

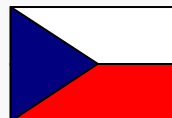
# Final Stakeholder Workshop

---

Evaluating project risk through a  
multistakeholder approach

*Brussels, Thursday 27 April 2006*

*Ivan Benes, CityPlan spol. s r.o.*

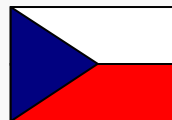


# South Bohemia Regional Authority, Czech LETIT Local Authority

---



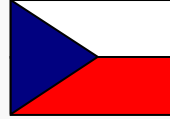
- 10 056 km<sup>2</sup> (12.8 % of CZ)
- 400 – 600m above sea level
- 630 th. inhabitants
- 62,7 inhabit./km<sup>2</sup>
- average age 38,1 years
- 130 th. companies
- Economy / production
  - 5.3 % industry of CZ
  - 7.1 % construction of CZ
  - 11% agriculture of CZ
  - unemployment 6%



## LETIT project brings step-by-step tools for better energy management

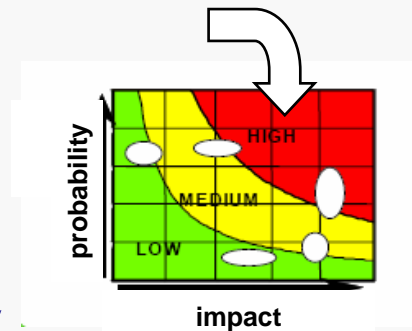
---

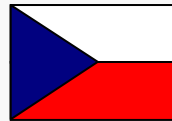
- Step 1: Identify stakeholders & local needs
- Step 2: Identify and prioritize assets
- Step 3: Identify sustainable energy technologies
- **Step 4: Assess risks**
- Step 5: Develop strategy
- Step 6: Prepare Implementation Plan



## Why LETIT ⇨ Because RISK exists

- We understand, that actions for the future are necessary ...
- ... but **risk obstructs the action**:
  - Action in business decision making
  - Action in political decision making
- Fear from loss keeps from victory
- Winning society needs winning business and winning politicians

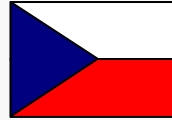




## To be successful in business as well in politics means to understand risk

---

- Risk is inherent part of our life
- Business without risk doesn't make profit
- Policy without risk can change nothing
- We have to live with the risk ...
- ... but we should know how to control risk
- **LETIT tools help to achieve it**

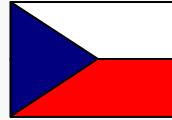


## Is the risk self-existent? No! It isn't!

---

- Risk is rather subjective feeling ...
- ... than result of precise calculation
- To understand risk means to communicate with stakeholders
- Communication can overcome barriers to perform action



