



**MINISTRY FOR NATIONAL DEVELOPMENT AND ECONOMY  
HUNGARY**

**Report of the Hungarian National Contact Point to the OECD IC**

**Budapest**

**May 8, 2009**

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### **A/ Institutional Arrangements**

#### **Address of the Hungarian National Contact Point:**

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#### **Composition of the Hungarian National Contact Point (HNCP)**

The organizational structure is bilateral, the HNCP is an interdepartmental government body with permanent members. If needs arise the number of members can be temporarily increased by ministries affected in harmony with the nature of problem emerged.

#### **Recent permanent members of HNCP**

Ministry for National Development and Economy (MNDE)  
Ministry of Finance (MoF)

From the beginning of foundation of HNCP MNDE and its legal predecessors worked as a Secretariat for the HNCP and a permanent member of HNCP at the same time. HNCP made decision on the basis of consensus.

The main supervisor and the person in charge of HNCP is the State Secretary for Competitiveness of MNDE.

### **B/ Information and Promotion**

The main information source on the Guidelines is the home page of MNDE and the HNCP itself in the MNDE. The address of HNCP and other relevant information are as follows:

#### Guidelines

<http://www.nfgm.gov.hu/feladataink/kulgazd/oecd/iranyelvek/iranyelvekoecd.html>

#### HNCP

<http://www.nfgm.gov.hu/feladataink/kulgazd/oecd/kapcsolattarto.html>

The text of the Guidelines together with all relevant information (e.g. Commentaries, Declaration, etc) was translated to Hungarian language. The most important and essential documents are on the Ministry Homepage (see below).

- Brief press release (summary) of Hungarian language on the Guidelines

<http://www.nfgm.gov.hu/feladataink/kulgazd/oecd/osszefoglaloOECD.html>

- Procedural guide of Hungarian language on the Hungarian NCP (explains what and how to do in the case of enquiry)

In 2008-2009 the MNDE continued significant efforts to ease social standing position of roma minority and to improve market chances of this ethnic group.

In December, 2008 the MNDE published a press release on its modified application system for the SMEs owned by roma people in order to develop their competitiveness and to support their investments by state aids. Applicants can gain support of max. HUF 4 million (appr. Euro 14 000). Aid intensity can rise up to maximum 50% of eligible costs. Applications can be submitted between February 16 and November 13, 2009. Available funds are HUF 383 million (appr. Euro 1,4 million<sup>1</sup>).

#### **BOX 1. Results of Roma SME Program**

The first advertise on application for roma entrepreneurs was published by the legal predecessor of Ministry for National Development and Economy in autumn of 2003. The application system was created to improve market prospects and to provide equal opportunities of roma entrepreneurs supporting developments and small scale investments in the framework of Széchenyi Enterprise Development Program. The whole process was based on an economic development program coming from below. The target group was basically the Hungarian SME sector however in this group specific attention was paid to those enterprises in which roma people were employed or the owner of the firm was roma. An important factor was a specific precondition namely beneficiary should be roma origin possessing supporting letter coming from the National Gypsy Minority Self Government or the Local Gypsy Minority Self Government. It means this construction did not target directly the Roma entrepreneurs but it supported all those small ventures and medium sized enterprises which could contribute to the integration of Roma community and could employ the members of Roma population.

Between 2003 and 2007 approximately 1500 application forms arrived in and about one fourth of the applications submitted won state support. State fund picked up HUF 1180 million (cca 4, 7 million euro) and it was fully bound by contracts. Number of winner beneficiaries was roughly 400. Bulk of enterprises, i.e. 84% was within the so called micro – enterprise group. This group won 82% of the total fund. Rate of small ventures was 15%. Medium sized enterprises obtained 3% of the total fund. Decisive part of ventures was established after the political and economic change, i.e. after 1991. An average enterprise had 10 year past in 2008. Enterprises were mainly operating in the construction industry and in the trade industry. The average ventures had got nominal capital of around HUF one million (cca 4 000 Euro). Roughly 50% of roma entrepreneurs had not certificate of final examination in the secondary school, majority of them were skilled workers. If the venture was owned by roma people it was significant that the ratio of roma workers employed was circa 60%.

According to the ex-post evaluation carried out by HBF Hungaricum Ltd the so-called target indicators were reasonable, values varied between 72% and 113%. Altogether 9, 2% of the winner entrepreneurs failed. Reasons of failures were mainly the poor risk evaluation and risk analysis capability. Applicants were not able to asses all of the requirements related to implementation of a mid-term investment. A roma venture could win HUF 3 million non refundable state support on average. They were able to utilize 9 HUF out of 10 HUF successfully and properly.

The ex-post evaluation stated that the program enlarged the possibilities of integration of roma people, increased the employment, the number of new and maintained jobs reached up almost 1000. Sales increased by 12% on average (median).

In order to create a new roma job the construction needed average HUF 2,5 million (cca 10 000 Euro) (New and maintained jobs in EU SME sector absorbed HUF 4,5 million /cca 18 000 Euro/ on average!).

Bulk of state support was mainly absorbed in Nógrád and Szabolcs-Szatmár-Bereg Counties which are the most lagging behind areas. The construction was able to mobilize the roma ventures of those counties in which the rate of roma population is much higher than the national average. Regulation of the construction provided a proper way to allocate development aid to ventures which were close to one other and in the same target group and the same sphere. Significant part of the state aid covered the most lagging behind sub-regions and small settlements in the rural areas.

