**OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES**

**HUNGARIAN NCP**

**REPORT TO THE OECD**

**2015**

# Common Framework for Annual Reporting by National Contact Points to the OECD Guidelines for Multinational Enterprises

## June 2014-December 2015[[1]](#footnote-1)

The role of National Contact Points is to further the effectiveness of the OECD Guidelines for Multinational Enterprises (the Guidelines) by undertaking promotional activities, handling enquiries and contributing to the resolution of issues that arise from the alleged non-observance of the Guidelines in specific instances by individual companies. NCPs will operate in accordance with core criteria of visibility, accessibility, transparency and accountability to further the objective of functional equivalence.

National Contact Points must regularly report to the OECD Investment Committee on the nature and results of their activities to further the effectiveness of the Guidelines including implementation activities in specific instances.

This Common Reporting Framework, based on the Implementation Procedures of the Guidelines, assists NCPs in the preparation of these reports. The information provided by NCPs is the basis for the Annual Report to the OECD Council on the Guidelines for Multinational Enterprises. It is also used to produce Annual reports of individual NCPs (NCP Annual reports).

# Common Reporting Framework

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**A. NCP contact information**

* Contact name (s):

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* Website or webpage: http://oecd.kormany.hu/oecd-nkp
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## B. Institutional arrangements

*Adhering governments have flexibility in organising their NCPs as long as the institutional arrangements meet the objective of functional equivalence and help further the effectiveness of the Guidelines. NCPs have to seek the active support of social partners, including the business community, worker organisations, NGOs and other interested parties as relevant.*

1. In which governmental agency (ministry) is the NCP located?

Ministry for National Economy

1. In the case of independent NCPs, how has the NCPs been set up?
2. Does the NCP include representatives from:
* Government agencies: Yes/No. If yes, please specify No
* Non-governmental bodies. Yes/No. If yes, please specify which: No
* business
* trade unions
* civil society
* other
1. What are the main considerations that have determined the current structure of the NCP? (check all that apply).
* Increase the relevance of the Guidelines to the ministries/government bodies involved✓
* Ensure the independence of the NCP vis-à-vis the government
* Ensure accessibility of the NCP to stakeholders
* Involve relevant stakeholders in the NCP
* Other
1. Does the NCP have an advisory body? Please indicate composition and functions.

Not for the moment, but it is planned to be established under the foreseen NCP legislation.

1. Does the NCP have an oversight body? Please indicate composition and functions

Oversight body of the HNCP is the OECD National Council.

The OECD National Council consists of representatives of Ministry of Agriculture, Ministry of Defence, Ministry of Foreign Affairs and Trade, Ministry of Human Capacities, Ministry of Interior, Ministry of Justice, Ministry of National Development, Ministry for National Economy, Prime Minister’s Office, Hungarian Atomic Energy Authority, Hungarian Central Bank, Hungarian Central Statistical Office, Hungarian Competition Authority, Hungarian Export-Import Bank Plc. and Hungarian Export Credit Insurance Plc, Hungarian Intellectual Property Office, Hungarian National Property Fund, Hungarian State Treasury, National Media and Infocommunications Authority, National Research, Development and Innovation Office, National Tax and Customs Administration.

The Council coordinates and oversights Hungary’s OECD activity.

1. Please provide any other information on how its structure enables the NCP to operate in accordance with the core criteria of visibility, accessibility, transparency and accountability.

The Hungarian NCP can effectively seek assistance to its work taking advantage of the OECD National Council while the Council can effectively oversee the NCP. The structure of the HNCP will be further improved e.g. an advisory body is envisaged to be established after the adoption of new legislation.

1. How is the NCP funded? (check all that apply)
* government budget✓
* other (please specify)
1. Does the NCP have dedicated staff? Yes/No. If yes: Yes
* How many full time staff members? ✓ 1
* How many part time staff members? 0
* No dedicated staff members
1. Are the financial and human resources provided to the NCP sufficient for the NCP to carry out its mandate? Yes/No Yes

At present the resources are sufficient. In case of increasing specific instance cases more resources may be needed.

1. What challenges does the NCP face in fulfilling its mandate? (check all that apply)
* Lack of financial resources
* Lack of capacity
* Lack of support from the government
* Difficulties in engaging the business community, worker organisations, other non-governmental organisations, other interested parties.
* Other ✓
1. Please explain these challenges, and elaborate on additional elements that would be needed for the NCP to fulfil its mandate and functions.

NCP legislation and approval of the specific instance procedure rules should be urgently concluded.

1. Does the NCP report to the government on its activities? Yes/No. If yes: No
* Through regular meetings
* Through established reporting channels
* In an ad hoc manner
* Other
1. Please specify to whom the NCP reports (ex. Parliament, governmental body, etc.)

The new draft legislation foresees such reports to the Government.