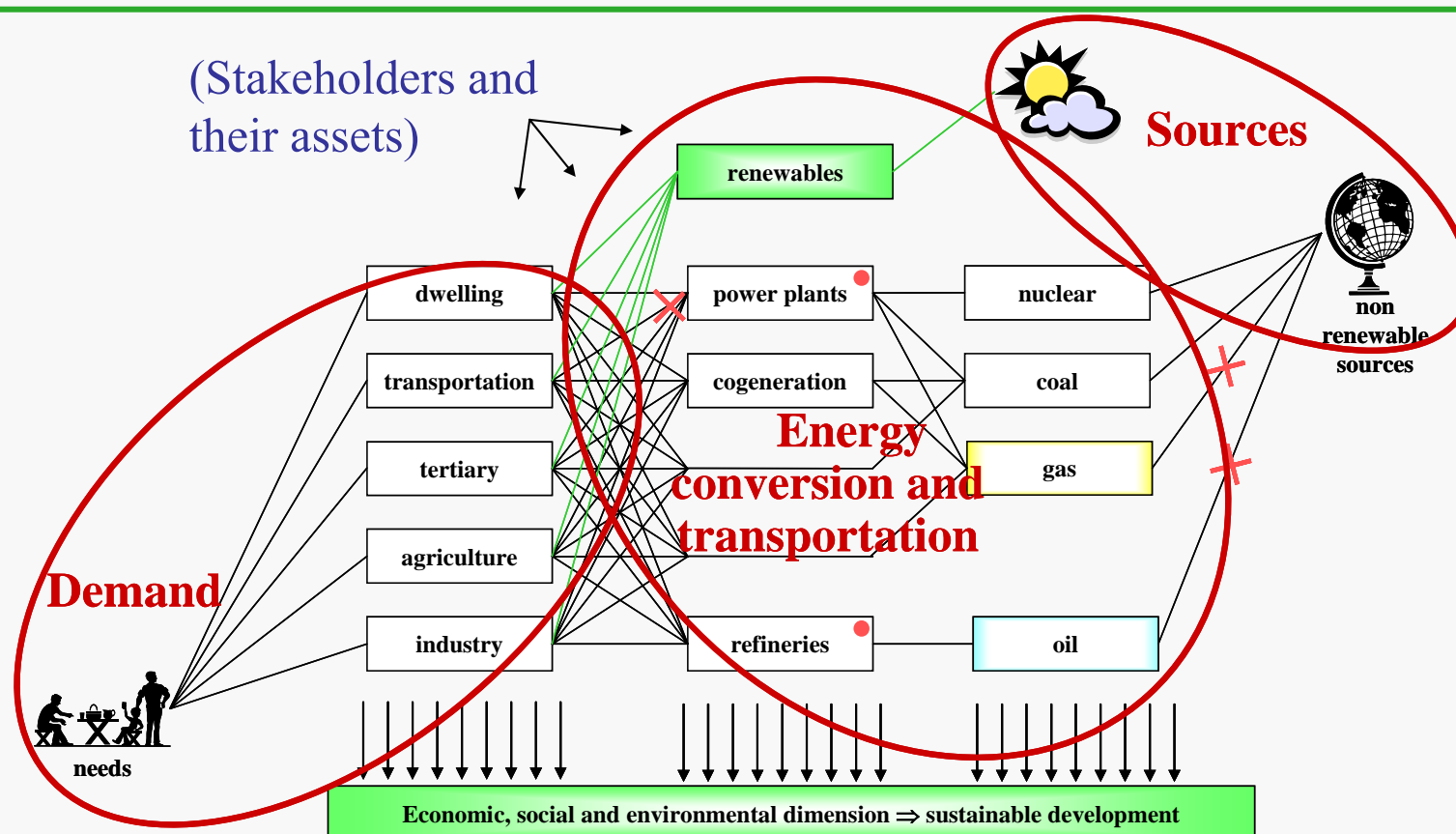


## Energy systems

---

- If we are talking about energy systems
- ... we can recognize technical systems
- ... and different stakeholders
- We need to know stakeholders' opinion about technical systems ...
- ... but their feelings can differ
- Feelings can depend on their role in energy system