<sup>1</sup> Exchange rate (05.06.2009): 1 Euro=284.29 HUF

A more robust complex program with approximately HUF 100 billion (cca Euro 352 million) fund between 2007 and 2013 is in progress which covers the most lagging behind 33 sub-regions densely populated by roma people in the framework of New Hungary Development Plan co-financed by EU. This complex program aims at developing social services and human infrastructure, reducing child poverty; social integration of disadvantaged groups, fighting against discrimination – with special regard to Roma people.

It is remarkable that on Internet of Hungarian language on one of the best known Internet e-media ([www.startlap.hu](http://www.startlap.hu)) anyone can find a sheet on CSR (see <http://csr.lap.hu/>). The largest MNEs have enterprise level business ethics issued publicly on another Internet sheet: <http://uzletietika.lap.hu/#top>. On the same Internet sheet numerous business ethics of the professional organisations and industrial branches can be read. On the site above mentioned both the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration concerning multinational enterprises and social policy are available.

On the homepage of the Hungarian EXIMBANK a direct link to OECD Council Recommendation on Bribery and Officially Supported Export Credits ([www.eximbank.hu/content/view/121/162/lang.hu/](http://www.eximbank.hu/content/view/121/162/lang.hu/)) was created.

Cross links among MNDE, EXIMBANK, MEHIB, Investment and Trade Development Agency-Hungary (ITD-H) and other ministries support the easier search for OECD documents dealing with bribery, anti-corruption, Guidelines, export credit rules.

On the homepage of the European Integration Commission of Hungarian Trade Unions the Guidelines of Hungarian language was put on.<sup>2</sup>

First book (sponsored by Magyar Telekom) on CSR in Hungary was written by Dr. György Ligeti and it was published by Kurt Lewin Foundation - promoting tolerance<sup>3</sup>. In 2008 the first CSR Hungary Award<sup>4</sup> was won by Nexon Ltd. The enterprise works within the SME sector in the field of human IT. In the category of large enterprises Ericsson Hungary Ltd was the other winner. Evaluating Committee consisted of well-known personalities coming from the business sphere.

In the framework of a common EU/UNDP Program with participation of the Central Eastern European and the Baltic States (CEEBS), namely Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovak Republic and Turkey a baseline study<sup>5</sup> was worked out on CSR status in each Project country. The main objective of this Project was to accelerate the implementation of CSR practices in the new EU Member States and candidate countries in order to add value of EU harmonization, competitiveness and social cohesion. This was expected to be achieved by facilitating cross-sectoral cooperation and social dialogue between various stakeholders, building trust, understanding and integration as well as helping to share good CSR practices. Spain, UK and Germany were also involved in the Project by contributing to exchange of experience and good CSR practices.

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<sup>2</sup> <http://mathom.dura.hu/mszeib/hirek/2002/eufelk2.html>

<sup>3</sup> <http://tudatosvasarlo.hu/konyvajanlo/119>

<sup>4</sup> <http://www.hrportal.hu/index.phtml?page=article&id=73542>

<sup>5</sup>

[http://www.acceleratingcsr.eu/uploads/docs/NationReports/Executive%20summary%20of%20baseline%20study%20on%20CSR%20in%20Hungary%202007\\_English%20language.pdf](http://www.acceleratingcsr.eu/uploads/docs/NationReports/Executive%20summary%20of%20baseline%20study%20on%20CSR%20in%20Hungary%202007_English%20language.pdf)

The Global Compact Network in Hungary was established in December 2005<sup>6</sup>. The founding members of the Global Compact in Hungary include Central Europe's leading oil company, MOL, the Budapest Stock Exchange, Holcim, Adecco, Radio C, Ernst & Young, Hungarian Business Leaders Forum, ABB Hungary, MAM Hungaria Ltd, Autonómia Foundation and Clean Air Action Group (Levegő Munkacsoport). The Network created three working groups on environment and energy, equal opportunities and anti-corruption. The Network enlarged when Coloplast Hungary Ltd, the Hungarian Post and other companies joined this special grouping. For the time being 19 members are listed on the Web<sup>7</sup>.

The Guidelines became curriculum<sup>8</sup> at universities (for example Corvinus University at Budapest) and for trade union leaders, health and safety experts<sup>9</sup>. The Guidelines is an organic part of training programs and it is among the source materials<sup>10 11</sup> as well as.

### **C/ Implementation in Specific Instance**

Specific instance was not submitted to HNCP.

**May 8, 2009**

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<sup>6</sup> [http://europeandcis.undp.org/guides/poverty/spd/ras/60\\_Opening%20speech\\_Hungary.pdf](http://europeandcis.undp.org/guides/poverty/spd/ras/60_Opening%20speech_Hungary.pdf)

<sup>7</sup>

[http://www.unglobalcompact.org/ParticipantsAndStakeholders/search\\_participant.html?submit\\_x=page&pc=10&pn=1](http://www.unglobalcompact.org/ParticipantsAndStakeholders/search_participant.html?submit_x=page&pc=10&pn=1)

<sup>8</sup> <http://www.mkt.hu/docs/2008-06-30-12-04-20-angyal.ppt>

<sup>9</sup> <http://www.mvkepviselelo.hu/figyelem.html>

<sup>10</sup> <http://www.tchibo.hu/corweb/servlet/contentblob/156746/data/Viselkedesikdex.pdf>

<sup>11</sup> [http://www.mol.hu/hu/a\\_molrol/sd/bevezetes/mi\\_az\\_sd\\_a\\_mol\\_csoportnak/bevezetes/](http://www.mol.hu/hu/a_molrol/sd/bevezetes/mi_az_sd_a_mol_csoportnak/bevezetes/)