1. Does the NCP coordinate with other domestic government bodies or representatives with regard to activities on responsible business conduct? Yes/No. If yes, please elaborate Yes

There is coordination with departments responsible for CSR and the UN Guiding Principles in Hungary.

## C. Information and Promotion

1. Does the NCP have a dedicated website or dedicated webpages? If yes, please provide link.

Yes: http://oecd.kormany.hu/oecd-nkp

1. Are the Guidelines available online? Yes/No Yes

http://oecd.kormany.hu/download/5/41/00000/OECD%20Irányelvek%202011%20magyar%20nyelvű%20fordítása.pdf

1. Are the Guidelines available in print? Yes/No Yes
2. Is the NCPs Annual Report available online or in print? Yes/No Yes

http://oecd.kormany.hu/a-magyar-nkp-eves-beszamoloi

1. Does the NCP have a promotional plan on the Guidelines? **Yes** If yes, please provide details. Yes

The promotional plan focuses on producing promotional materials, updating the homepage, organising and participating in promotional events, cooperation, improvement of specific instance procedure etc.

1. Has the NCP implemented the actions identified in the promotional plan? Why or why not?

Within the reporting period the HNCP organised and participated in several promotional events produced a new roll-up presenting the essence of the Guidelines and used at promotional events, and prepared the draft legislation on HNCP and renewed specific instance procedure.

1. How does the NCP inform investors about the Guidelines and their implementation? Through (check all that apply):
* Embassies
* Export credits agency
* Overseas investment guarantee body
* Investment promotion agencies
* Other (please specify): ✓ Bilateral Chambers of Commerce and Industry & via HNCP homepage
1. Has the NCP done any studies to assess awareness of enterprises on the Guidelines and the NCP? If yes, through:
* Survey(s)
* Regular meetings
* Other ✓ Following the Awareness Raising Conference in October 2015, participants were requested to fill out a questionnaire.
1. What were the results of these studies/surveys?

The survey was not representative as far as the Hungarian enterprises are concerned, nevertheless the results are interesting. The participants were at different knowledge levels about the Guidelines, but all of them had heard about the document prior to the conference. A great majority considers the Guidelines as very important, and believes that the activity for them can (somewhat) contribute to a sustainable and ethical social and economic development. Respondents are interested in participating in Guidelines related events and receiving news in the future.

1. Has the NCP organised any events to promote the Guidelines and their implementation procedure?
* Title/subject of the event:

**Conference on Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises**

* Place, date:

Budapest, 8-9 October 2015.

* Organiser(s)

Ministry for National Economy, OECD Hungarian National Contact Point

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

94 people: 61 Hungarians (public servants, representatives of multinational companies, trade unions, entrepreneurial and civil organisations, academia), 26 NCPs, representatives of OECD and EU etc.

* Highlights and key outcomes

The conference introduced the OECD Guidelines, 3 other important international RBC documents, NCP practices and experiences, the Hungarian NCP etc. The conference was combined with an informal meeting of National Contact Points.

* Title/subject of the event

**Workshop on the OECD Guidelines for Multinational Enterprises**

* Place, date

Budapest, 24-25 November 2015.

* Organiser(s)

Friedrich-Ebert-Foundation, Trade Union Advisory Committee to the OECD, Hungarian National Contact Point

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

32 trade union leaders from Hungary, Turkey and Romania + lecturers

* Highlights and key outcomes

The aims of the workshop were to build trade union capacity to use the OECD Guidelines; and to strengthen trade union engagement in NCP activities.

1. Did the NCP participate in any event organised by stakeholders or other entities to promote the Guidelines and their implementation procedures?
* Title of the event

**SUSCO Expo** (Sustainable Development Conference Expo)

* Place, date:

Budapest, 2-3 October, 2014.

* Organiser(s)

Antall József Knowledge Centre

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

No data

* Highlights and key outcomes

The Hungarian NCP was one of the exhibitors at the side event of the Sustainable Development Conference.

* Title of the event

**CSR Hungary 2014 Conference**

* Place, date

Budapest, 12 November 2014.

* Organiser(s)

CSR Hungary

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

No data

* Highlights and key outcomes

The Hungarian NCP was one of the exhibitors at the side event of the CSR Hungary 2014 Conference.

* Title of the event

**Recommendations for Responsible Business Conduct in a Global Context and Prospects for Enhanced Cooperation** - Capacity-Building Vysehrad Group Regional Workshop

* Place, date

Katowice, 23-24 October, 2014.

* Organiser(s)

Friedrich-Ebert-Foundation, Trade Union Advisory Committee to the OECD, Polish OECD National Contact Point

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

About 35 trade union leaders from Poland, Czech Republic, Hungary and Slovakia+ lecturers

* Highlights and key outcomes

The aims of the workshop were to build trade union capacity to use the OECD Guidelines for Multinational Enterprises and act within regional network; strengthen trade union engagement in the National Contact Points in Visegrad Group Countries (Poland, Czech Republic, Hungary, Slovak Republic), and create informal network of support.