# We can find stakeholders in three energy subsystems

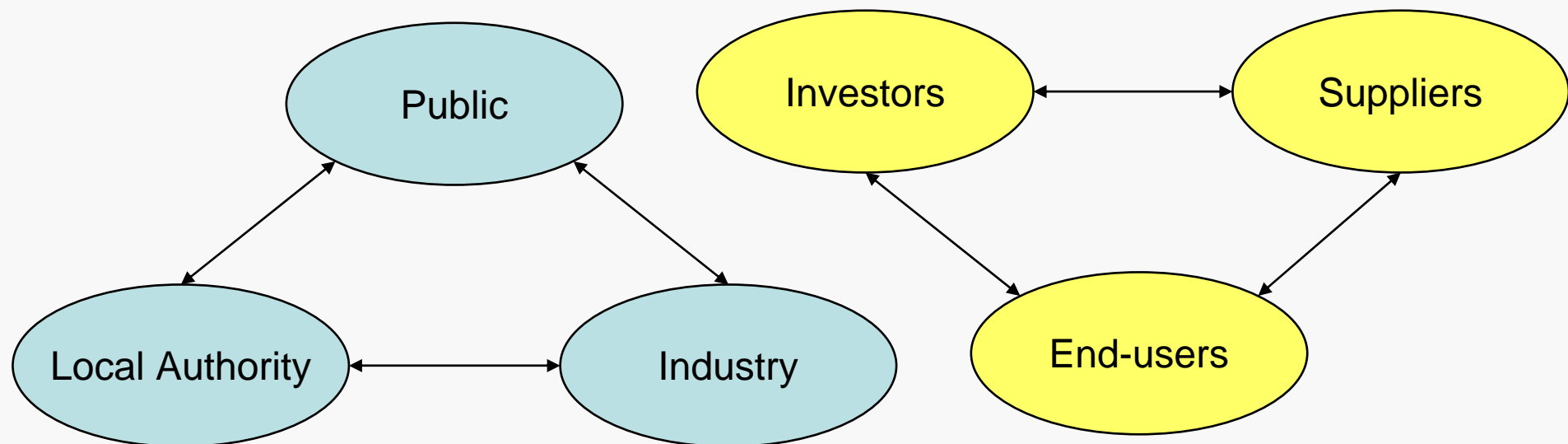


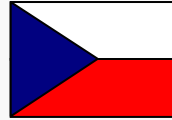
possible targets of terrorist attacks: X networks • objects



# Who are stakeholders? We can recognize varied roles

---

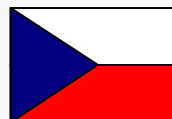




## Communication isn't important, it is necessary!

---

- LETIT risk evaluation tool ...
- ... respects, that risk is not self-existent ...
- ... but it is phenomenon dependent on actual subject
- Thus LETIT tool ...
- ... respects opinion of each stakeholder
- LETIT tool teaches stakeholders to listen and understand each other

