderly, the homeless, the sick and disabled, without any political, opinion, national or religious distinction
- ▶ Main activities:
 - ▶ 1) traditional charity activities, e.g. support for the poor, international humanitarian actions, disaster recovery
 - ▶ 2) running institutions within the social and health care system, e.g. homes for the elderly, persons with disabilities, elderly home care, homeless care, family care service
 - ▶ **3) initiating innovative programmes, models, social policy strategies on national and local level**

More than 30 education, social integration and thematic programmes (e.g. *Village of Reception, Presence, HITEL-S debt and budget counselling programme, complex rehabilitation projects in impoverished urban areas*)



Fuel poverty

- Energy poverty issues in daily social work
- Dysfunctional consumption patterns
- Low income households – no investment resources
 - Communication channels and cooperation with:

Energy provider companies

- Social support scheme to alleviate electricity bill arrears
- Prepayment meters
- Investments in infrastructure to ensure safe and legal consumption

Municipalities

- Social schemes, e.g:
 - Bulk purchase of wood for heating
 - Social housing projects



Previous projects with energy provider companies I.

- ▶ Pilot project with Főtvíz Zrt. (district heating)

2013 Nov – 2014 May

Aim: reduce the number of consumers with arrears (as well as recovery costs)

Activities: development of individual action plans to restore solvency, mediation, negotiation with creditors

Results:

79 clients applied voluntarily, cooperation started in 54 cases

Large arrears towards multiple creditors, payment by instalments is not feasible

Recommendations:

Early warning when arrears starts to accumulate, involvement of social work

Consumption restrictions



Previous cooperation with energy provider companies II.

- ▶ „Network for the community” support scheme to prevent electricity bill arrears in cooperation with EDF DÉMÁSZ electricity company
 - Regional programme available in 3 counties (SE-Hungary)
 - 2009-2016 annual application periods, EUR 100 grant
 - Family care centers have been involved to smooth application process
 - 15.000 supported client, appr. 400 million grant + own contribution
- ▶ Support scheme of ÉMÁSZ electricity company
 - Regional programme (N-Hungary)
 - 2013-2015
 - 46 clients: reconnection to network, arrear management
 - EUR 100-300 grant



Pilot projects of the charity organisation

- ▶ Washing machine replacement

 - Bulk purchase of new machines at more convenient prices

 - 50 consumers, pre-selection by local social workers

 - 50% grant – 50% own contribution (up to 5 instalments)

 - 96.5% repayment ratio – 1.9 mHUF budget

- ▶ Personal microloan pilot

 - started in 2011

 - energy efficiency investments, arrear management

 - 20 client, EUR 500-1000 loan for 24-42 months (depending on income level)



Tatabánya Mésztelep project – Context

- Residential area at the edge of Tatabánya, for workers in mining industry, cement and lime factory
- Decline of heavy industry, highly impoverished, depressed district
- 600 houses (municipal rented dwellings) and appr. 2300 residents
- 85% of the residents belong to the Roma minority and public work scheme gives 80% of job opportunities
- Dirt roads, deteriorated water and electricity infrastructure and lack of sewage system
- Gas heating is not available; therefore, residents have turned towards home-made, highly inefficient electricity powered heating techniques
- Continuous electricity theft actions, network damages and general reluctance or financial inability to pay bills
- Electricity supplier has suffered significant losses in the area
- Isolated and punishment type reactions have proven useless

Municipality

- Support of 'Presence' programme
- Job opportunities within the public works scheme
- Social housing programme: help families to move to the city, or get better houses within the district
- Family support programme: energy support (firewood for winter, shift towards prepayment meters in municipal rented dwellings)

Infrastructural investments to overcome network losses and damages:

- heightened electricity pillars
- reallocation of prepayment electricity meters to top of the heightened pillars

Electricity supplier

Consumer relations:

- establishing prepaid charger point in the district
- financial support for 'Presence' program of Málta (1 social worker, furnishment)

Consumers

- Social work supporting public works scheme, and later moving ahead to the primary labour market
- 'Presence' social integration programme: better living conditions and opportunities for the local community:
 - Communal House, baby-mum club, sport programs, learning support, playing facilities for children, washing and bathing facilities for residents, fast reaction to crisis situations
- Stove&firewood action for winter instead of electricity powered heating: supplying residents with stoves to solve heating problem (no rental fee, only deposit, paid back upon return)

Charity organisation



Results in first 2 years

- ▶ Appr. 100 newly allocated prepayment electricity meters, new consumers can opt only for prepayment meters
- ▶ 70% increase in the number of legal electricity consumers
- ▶ Network losses dropped to 2% in 2016, from 86% at end 2013
- ▶ Arrears of the block have decreased by more than 50%
- ▶ Double surveillance system: local social work intervention and automatic alert of illegal actions at the electricity supplier
- ▶ For further heating support, a briquette factory was built which recycles the green waste of the city