* Title of the event:

**Works Council Club**

* Place, date:

Budapest, 24 February, 2015.

* Organiser(s)

Works Council Advisory Service Association (ÉTOSZ)

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

About 20 works council leader

* Highlights and key outcomes

The OECD Guidelines, the Hungarian NCP and the specific instance procedure were introduced.

* Title of the event

**Meeting of the Anti-Corruption Committee of the Joint Venture Association**

* Place, date

Budapest, 23 April 2015.

* Organiser(s)

Joint Venture Association

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

About 15 members of the Anti-Corruption Committee of the Joint Venture Association (business)

* Highlights and key outcomes

The Guidelines were introduced with special emphasize on Chapter “Combating Bribery, Bribe Solicitation and Extortion”.

* Title of the event

**Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises Workshop** (OECD Investment Policy Review of Ukraine)

* Place, date

Kiev, 17 September 2015.

* Organiser(s)

Ministry of Economic Development and Trade of Ukraine and OECD

* Number of participants and type of audience (e.g. government, business, worker organisations, NGOs, academia, or other parties)

About 20 people from the government and civil organisations

* Highlights and key outcomes

The Hungarian NCP was one of the lecturers introducing NCPs of neighbouring countries.

1. Does the NCP cooperate with OECD partner organisations and/or other leading organisations working on responsible business conduct? Please check all that apply and provide further details on the nature of the cooperation.
* ILO
* UN Global Compact and its local networks
* UN Office of the High Commissioner on Human Rights
* National Institution for the Protection and Promotion of Human Rights
* Global Reporting Initiative
* ISO
* Other, please provide details.
1. Did the NCP receive enquiries about the Guidelines and the NCP? From (check all that apply):
* Business
* Labour organisations✓
* Non-governmental organisations
* Government agencies
* Other government (e.g. via embassies)
* Other (individuals, press, academia)
1. If available please provide web statistics regarding your NCP’s website:
* How many visitors did the website(s) receive in the reporting period?

We have no such data as the Government website incorporating the HNCP website does not have such function.

* How many downloads of materials on the NCP website (e.g. the Guidelines, brochures, other materials) occurred during the reporting period?

No data

## D. Specific instances

*According to the Procedural Guidance, NCPs are expected to contribute to the resolution of issues that arise relating to the implementation of the Guidelines in specific instances in a manner that is impartial, predictable, equitable and compatible with the principles and standards of the Guidelines.*

1. What are the NCP’s procedures for handling specific instances? Please attach the procedures

The new procedure has not been officially approved yet.

Where applicable please elaborate or note an absence of NCP procedures regarding:

* Requirements on submitting a complaint in a specific instance

The new procedure will give details about these requirements according to the preliminary draft.

* Standing requirements for participating in a specific instance (e.g. rules around who is allowed to bring complaints to an NCP mechanism, who is allowed to participate in mediation).

The new procedure will give requirements about participation in specific instance procedures according to the preliminary draft.

* Confidentiality provisions

The new procedure will have confidentiality provisions according to the preliminary draft.

* Indicative timeframes for the different steps of the procedure

The new procedure will have indicative timeframes for the different steps of the procedure according to the preliminary draft.

* Existence of a statute of limitations

The new procedure will have statute of limitations according to the preliminary draft.

* Publication and availability online of initial assessments

The Hungarian NCP will offer some information about initial assessment according to the preliminary draft.

1. How many new specific instance(s) did the NCP receive in the reporting period?

0

See Annex (template for reporting specific instances)

1. What are the main challenges the NCP encountered in handling specific instances during the reporting period? (check all that apply).
* Parallel legal proceedings
* Parallel public campaigning by complainant
* Unrealistic expectations regarding possible outcomes
* Unwillingness of the company to engage
* Unwillingness of the complainant(s) to engage
* Other (please elaborate)
* No specific instances ✓

## E. Proactive Agenda

*In accordance with the Investment Committee's proactive agenda, NCPs should maintain regular contact, including meetings, with social partners and other stakeholders in order to: a) consider new developments and emerging practices concerning responsible business conduct; b) support the positive contributions enterprises can make to identify and respond to risks of adverse impacts associated with particular products, regions, sectors or industries.*