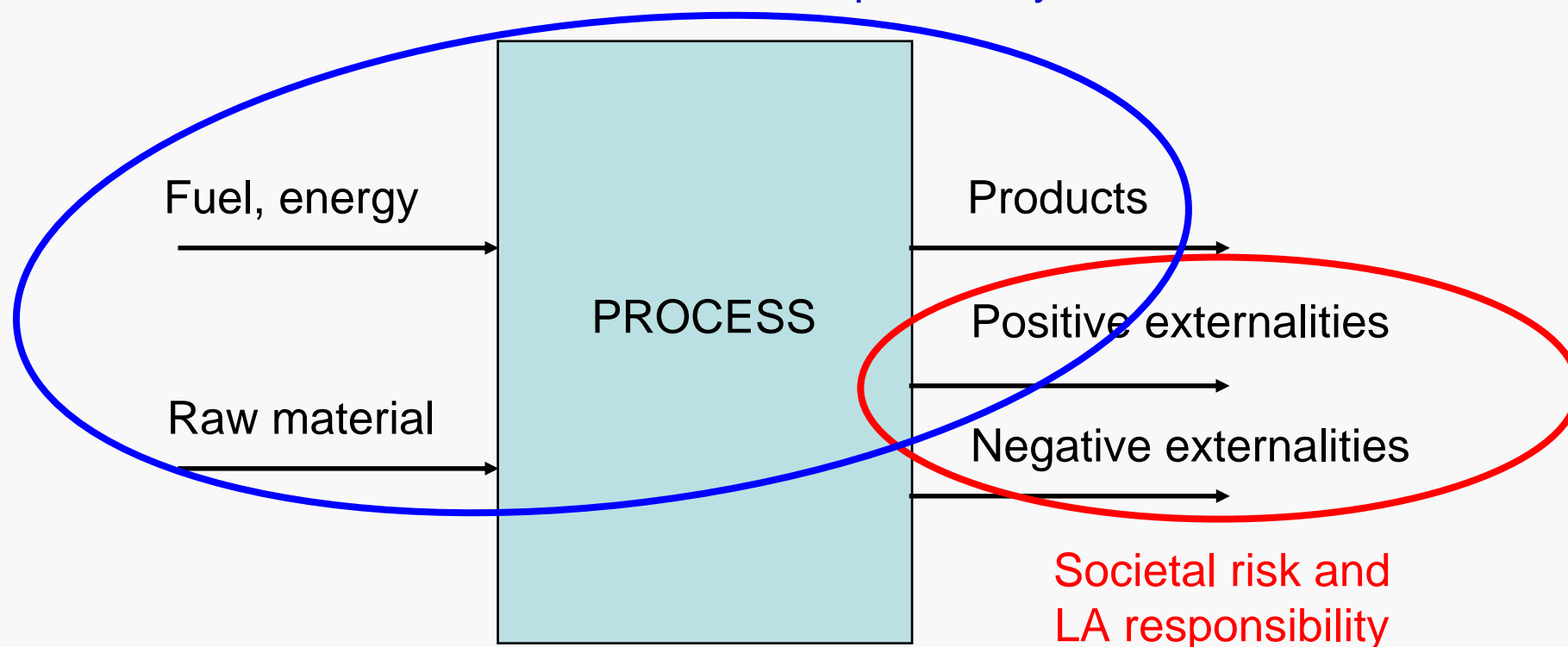


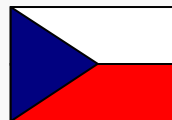
# Process approach can facilitate to clarify responsibility and risk

INPUTS

OUTPUTS

Investor's risk and responsibility



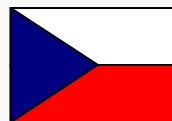


## Investor sees the risk from market value point of view

---

$$\text{market value of the project} = \frac{\text{project cash flow}}{\text{project risk}}$$

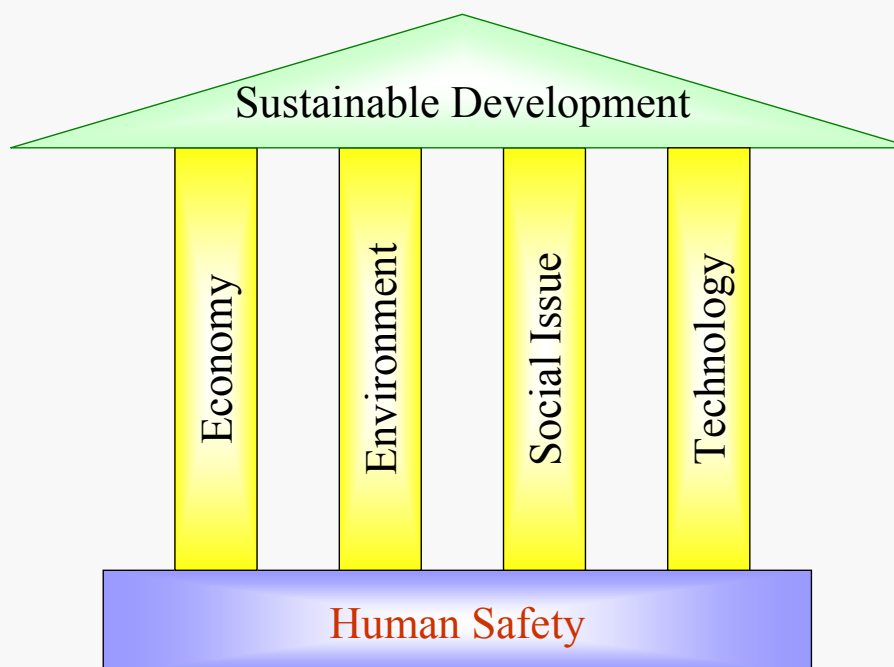
sponsor risk  
pre-completion risk  
completion risk  
technology risk  
input and supply risk  
operation risk  
approvals, regulatory and environmental  
sales risk



