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Green Bus Programme

Green bus call for proposals to promote e-mobility and enable local municipalities to purchase electric buses



European Union
European Regional
Development Fund

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This thematic article introduces the finance pillar of the Hungarian Green Bus Programme. It is elaborated within the working group Procurement and tendering of e-buses in the eBussed project.

The problem to be addressed

The deployment of electric buses is not only a significant investment but also implies further infrastructural elements, such as the depot, and charging infrastructure, to be procured. This places a budgetary burden on those Hungarian municipalities that are willing to green their public transport system. Given the financial shortage – all e-bus procurements cannot be financed 100 % from the Hungarian government and the European Union funds - a healthy balance should be found between grants, credits, and municipalities' resources.

Implementing the objective, main stakeholders and beneficiaries

The Green Bus Call for proposals has a total budget of EUR 100 million. The funding in 2020–2021 was EUR 5.6 + EUR 6.1 million and targeted the purchase of electric buses and related charging infrastructure. For the years 2022–2029, there is an additional 88.3 million euros available, similarly to purchase electric buses and related charging infrastructure. The funding rate is limited to 20 % of the total investment. Therefore, municipalities (towns and cities with a local population of more than 25 000 inhabitants) need to provide for the 80 % of the budget remaining.

Good practices are inspiring and tested policy solutions that are identified by Interreg Europe projects, such as eBussed. The good practice at hand is owned by the Green Bus Programme, its main beneficiaries form a complex group: bus manufacturers and distributors, transport infrastructure providers, municipalities, local service providers, and the citizens.

The context of the Green Bus Programme

One of the biggest challenges of our time is global warming. To meet the climate targets set by the European Union for 2050 and for Hungary to contribute to these commitments, it is essential to significantly reduce emissions from the transport

sector. This sector is responsible for nearly one-fifth of all emissions in Hungary, and road transport accounts for 98 % of emissions. One of the means to achieve the climate targets is the deployment of electric vehicles, including e-buses that replace old, polluting diesel buses.

In addition to creating a sustainable environment, the priority of the Hungarian Government is to take a leading role in the Central European region in the field of electromobility, leading the way in implementation and the introduction of successful models, with a special emphasis on research, development, and innovation. In 2019, the Government adopted the concept of the national bus strategy, the Green Bus Programme, as part of which the Green Bus Project Office was established under the supervision of the Ministry of Innovation and Technology, hosted by the Neumann János Nonprofit Public Benefit Ltd.

Between 2020 and 2029, a total of HUF 35.9 billion will be available under the programme to support the purchase of electric buses and self-propelled trolleybuses (until 2022 hybrid buses as well) for cities and public transport operators with a population of more than 25 000 inhabitants.

The Green Bus Programme aims to replace the public transport bus fleet by encouraging domestic bus manufacturing, reducing the average age of buses in operation, the emission values and maintenance and operating costs of bus transport, and improving the quality of travel services.

The Green Bus Programme has a dedicated website that provides all necessary information on the programme, its background and financing, and the results obtained. The programme's homepage: zoldbusz.hu/

Potential and transferability

As a self-reliant central government initiative, the Green Bus Programme has different intervention areas. One of those is the Green Bus Call for proposals that financially facilitate the e-bus deployment in major Hungarian towns and cities.

Finance-wise the call for proposals encourages Hungarian local municipalities to raise additional funds as only 20 % of the total investment is provided by the call. The involvement of different funds makes it necessary to meet the requirements of the different donors. At the same time, it is necessary to implement the local e-mobility plans of those cities and towns that apply to the call.

The lessons learned and the results obtained from the Green Bus Call for Proposals will be useful for the successful delivery and optional modifications of the Green Bus Programme between 2020 and 2029. The results contain a possible leverage effect to trigger further improvements in policies and practices.

The transfer of the model to other regions requires a political will at the national level to provide initial co-financing to lower territorial units and settlements for the enhanced deployment of e-buses. The success of such initiatives lies in the firm strategic thinking and the development of fundraising capacities of local eligible cities/settlements.



GREEN BUS PROGRAMME

Ride on clean energy

Framework of the Green Bus Programme



Source: the Green Bus Project Office, Neumann János Nonprofit Public Benefit Ltd.

www.interregeurope.eu/ebussed

eBussed project supports regions in the transition towards low-carbon mobility and more efficient public transport in Europe by promoting the use of e-buses.