1. Does the NCP engage in any of the multi-stakeholder advisory groups under the proactive agenda?
* Responsible Mineral Supply Chains? Yes/No. Please specify. No
* Stakeholder Engagement in the Extractive Industries? Yes/No. Please specify. No
* Responsible Business Conduct in the Financial Sector? Yes/No. Please specify. No
* Responsible Agricultural Supply Chains? Yes/No. Please specify. No
* Responsible Supply Chains in the Textile and Garment Sector? Yes/No. Please specify. No
1. How does the NCP use and rely on guidance developed as part of the proactive agenda projects mentioned above? (check all that apply).
* Promotion and awareness raising activities✓
* Dealing with specific instances
* Handling enquiries
* Developing guidance at the national level
* Other

## F. Co-operation and peer learning

*In addition to contributing to the Committee's work to enhance the effectiveness of the Guidelines, NCPs are encouraged to cooperate and engage in horizontal, thematic peer reviews and voluntary peer evaluations. Cooperation and experience sharing can be carried out through meetings at the OECD or hosted by a government and can include mentoring and coaching, direct co-operation between individual NCP on specific issues, etc.*

1. How did the NCP engage in co-operation and experience sharing with other NCPs during the reporting period? Check all that apply:
* Horizontal learning activities ✓
* Co-hosting events✓
* Co-operation in handling specific instances
* Mentoring/capacity building events ✓
* Other ✓

Cooperation in organising the October 2015 Conference

* No co-operation
1. Did the NCP encounter any difficulties in co-operating with other NCPs? If yes, please elaborate. No
2. Is the NCP interested in volunteering for a peer evaluation? Yes/No. Please indicate semester/year. No
3. Is the NCP interested in being part of a peer review team? Yes/No. – Please indicate semester/year. Yes: No preference
4. Please provide suggestions for themes of future horizontal learning exercises.

Specific instance procedure, basic RBC documents, due diligence guidance documents prepared by OECD, enhancing NCP profile, stakeholder engagement, difficulties NCPs are faced with, NCPs in UNGP NAP.

1. Is the NCP interested in hosting an NCP learning/experience-sharing event? Please indicate semester/year.

Yes, in 2016 (coordinated with other events for NCPs)

## G. Impact and future work

1. Have there been any measurable impacts of the Guidelines and/or the efforts of the NCP in the past implementation cycle? For example:
* Have the Guidelines been referred to in national legislation (e.g. on non-financial reporting, export credits regulation etc.)?
* Do any domestic industry standards refer to the Guidelines?
* Other?

None

1. What are the new emerging challenges for enterprises identified by NCPs, notably in developing and emerging economies and sectors?

None

1. How has the NCP helped enterprises address these challenges?
2. What issues might deserve particular attention during the 2016 implementation cycle of the Guidelines? For example:
* Areas for which additional proactive agenda projects would be valuable
* Areas where additional research or analytical support would be helpful
* Areas which would benefit from additional policy dialogue
* Other: ✓ Helping less active NCPs to catch up

Annex: template for reporting specific instances

Please fill in, where appropriate and subject to any relevant confidentiality provisions in the Procedural Guidance and Commentary, the following template for each new specific instance received in the reporting period. Please also provide the link to the initial assessment, if available, and the final statement. Please note that specific instances that were rejected by the NCP also need to be reported upon.

* Title as it appears in the OECD’s database of specific instances: Industry sector, host countries, etc.
* Leading NCP:
* Supporting NCP:
* Description: (issues raised)
* Theme/s: ( indicate the Guidelines chapters mentioned in the submission)
* Host country/ies
* Source: (trade union, NGO, individuals, business or other interested parties)
* Industry sector
* Status: In progress or Concluded
* Summary: (context, good offices, highlights, challenges, opportunities, conclusions, follow up, etc.)
* Initial assessment: From date… to date… Please provide links to relevant public communication issues by the NCP and/or initial assessment.
* Engagement with parties: From date… to date…
* Conclusion of the procedures: From date to date… Please provide links to relevant public communication issues by the NCP and/or final statement.
* Parties consulted with regard to the specific instance procedure
* Link to existing entry in the OECD database of specific instances (<http://mneguidelines.oecd.org/database/>)

Are there any updates on specific instances that were reported and not concluded in the previous reporting period? Yes/No.

* Update on specific instances from previous reporting period
* Title as it appears in the OECD’s database of specific instances: Industry sector, host country (ies), date specific instance was received
* Status: In progress and concluded
* Summary: (context, good offices, highlights, challenges, opportunities, conclusions, etc.)
* Timeframe:
* Engagement with parties: From date… to date…
* Conclusion of the procedures: From date to date… Please provide links to relevant public communication issues by the NCP and/or final statement.
* Parties consulted with regard to the specific instance procedure
* Link to existing entry in the OECD database of specific instances (<http://mneguidelines.oecd.org/database/>)
1. Until 2014, the reporting period for NCPs covered activities undertaken from June to June. From 2015 the reporting period will cover the period from January to December of each year. For practical reasons, the 2015 reporting period will also cover activities between June and December 2014. [↑](#footnote-ref-1)