## Local Authority sees the risk from human being view (political priorities)

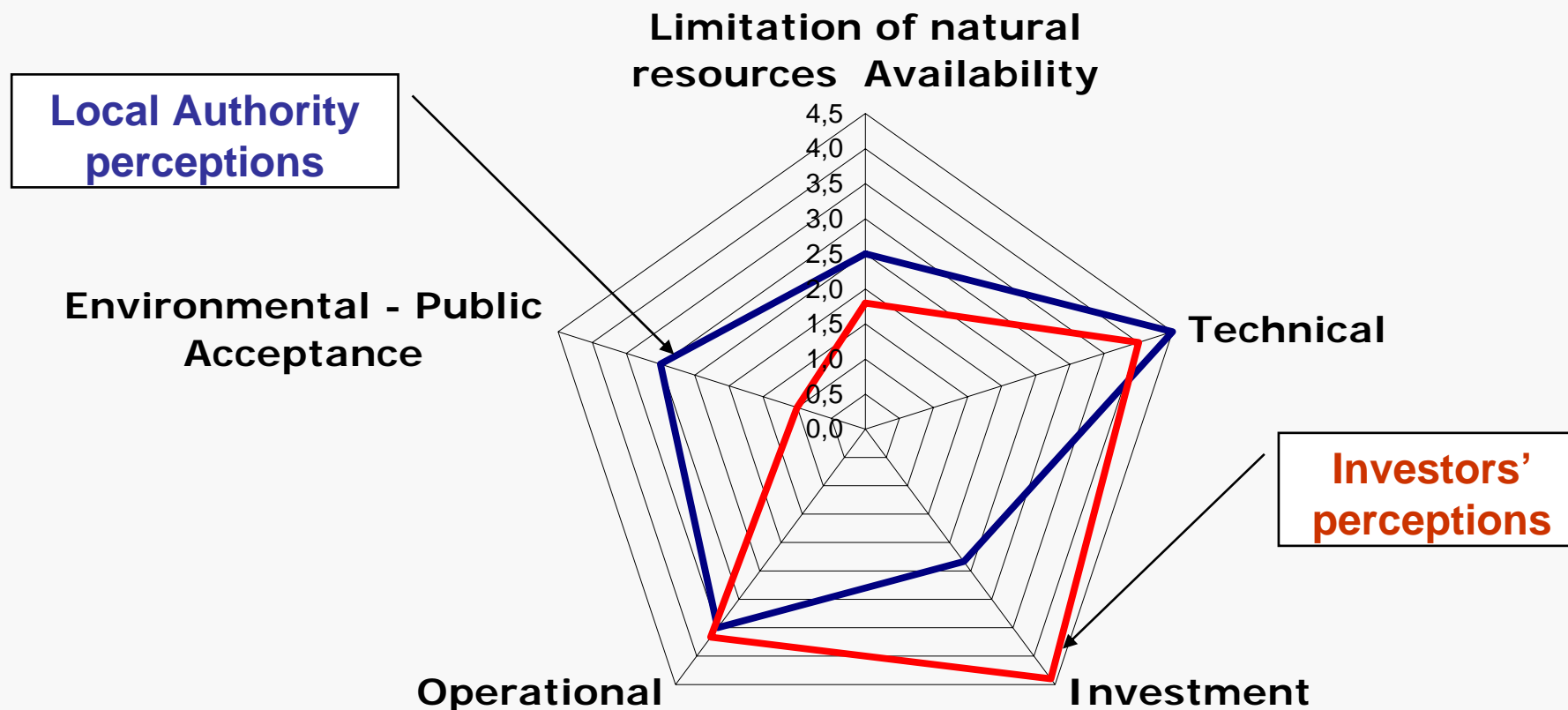
---

- Employment
- Taxes income (for public goods making)
- Pollution
- Safety

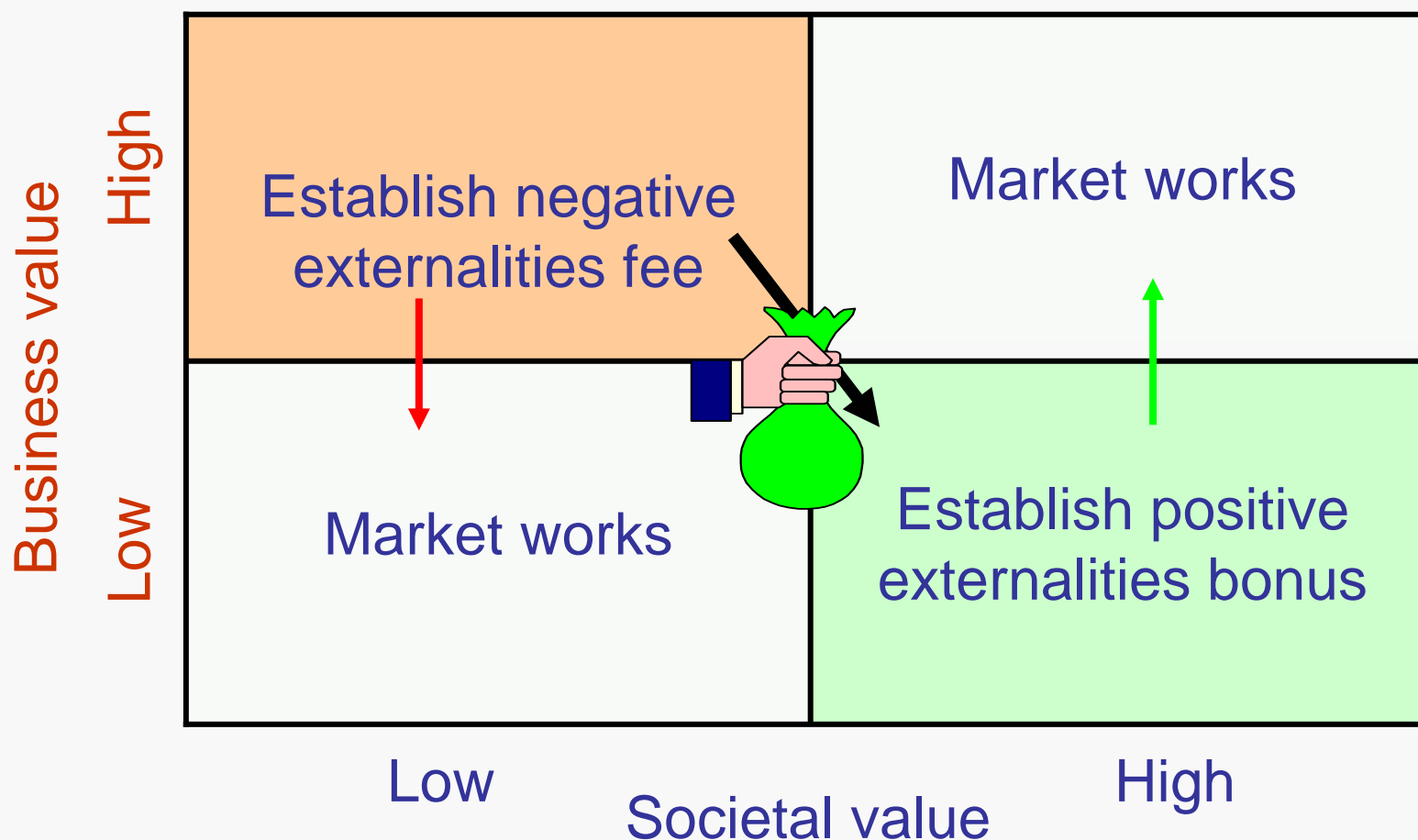


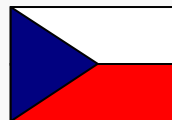
# Example of risk perceptions (Local Authority vs. Investors)

## Wood boilers in households



# Risk analysis helps LA to perform Energy management



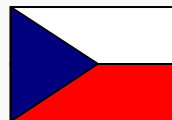


## Conclusion

---

- The communication between stakeholders is the most important part of regional development and/or energy planning.
- To use LETIT tools means ...
- ... to facilitate communication between stakeholders.
- Better understanding creates better society





## Contact:

---

- CityPlan spol. s r.o.
- Address: Jindrisska, 110 00 Praha 1  
ph.: 420 - 224 922 989  
mobile: 420 - 603 261 470  
fax: 420 - 224 922 072  
e-mail: [energetika@cityplan.cz](mailto:energetika@cityplan.cz)  
www: [cityplan.cz](http://cityplan.cz)