

Annual Report 2007



GC Network in FYR HUNGARY

Network objectives and priorities in 2007

- Further efforts to set up the Hungary Network secretariat;
- Exploit synergies under / with the CSR project to promote the GC and generate new members and supporters to the Hungary Network and assist members in understanding of the business case for CSR concept and how it would be applied to their business operations;
- Increase awareness on the requirements and preparation of "Communication on Progress" report.

Organization

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- The Network was established in the December 2005, one meeting was held early 2007 on Network Governance at ILO Office with the participation of about 90 % of the members;
- The Network is planned to meet one more time until end of this year.

Participation

- Currently, the Hungary Network has 15 members, of which, four are large enterprises, nine small or medium size enterprises, one NGO, and the Municipality of Budapest as a sub-national government member. Several further entities support the network, such as the National Development Agency, the Ministry of Transport and Economics, the Ministry of Environment and Water, NGOs, like KÖVET-INEM, etc.

- Equal opportunities and social inclusion are also in the focus of newer members, such as the national lottery fund Szerencsejáték Rt., Budapest Public Employment Service Non-Profit Company, Equal Opportunity Office of the Municipality of Budapest, and the 2nd largest employer in the country, the Hungarian Post Office and Coloplast Hungary. Szinergia Ltd. is very active in Corporate Volunteering.
- Relationship between the network and the government: Although high level government representatives addressed the launch of the Global Compact in Hungary in December 2005, there hasn't been any active further development of a more structured relationship. Recently, under the project UNDP is operating a CSR Peer Group also with Government representatives for the preparation of a CSR Strategy, Agenda for Hungary. The lead role is taken by the Ministry of Social Affairs and Labor in it on behalf the Government. A few GC Network members will also be part of this Working Group.

Activities

- Promoter and outreach: The Network promotes the ten principles, also climate change issues, emphasizes anti-discrimination, CSR concept with contribution to the survey and findings of the CSR Baseline Study, dissemination of the business case for CSR with other business;
- Members, candidate members and supporters of the Hungary Network created **three working groups**, which represent their priority Corporate Social Responsibility (CSR) areas: **Environment and Energy, Equal Opportunities, and Anti-Corruption, Governance**. These working groups serve as knowledge sharing and CSR project shaping platforms.
- Through the working groups, the network plans to become part of the solution to the current development needs. Most importantly, it is social inclusion of the Roma minority. **Sources, such as the UNDP and Ernst & Young report "Employing the Roma: Insights from Business", reveal that the Roma unemployment is at 25 per cent in Hungary. The Launch of the Hungarian language publication with a press conference took place on February 13, 2007 with about 50 participants at the Ministry of Social Affairs and Labour including Roma NGOs.** The publication and the related events were supported by Holcim ZRt., Szerencsejáték ZRt., Autonómia Foundation, ILO and UNDP. The booklet was published also in the Czech Republic and Slovakia. The programs leading to the Roma inclusion into the labour market represent the most outstanding challenge to the network.
- **The environmental working group** through its so far six sessions has been working on various issues around the Kyoto Protocol, environmentally harmful subsidies, flood prevention, energy rationalization, efficiency improvement, challenges regarding renewable energy technologies, regulations effecting environment, sustainability policies, flood control, energy efficiency, develop greening projects for the City of Budapest, with an average number of about 40 participants from representatives of relevant Government ministries, the National Development Agency, local municipality, GC members, business sector of both large multinational companies and SMEs, as well as NGOs. Water governance and environmental protection are being addressed, for instance, by the Coca-Cola Beverages Hungary. The environmental working group is trying to promote concrete projects like biodiversity protection with MOL, establishing partnerships. The environment working group has a web-site in the National Development Office under the Prime Minister's Office: www.nfh.hu
- A joint EU / UNDP project has been launched this year "**Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness, and social cohesion in the EU**" in six new member states and Turkey and Macedonia. The findings and recommendations of the Hungary Baseline Study will be presented to the network. The project also provides for opportunities for regional conferences for business and stakeholders on challenges and solutions, CSR training and study tours to developed EU countries.

- Learning and dialogue: Also the Network Members were all invited and some actively participated in the June 2007 Press Conference and Conference in the discussion on CSR at the National Multi-stakeholder Forum on CSR in Hungary, presenting the draft Baseline Study for Hungary. Comments mentioned at the Conference were incorporated in the final report.
- Policy dialogue: Representatives of the Network will participate in the CSR Strategy Working Group to advocate for enabling policies and regulations for corporate social responsibility of companies;
- One member, Szinergia Ltd. Did hold a two days volunteer free of charge training for stakeholders of the most disadvantaged region in Hungary, the Cserehat, Garadna 14-15 September 2007 on Community development, which was a great success.
- The network engaged two new members of GC Hungary during 2007.

Activities planed for the next coming year:

- To establish the secretariat and members should meet on Governance issues more often, 2-3 times next year;
- Cooperate under events and activities of the CSR project and the Decade for Roma Inclusion 2005-2015 Programme.

Progress

- The Network has some progress in learning and the awareness of members on the GC principles. On particular achievement is the active contribution and discussion of some lead members. However, the Networks needs to improve its internal communications and interactions between members towards concrete actions.
- Challenges: set up the secretariat, make the network self-sustaining; sustained communications and interaction among members, and realization of initiatives into collective actions.

Attachment: Network Fact Sheet for 2007:

Network Management								
Annual Network Meeting (yes/no)	COP facilitation (yes/no)	Helped to facilitate other integrity measures (e.g. complaint mechanism) (yes/no)	Website (if yes, URL)	Name Focal Point	Steering Committee (yes/no)	Steering Committee has non-business participants (yes/no)	Secretariat hosted by	Member fees (if yes, amount for Company/ SME/ other)
Yes (wider participants but core are GC network)	Yes	Yes	Only for the environment working group	UNDP: Krisztina Kiss, <i>Danica Viznerova</i>	No	Not Applicable	Not Applicable	No

Number Local Network Participants										Government participation in Network
TOTAL	MNCs	SMEs	Micro-enterprises (<10 employees)	Business Organization	CSR Organization	Labour Organization	Civil Society organizations	Academic Institution	Other Stakeholders	Yes/ no
15	4	8	1	0	0	0	1		1 City of Budapest	No

Number of Activities					
Outreach Events	Learning Events	Policy Dialogues	Partnership projects	Cooperation with other Local Networks	Other activities
2	0	Not yet	0	0	1